



February 18, 2026

TO: Members of the House Committee on Revenue

FR: Derek Sangston, Oregon Business & Industry

RE: Opposition to Permanently Disconnecting from Tax Provisions of H.R. 1

Chair Nathanson, Vice-chairs Reschke and Walters, members of the House Committee on Revenue. For the record, I am Derek Sangston, policy director and counsel for Oregon Business & Industry (OBI).

OBI is a statewide association representing businesses from a wide variety of industries and from each of Oregon's 36 counties. In addition to being the statewide chamber of commerce, OBI is the state affiliate for the National Association of Manufacturers and the National Retail Federation. Our 1,500 member companies, more than 75% of which are small businesses, employ more than 250,000 Oregonians. Oregon's private sector businesses help drive a healthy, prosperous economy for the benefit of everyone.

Thank you for the opportunity to testify in opposition to SB 1507A, which would disconnect from several pro-growth provisions of H.R. 1. OBI has long supported Oregon's automatic connection to federal tax law. While Oregon's tax system is ranked 35th in general tax competitiveness and 49th in corporate tax competitiveness according to the Tax Foundation, the state's close connection to federal tax law significantly benefits individual and business taxpayers by lowering the administrative burdens and costs associated with paying their state taxes. Those cost savings are so significant that OBI has even supported remaining connected to federal provisions that increase the tax burden paid by businesses in Oregon.

Of great significance, SB 1507A would disconnect from a provision that allows companies to immediately expense investments in equipment and machinery. Allowing bonus depreciation for investments in those assets helps businesses of all sizes invest locally and create new jobs. For instance, a manufacturing company with significant investments in Oregon's land, equipment, and facilities remains committed to growing and employing Oregonians. However, decoupling from federal bonus depreciation would increase the cost of capital investment, making Oregon less competitive on cost and adding an additional barrier to future investment or expansion in Oregon.

While we have been heartened by the recent acknowledgment by many political leaders that Oregon is in dire need of economic development – like the business I just described has done and wants to do more of in this state – permanently disconnecting from bonus depreciation, as SB 1507A would do, would continue to send the wrong message to businesses here. Consequently, OBI urges this committee to amend SB 1507A so that Oregon disconnects from bonus depreciation briefly. Not only has Oregon made the decision to do this in the past, but it would

also help give businesses certainty that future investments in equipment or machinery will not be difficult to track or taxed more punitively than in other states years into the future.

For those reasons, I urge this committee to oppose SB 1507A as drafted and amend it by adopting the -A11 so that businesses are again able to immediately expense investments in equipment and machinery starting in tax year 2028. Thank you for your consideration.

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