



February 18, 2026

House Committee on Revenue

SB 1507

Oregon Farm Bureau opposes Senate Bill 1507

Chair Nathanson and Members of the Committee,

At its core, SB 1507 represents a \$311 million tax increase that is being characterized as a tax cut. Small businesses, including many farms and ranches, do not always have the time, resources, or certainty needed to apply for and secure tax credits. Calling this proposal a tax relief measure does not change the practical reality for producers on the ground.

Oregon Farm Bureau strongly supports maintaining conformity with the federal tax code, particularly with respect to bonus depreciation. The fact that conformity is on the chopping block is deeply concerning. Bonus depreciation is not a loophole — it is a tax timing tool that allows businesses to manage cash flow and reinvest in their operations.

Agriculture is capital intensive. Farmers and ranchers rely on depreciation and expensing provisions when investing in tractors, harvest equipment, irrigation systems, refrigeration, packing facilities, and other essential infrastructure. Removing bonus depreciation at the state level functions as a tax increase on investment. It delays needed upgrades and reduces producers' ability to improve efficiency, safety, and environmental performance — precisely at a time when they are working to remain competitive in volatile markets.

When Oregon decouples from federal tax policy, it forces producers to operate under two separate tax systems — two sets of calculations, two sets of records, and additional professional fees. Farms and ranches already operate on thin margins and manage significant regulatory and reporting requirements. These are not massive corporations; they

are family businesses trying to survive rising input costs, labor challenges, and market uncertainty.

Recent public messaging has suggested this bill supports small businesses and working families while targeting only large corporations. That characterization does not reflect the reality for agriculture. Oregon's farmers and ranchers, the families who grow our food and fiber, would feel the impact of these changes directly.

Major tax changes should not be treated lightly. Policymakers must consider the cumulative effect on producers' ability to compete, both nationally and internationally, and the downstream impact on consumers. Increasing tax complexity and raising the cost of capital investment moves Oregon agriculture in the wrong direction.

For these reasons, we urge the committee to reject provisions that disconnect Oregon from the federal tax code, especially those that remove or limit bonus depreciation and expensing for machinery and equipment.

Thank you.

A handwritten signature in black ink, appearing to read 'LK' or similar initials, written in a cursive style.

Lauren Kuenzi

Director, Government & Political Affairs