



Date: February 15, 2023

To: Chair and Members of the Senate Finance and Revenue Committee

From: Scott Bruun, OBI

RE: Testimony in support of SB 127 / CAT Exemption Increase

Chair Meek and Members of the Committee,

I am Scott Bruun, director of tax, fiscal and manufacturing policy for Oregon Business & Industry. OBI is a statewide association representing businesses from a wide variety of industries and from each of Oregon's 36 counties. In addition to being the statewide chamber of commerce, OBI is the state affiliate for the National Association of Manufacturers and the National Retail Federation. Our 1,600 member companies, more than 80% of which are small businesses, employ more than 250,000 Oregonians.

Thank you for the opportunity to testify on this bill. OBI strongly supports SB 127 and we are grateful to Sen Findley for sponsoring the bill, and to Chair Meek for scheduling a hearing.

Increasing the CAT exemption threshold from \$1 million to \$5 million will greatly reduce the overall taxation burden on smaller businesses in Oregon. As others have noted, increasing the exemption threshold to \$5 million would exempt 72% of current CAT filers while only impacting 6.5% of collected CAT revenues.

Now that we have a few years of experience with the CAT, we can clearly see that reducing the number of CAT filers would reduce the administrative burden to collect and audit the program in exchange for a relatively small reduction in CAT revenue collected. Doing so would be a win for good governance and small business.

We urge your support of SB 127.

Thank you.

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