It was called the Paycheck Protection Program, with the idea that the money would go to our employees and keep them off the Oregon unemployment site. That's generally what happened for many of us. As far as the health of the business itself, PPP didn't really provide a measurable benefit yet this proposed Bill appears to take advantage of the businesses that received PPP.

Getting hit with this unexpected retroactive tax at this point in time will clearly increase the number of small Oregon businesses that will be forced to say, 'That's it. I can't survive anymore. I give up.'

From a federal perspective, if you have a business loan and it is forgiven, that automatically is taxable income. It's been in the IRS code forever. Paycheck Protection Program loans break from that code. Congress specified, and the IRS clarified, that forgiven PPP loans will not count as income. This applies whether the entire loan is forgiven or just a portion. Many states, such as Massachusetts and Vermont and others have created bills to amend the state tax code to provide the same relief as the federal government did for their businesses. Apparently, Oregon feels justified to do the opposite.

From an Oregon small business owner's perspective, the PPP money replaced lost revenue to keep employees employed. To just tax this relief and without the benefit of being able to subtract payroll and other costs to calculate taxable income, this Bill creates an unfair and egregious tax exposure.

Oregon's own US Congressman Ron Wyden once said of the CARES Act that a ruling by the IRS and Treasury to apply a tax on PPP "increases the tax burden on small businesses by accelerating their tax liability, all at a time when many businesses continue to struggle and some are again beginning to close. Small businesses need help maintaining their cash flow, not more strains on it."