

Testimony for HB 3142 – SUTA Exemption for H-2A Workers

Good afternoon, and thank you for the opportunity to testify today. My name is Parker Sherrell, and I am the owner of Columbia River Land Management LLC, a tree fruit operation in Oregon. As an agricultural employer who relies on H-2A labor, I appreciate the chance to share my perspective on HB 3142, which would exempt employers from paying State Unemployment Tax (SUTA) on behalf of H-2A workers.

The Importance of H-2A Labor to Our Industry

H-2A workers are essential to the success of our business. They provide the skilled, seasonal labor necessary to keep our orchards productive and our business competitive. Their contributions allow us to maintain high-quality production standards while meeting the demands of the marketplace.

Unnecessary Financial Burden

Currently, Oregon imposes SUTA on wages paid to H-2A workers—even though these guest workers do not qualify for unemployment benefits. This requirement forces employers like myself to pay into a system that will never provide a return for these employees. In effect, we are absorbing a tax for a benefit these workers cannot use. This creates an inequitable financial burden on our operations, especially when we are already challenged by a host of other regulatory and operational costs.

Equalizing the Playing Field

Other jurisdictions have recognized this discrepancy. The IRS exempts guest workers from FUTA, and the State of Washington exempts H-2A employers from SUTA. HB 3142 would align Oregon's policies with these practices, ensuring that our state's employers are not unfairly disadvantaged. By eliminating the SUTA requirement for H-2A workers, this bill would level the playing field and help Oregon's agricultural businesses better compete on a regional and national level.

A Step Toward Reducing Regulatory Burdens

Our industry already shoulders a significant regulatory burden that affects our bottom line and limits our capacity to reinvest in our operations. Removing the SUTA tax for H-2A workers is a modest but meaningful step in reducing that burden. It would free up resources that can be redirected toward improving productivity, ensuring sustainable practices, and ultimately supporting job creation and economic growth within Oregon's agricultural sector.

Conclusion

For these reasons, I strongly support HB 3142 and its companion bill, SB 622. Exempting H-2A labor from SUTA is not only fair—it's necessary for sustaining the competitiveness and viability of Oregon's tree fruit industry. I urge the Senate to pass this legislation to help alleviate the burdens placed on agricultural employers and to better support the critical contributions of H-2A workers.

Thank you for your time and consideration.

