

Submitter: Annie Driver
On Behalf Of:
Committee: House Committee On Revenue
Measure, Appointment or Topic: SB1507

To the Members,

As a Certified Public Accountant (CPA) serving businesses across Oregon, I am writing to express my professional concerns regarding Senate Bill 1507. While the bill is framed as a revenue-generating measure, its "partial disconnect" from the federal tax code creates significant negative externalities for Oregon's business climate.

1. Increased Compliance Costs and Administrative Burden

Oregon has historically benefited from "rolling conformity" with the federal tax code. By selectively disconnecting from provisions like bonus depreciation, SB 1507 forces businesses to maintain two entirely separate sets of depreciation schedules and asset records. For small to mid-sized enterprises, this results in higher professional fees and administrative overhead that does nothing to grow their business; it simply pays for the complexity of complying with a non-conforming state.

2. Disincentivizing Essential Capital Investment

Bonus depreciation is a vital tool that allows businesses to reinvest in machinery, equipment, and technology. By eliminating this at the state level, Oregon is effectively increasing the "after-tax cost" of doing business here compared to neighboring states. In an era where we want to encourage local manufacturing and modernization, this bill penalizes those who choose to invest in tangible assets within our borders.

3. Retroactive Uncertainty and "Moving Goalposts"

The retroactive or mid-year nature of these "disconnect" discussions creates a volatile environment for tax planning. Businesses make investment decisions based on the law at the time of purchase. Frequent decoupling creates an image of Oregon as an unstable partner for long-term business planning, potentially driving future investment to more predictable tax environments.

While I understand the state's need to address budget deficits, doing so by complicating the tax code and taxing reinvestment is a short-sighted strategy that will hamper Oregon's competitiveness. I urge you to maintain conformity with federal standards and vote No on SB 1507.

Respectfully,
Annie Driver, CPA
Medford, Oregon