

Submitter: Benjamin Purtzer  
On Behalf Of:  
Committee: House Committee On Revenue  
Measure, Appointment or Topic: SB1507

Dear Representatives,

I am writing to express my strong opposition to Senate Bill 1507. As the owner of a small business operating as an LLC with S-corporation election in Grants Pass, Oregon, this bill would directly and materially harm my ability to sustain my business and livelihood.

**The Burden on Small Businesses Is Already Unsustainable**

SB 1507 would eliminate bonus depreciation on Oregon returns for tangible property, equipment, and vehicles purchased in 2026 and beyond. For a small, independently operated business like mine, the ability to depreciate equipment purchases in the year they are made is not a luxury—it is a fundamental part of how I manage cash flow and reinvest in my business. Removing this provision forces small operators to carry a higher effective state tax burden with no corresponding benefit, while the \$1,000 per-job tax credit offered as an offset is laughably inadequate. As critics of the bill have already noted, a business would need to create more than four new jobs just to offset the tax increase on a single \$50,000 piece of equipment. For a one-person or small-team operation, that math simply does not work.

**Eliminating QSBS Exclusion Punishes Entrepreneurs**

The bill also removes Oregon's conformity with the federal qualified small business stock (QSBS) exclusion. This provision exists specifically to encourage investment in small businesses and startups. Removing it sends a clear signal that Oregon does not value entrepreneurship and is willing to tax the risk-taking that drives local economic growth. This makes Oregon less competitive compared to states that maintain these incentives.

**The \$311 Million Revenue Target Comes at the Wrong Cost**

I understand the state needs revenue. But generating \$311 million by selectively disconnecting from federal tax provisions that primarily benefit small and capital-intensive businesses is targeting the people who can least afford it. Large corporations have the accounting infrastructure and multi-state flexibility to navigate these changes. Small business owners like me do not. We rely on our CPAs, we operate on thin margins, and every additional dollar of state tax liability is a dollar that does not go toward hiring, equipment, or keeping the doors open.

**The Real-World Impact**

I transitioned from W-2 employment to independent contracting to build something for myself in this state. I pay my taxes. I work with a CPA to do things the right way. I am not a large corporation exploiting loopholes—I am a sole operator trying to make a living in Southern Oregon. SB 1507, as written, would increase my state tax obligation with no meaningful offset, reduce my ability to reinvest in my business, and make me seriously question whether Oregon is a viable place to continue operating.

## My Request

I respectfully urge you to vote against SB 1507, or at minimum, to amend the bill to exempt small businesses and pass-through entities from the elimination of bonus depreciation and the QSBS exclusion. The state should not balance its budget on the backs of the small business owners who are the backbone of Oregon's local economies.

I also want to note my support for Senate Bill 1510, which would extend the Pass-Through Entity Elective Tax (PTET) through 2026 and 2027. The PTET is one of the few tools available to S-corporation owners like me to manage the SALT deduction cap, and its extension is critical.

Thank you for your time and consideration.

Respectfully,

Ben

Small Business Owner – Grants Pass, Oregon