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March 1, 2022

To: The House Committee on Revenue
From: Anthony K. Smith, National Federation of Independent Business
Re: NFIB Written Testimony in Support of SB 1524 A

Chair Nathanson, Vice-Chairs Pham & Reschke, and Members of the Committee:

On behalf of the thousands of Oregon small business members of the National Federation of Independent Business, many being the smallest of small businesses, I would like to express our support for SB 1524 A, the omnibus tax bill for the 2022 legislative session.

Initially, NFIB had several concerns with the bill, but after some good work from the Legislative Revenue Office, the Department of Revenue, the Oregon Society of Certified Public Accountants and other stakeholders, NFIB is supportive of the final product.

Among other provisions, SB 1524 A refines and clarifies the state's Business Alternative Income Tax, a voluntary tax program that allows qualifying business owners to reduce their federal income tax liability at no cost to the state – and instructs the Oregon Department of Revenue to adopt rules providing relief from penalties if sufficient estimated payments are made by either a pass-through entity or its members.

NFIB also supports the changes to Oregon's Corporate Activity Tax found in SB 1524 A, which include administrative technical changes to accommodate businesses filing CAT returns using a fiscal year that differs from the calendar year and exempts sales of prescription drugs sold by local independent pharmacies with nine or fewer locations in Oregon. NFIB appreciates the Legislature's willingness to reexamine and address the unintended consequences of taxing prescription drugs, albeit in a limited manner. This is the right approach to take when evaluating the costs and benefits of a new tax program and we look forward to continuing this conversation.

NFIB respectfully asks you to vote YES on SB 1524 A.

Thank you for your time and consideration,

A handwritten signature in blue ink, appearing to read "Anthony K. Smith".

Anthony K. Smith
NFIB Oregon State Director