



## **HB 2429: Opposition to treating hay baling equipment as property tax exempt**

Testimony for House Committee on Revenue – 2.21.2019

If we were to think of the Oregon tax code as a piece of fine fabric, we would notice that it is becoming more moth-eaten than whole, year by year losing any rationale for the treatment of property, income, or transactions.

ORS 307.397 exempts from ad valorem property taxation certain types of farm property used farm operations. “The statute that allows this expenditure does not explicitly state a purpose,” notes the Oregon Expenditure Report. “Presumably, the purpose is to improve the financial viability of farming and ease tax administration.”

HB 2429 would add a new category to the 307.397’s exemptions: hay balers.

The text of the bill offers no purpose.

We understand that exempting all property, income and transactions from state tax would allow Oregonians to keep more of their money. Farmers would have no difficulty acquiring hay balers. On the other hand, state government would cease to exist.

Until legislators get in the habit of explaining why they are compelled to propose exempting discrete property, income or transactions from taxation, we are compelled to oppose their proposals.