

Submitter: Patrick Dow

On Behalf Of:

Committee: Senate Committee On Finance and Revenue

Measure, Appointment or Topic: SB1507

Dear Members of the Senate Revenue Committee (Senators Anthony Broadman, Mike McLane, Dick Anderson, Deb Patterson, and Kathleen Taylor),

As a concerned citizen and supporter of Oregon's business community, I am writing to strongly oppose Amendments 4 and 5 to Senate Bill 1507. While I understand the intent to address state revenue needs, these amendments would impose significant additional burdens on Oregon businesses at a time when our state's tax competitiveness is already in steep decline.

SB 1507 originally appeared to focus on conditional tax reductions tied to a potential retail sales tax, but these amendments shift the bill toward disconnecting Oregon's tax code from key federal tax benefits. Specifically, Amendments 4 and 5 would prevent businesses from claiming full first-year depreciation on equipment purchases under Section 168(k) of the Internal Revenue Code, forcing them instead to spread deductions over a longer period, such as five years. This change would delay businesses' ability to reinvest capital quickly, stifling growth and innovation.

Moreover, this disconnection would require businesses to maintain separate sets of books for federal and state tax purposes, adding unnecessary administrative costs and complexity. In an already challenging economic environment, these added expenses could be the tipping point for many small and large businesses alike. All of this would ultimately cost Oregon businesses more, exacerbating our state's declining attractiveness to employers.

Oregon's business tax competitiveness has plummeted from 8th in the nation in 2019 to 35th in the latest Tax Foundation rankings—a staggering 27-place drop in just six years. This decline is not abstract; it's driving real decisions. We've already seen major companies leave Oregon or shift operations elsewhere, including Dutch Bros moving its headquarters to Arizona, Tektronix relocating to North Carolina, Jeld-Wen heading to North Carolina, and Hampton Lumber choosing to build new facilities outside the state.

These departures represent lost jobs, reduced economic activity, and a signal to other businesses that Oregon is no longer a welcoming place to invest.

I urge you to remove Amendments 4 and 5 from SB 1507 to avoid further harming Oregon's business climate. Instead, let's focus on policies that support growth, retain our homegrown companies, and restore our state's competitive edge.

Thank you for considering my testimony.

Patrick Dow