



Stayton Sublimity Chamber of Commerce
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March 3, 2025

Support for SB 381 & SB 490 to Increase CAT Tax Exemption for Oregon's Small Businesses

Dear Members of the Oregon State Legislature,

As a representative of the Stayton Sublimity Chamber of Commerce, representing small businesses throughout Stayton, Sublimity, Aumsville, Turner, Scio and the Santiam Canyon and beyond, I urge you to support tax relief for small businesses in Senate Bills 381 and 490, which propose increasing the exemption threshold for the Corporate Activity Tax (CAT). This adjustment is vital for the prosperity of our state's small businesses and, by extension, the overall economic health of Oregon.

The current CAT structure imposes a tax of \$250 plus 0.57% on taxable Oregon commercial activity exceeding \$1 million. Businesses with taxable commercial activity of \$1 million or more are required to pay the tax of \$250 plus 0.57% on taxable commercial activity above \$1 million. While this framework aims to generate revenue for essential state services, it places a disproportionate burden on small businesses operating with extremely slim margins.

By raising the CAT exemption threshold, SB 381 and SB 490 would provide tax relief to approximately 73% of Oregon businesses. Notably, this change would result in a relatively modest reduction in tax revenue, affecting only about 6.5% of the total CAT collected. This data underscores that the proposed exemption increase would deliver significant relief to a majority of our businesses while maintaining the integrity of state revenues.

Small businesses are the backbone of Oregon's economy, fostering innovation, creating jobs, and enriching our communities. The proposed legislation would enable these enterprises to reinvest in their operations, offer competitive wages, and contribute more robustly to local economies. Given the recently projected budget forecast last week, supporting SB 381 and SB 490 is a strategic move to bolster small businesses without substantially impacting state revenue. I respectfully encourage you to vote in favor of these bills to ensure a thriving economic environment for all Oregonians.

Sincerely,

Carmelle Bielenberg
President & CEO
Stayton Sublimity Chamber of Commerce
Representative for Government Affairs
Stayton Sublimity Chamber of Commerce