

Submitter: Ryan Hutchens

On Behalf Of:

Committee: Joint Committee On Transportation

Measure, Appointment or Topic: HB3362

Dear Co-Chair Gorsek, Co-Chair McLain, Co-Vice Chair Starr, Co-Vice Chair Davis, and Members of the Joint Committee on Transportation,

I am writing to express my strong opposition to House Bill 3362, which proposes a 4% excise tax on the retail sale of new tires in Oregon. While I understand the intent to fund initiatives such as rail transit, tire pollution mitigation, and wildlife crossings, I believe this tax is misguided and will have detrimental effects on Oregon residents and businesses.

Economic Burden on Consumers and Businesses

Implementing a 4% tax on tires will directly increase costs for consumers, many of whom are already facing financial challenges. Tires are essential for daily transportation, and this additional expense disproportionately affects low- and middle-income families who rely on personal vehicles for commuting and essential activities. Moreover, businesses that depend on transportation, such as delivery services and trucking companies, will incur higher operational costs, potentially leading to increased prices for goods and services across the state.?

Violation of Voter Intent

Oregon voters have consistently rejected sales taxes, having voted down such measures ten times. Implementing this excise tax on tires contradicts the clear will of the electorate and sets a concerning precedent for introducing sales taxes under alternative designations.?

Misallocation of Funds

The revenue from this proposed tax is earmarked for the Tire Pollution and Rail Transit Fund and the Wildlife-Vehicle Collision Reduction Fund. While these initiatives have merit, it is inappropriate to finance them through a tax on tire sales. Tire pollution mitigation and wildlife conservation are environmental concerns that should be addressed through broader environmental policies and funding mechanisms, not by placing an undue burden on tire consumers.?

Administrative and Compliance Challenges

Administering this new tax will require additional resources for enforcement and

compliance, both for the state and for retailers. Small businesses, in particular, may struggle with the added complexity of tax collection and remittance, leading to potential non-compliance and associated penalties.?

In conclusion, while the goals of HB 3362 are understandable, the means of achieving them through a 4% excise tax on tire sales are flawed. I urge the committee to consider alternative funding mechanisms that do not place an unfair financial burden on Oregon residents and businesses, nor contradict the expressed will of the voters.

Thank you for considering my testimony.

Sincerely,

Ryan Hutchens