



## Oregon School Employees Association

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June 7, 2021

Senate Committee on Finance and Revenue  
Sen. Ginny Burdick, Chair

Dear Chair Burdick and members of the committee:

The Oregon School Employees Association (OSEA) represents more than 22,000 workers in nearly all levels of public education, including Head Start programs, K-12 school districts, ESDs and community colleges. OSEA members perform many of the thankless tasks that keep Oregon public schools safe and functional for students, administrators and teachers.

OSEA's 140 chapters across the state disproportionately cover less-affluent, smaller, and more rural communities, and it's through that lens that our members, as school employees as well as parents and community members, view tax policy.

Senate Bill (SB) 139, improved by amendments like the -7s, will advance three key goals that OSEA has for Oregon's tax system in general, and the pass-through entity (PTE) special rates in particular. Those goals are:

1. Increasing **progressivity**, ensuring that those with greater income and wealth contribute a larger share to support the common good than those with less.
2. **Reducing tax giveaways** to already profitable businesses, especially when limited or no side-boards ensure value to taxpayers as a result.
3. Delivering **more support to bona fide small businesses**, especially those operating in smaller and more rural communities that have the greatest need for investment.

The proposed -7 amendments accomplish all of these goals by better targeting the support that the special PTE tax rates can provide, increasing it for small businesses that are growing or trying to grow, and ending the disproportionate benefit given to PTEs that are already highly profitable.

Simply put, **SB 139 with the -7 amendments will do everything that our current PTE tax rates do, but do it better and at a lower cost** to Oregon taxpayers. OSEA strongly supports taking the opportunity this session to provide a smarter, more effective version of the special PTE tax rates that can bring meaningful benefit to small Oregon businesses in communities throughout our state.

Thank you for your attention,

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