



# ENGLUND MARINE & INDUSTRIAL SUPPLY

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05/25/2021

RE: SB 137-2 Taxability of PPP Forgiveness

Senate Committee on Finance and Revenue,

We are very disappointed that the State of Oregon is considering taxing our PPP proceeds. This is abusive and inconsistent with the purpose of the PPP loan program. This bill adds complexity and disconnects from Federal law. We strongly urge you to be consistent with the Fed policy on this issue and not tax our PPP forgiveness.

We are a small family business that has operated in Oregon for 75 years. We utilized our PPP funds in “good faith” to retain our employees during COVID. Prior to receiving our loan, we had reduced employee hours at several locations to 24 hours a week and were considering further cutbacks based on decreasing business activity. When our PPP loan funded, we brought back all employees full-time, guaranteeing them 40 hours a week even if we didn’t have work for them. This provided immediate stability in the small communities we operate in and helped speed the recovery. It also reduced the burden on the State’s unemployment program as these employees received help through our business rather than getting pushed to the state unemployment line.

The COVID relief provided by the Federal government was purposely comprehensive. Individuals, business and state governments each received an allocation. And if this bill passes, the state of Oregon is essentially double dipping and taking funds that were earmarked for business relief. This bill would undercut businesses like ours that made real life business decisions in “good faith”. Ethically, this bill is just wrong and is a short-term money grab that goes against the intentions of the Federal stimulus program. Shame on you.

In the past few years the state has already saddled us with a new Corporate Activity Tax that more than doubled (yes doubled!!!!) our income tax in Oregon. When will it stop? It seems lawmakers need to reread Aesop’s “The Goose & the Golden Egg”. Please honor the intentions of the PPP relief and stop trying to kill our business.

Regards,

Jeremy Davis  
Chief Financial Officer  
Englund Marine Supply Co.

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