

**From:** Douglas Berg  
**To:** [LRO](#)  
**Subject:** Exhibit for Joint Committee on Tax Reform informational meeting 5/9/2017  
**Date:** Thursday, May 04, 2017 12:56:06 PM  
**Attachments:** [Published opinion on taxes.pdf](#)

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Members of the Committee:

I cannot attend the May 9 information meeting, but am respectfully submitting my Exhibit to you.

I am a resident of Eugene and am not associated with any interest group, nor do I represent anyone or group except myself.

Please see my attached Guest Viewpoint, published in The Register Guard on April 27.

I am opposed to a gross receipts tax in any amount. We need to work within the tax system we already have, as elaborated upon in my opinion piece.

This proposed tax, as now acknowledged by most, will largely be passed onto the consumer in the form of higher prices. "Sales tax in disguise" or "sales tax on steroids" are terms recently used to describe it.

This tax would be even more regressive than a traditional sales tax because there is no practical way to directly exempt necessities like food and medicine. The indirect relief proposed by providing some income tax relief for low and middle income people is inadequate, and for many, does not occur until tax filing time. Meanwhile, the higher prices are borne by all.

From a business standpoint, the proposed tax is hugely unfair, as it is largely unrelated to the profits or profit margins of individual businesses. This tax will create large winners and losers among business types, where some corporations will pay a large percentage of their profits and others much less. This is the reason this tax is probably the most disliked tax among businesses, and very few states have adopted it.

Some committee members have stated that this tax is more immune to business cycles than the income tax. That is debatable. Corporate sales plunge during a recession, just like corporate profits.

Also, some members are stating that this tax is less prone to "gaming the system" like the income tax. That, too, is debatable. Already, there are exemptions and special cases in the proposed tax plan. If this tax is enacted, you can be sure there will be a steady stream of lobbyists from the business community every legislative session seeking special tax relief. Just look at Washington state's gross receipts tax, with its many special categories such as "Aerospace".

And finally, elections matter. The voters spoke very firmly last fall by rejecting Measure 97. While the current proposal corrects some of the more outrageous features of Measure 97, it is still a gross receipts tax, with all of its regressiveness and unfairness.

Sincerely,

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