



101 South A Street ♦ PO Box 155 ♦ Springfield OR 97477 ♦ [p] 541.746.1651 ♦ [f] 541.726.4727

www.springfield-chamber.org

Date: May 25, 2021
RE: Vote No on SB137 Amendment -2
To: Senate Committee on Finance and Revenue

The Springfield Area Chamber of Commerce represents 750 members across the Springfield, Eugene, and surrounding communities of Lane County. We strongly oppose a tax on PPP loans as proposed by SB137-2.

Taxing PPP loans intended to save small business and provide a path to recovery for our state's small business economy is counterintuitive to our goals for economic stability and recovery. It is confusing, unnecessary, and without clear benefit or purpose for working families, small businesses, or the community they serve.

We are grateful to our public health and healthcare community partners under whose leadership we have better understood, appreciated, and **implemented extensive pandemic-related workplace and community safety measures; some of which have received financial support, but most of which have been and will continue to be assumed by businesses.** The pressures have been immense, and yet we continue to pursue the best outcomes for our employees and our community.

Knowing this, **we would expect that our legislators appreciate Oregon small businesses by not imposing new taxes on the very federal assistance meant to bolster their recovery and retain Oregon jobs and positive economic outcomes.** We are particularly concerned about the judgment on the part of our legislative body of enacting a **new tax on the backs of small business** given the **May Revenue Forecast projects a \$2.8 billion positive ending balance** and a federal direct financial aid allocation of **\$2.6 billion from the American Rescue Plan Act of 2021.**

We have many questions deserving of your thoughtful response:

- Why is a new tax on small business necessary?
- For what purpose will these new revenues be used?
- Have you considered the financial impacts of recently mandated mask and vaccination enforcement burdens that continue to add direct costs on small businesses;
- Have you given thorough consideration to how this new tax would encroach on the ability or certainty of businesses intending to increase wages and benefits to recruit for economic demand;
- Finally, please be reminded that \$100,000, the benchmark for the proposed -2 amendment tax, is the approximate equivalent of a loan that would support the payroll and other expenses of a business employing as few as 5.0 FTE;

We urge you to vote with small businesses by voting no on taxing PPP loans intended to keep small business open and employees working.

Respectfully,

A handwritten signature in black ink, appearing to read "V. Mikkelsen".

Vonnie Mikkelsen
President and CEO