

# **Oppose New Diesel and Tire Taxes and Protect Oregon's Economy: *NO on HB 3158***

HB 3158 creates a host of new taxes and fees to fund an incentive program for non-road diesel vehicles. These ideas were discussed at length in 2020, during the Joint Task Force On Supporting Businesses in Reducing Diesel Emissions. There was no consensus following this task force – none of the ideas brought forth in bill were supported by a majority of the task force members.

**Taxing tires increases expenses and prices across the state:** By creating a new tax on tires, this bill increases the cost of a statewide necessity. It will also impact costs to schools, businesses, and everyone else who rely on vehicles to function.

**Taxing companies to give them incentives:** One of the main issues with these concepts is that they tax the very companies who the incentives are intended to help. While we appreciate the intention behind these incentives, forcing companies to pay more for products they are currently purchasing in order to give them less money in return does not actually make it easier for companies to purchase newer equipment. Rather, the increased costs will influence their overall cash flow and make it more difficult for companies to afford new, lower-emission equipment.

**Making New Diesel Equipment and rentals more expensive:** In an attempt to get incentive money for new diesel equipment purchases, this bill actually increases the cost of diesel equipment by implementing an excise tax on the purchase of diesel equipment. Since the equipment will be more expensive than it is currently, the incentive money will not go as far to actually facilitate the purchasing of this equipment. Also, some companies will rent newer equipment to help them meet clean diesel standards in place already. By taxing these rentals, it will cost these companies more money to try to be in compliance with clean diesel standards.

**Busting the Highway Trust Fund:** Several of the funding sources used in this bill would be taking money that is designated for the constitutional highway trust fund. Certain types of state revenue are reserved to be used for highway uses, which these incentives would not be. There is currently not enough money in the highway trust fund to pay for our transportation needs as it is – we cannot afford to be taking funds that should be used for those purposes and use them for something else.

**Creating new taxes strains Oregon's economy, and doesn't actually make meaningful change. We urge your no vote on HB 3158.**



For more information, please contact Kirsten Adams (AGC) 503-990-2262 or Scott Bruun (OBI) 503-720-1329