

Date: 4/11/2019

To: Joint Committee on Student Success

RE: Options for Education Revenue

Chairs Roblan and Smith Warner, Vice Chairs Knopp and Smith, and members of the Committee:

My name is Tina Lyons and I am the owner of Double River Forwarding, based in NE Portland, and a member of Main Street Alliance. First, thank you for your work to find more funding for our state's education system.

I'm here today to support MCAT 1 because it seems the most reasonable approach. The \$150,000 bottom threshold to file seems logical, as does the 25% deduction for inputs and labor. I would like to suggest a more graduated approach though. I think it's important to point out that this tax is on "gross receipts", which is the amount of a company's sales. This tax is not based on the amount of profit. Many of the small companies in my circle charge their customers for products and services they buy from other entities, for no profit at all. For instance, my company processes export shipments for our farmers here in Oregon. On many transactions, we pay for their documentation from the State Ag Dept, the USDA, and other entities. We invoice them for these fees. This makes our revenue high, but that doesn't mean our profit is high. So we could easily have gross revenue over a million dollars, but take in much less profit. With modified CAT, if gross receipts go over a million, the fee suddenly jumps from \$250 flat fee to nearly \$4500. A more graduated approach should acknowledge this.

I attended the Joint Committee on Student Success meeting at Clackamas High School. It was heart breaking, but educational. It was clear the state is failing our students. The Student Success Act addresses many of the concerns we heard, and I support it. However, it does not address higher education funding. I think you would agree that it is not possible to succeed financially in these times, without a college degree. College should be accessible to everyone who wants to succeed, regardless of income level. Unfortunately, the Student Success Act, although well intending, completely disregards this fact.

As a small business owner, I think it's important to support the community in every way I can. I don't mind paying my fair share of taxes. I ask the committee for their support of the "Student Success Act", with amendments for higher education funding, and I urge you to support MCAT1 and find ways, such as a graduated tax over \$1 million or complete reporting, to capture the additional funding needed to make our education system strong, and assessable to all.

Sincerely,

Tina Lyons
Double River Forwarding
Portland, OR