



Testimony in Support of SB 381 and SB 490

Date: March 4, 2025

Submitted by: Deanna Palm

President & CEO, Washington County Chamber of Commerce

To: Senate Committee On Finance and Revenue

Chair Meek, Vice Chair McLane, Members of the Committee:

The Washington County Chamber of Commerce appreciates the opportunity to submit testimony in **support of SB 381 and SB 490**. As the leading voice for business in Washington County, we advocate for policies that promote economic growth, job creation, and a fair and predictable business climate. **Our Chamber represents businesses that support over 75,000 jobs in Oregon, making it critical that we champion policies that allow companies to thrive.**

Both SB 381 and SB 490 propose increasing the exempt amount and the filing threshold for the Corporate Activity Tax (CAT) from the current \$1 million in revenue to \$5 million, ensuring that smaller businesses and those with lower margins are not disproportionately burdened by the tax.

Why We Support SB 381 and SB 490:

1. Supports Small Businesses

The CAT, as currently structured, imposes a tax on gross receipts rather than profits, disproportionately impacting small and mid-sized businesses. Raising the exemption threshold to \$5 million will provide relief to many of these businesses, allowing them to reinvest in operations, workforce expansion, and community engagement.

2. Reduces Tax Pyramiding

The CAT applies at multiple levels of the supply chain, leading to tax pyramiding and compounding costs for businesses and consumers alike. Increasing the filing threshold reduces this unintended effect and improves fairness in Oregon's tax system.

3. Aligns with Economic Growth Objectives

Washington County is home to a diverse business community from startups to major employers. Adjusting the CAT exemption allows for a more competitive tax structure that encourages business investment and economic growth while maintaining necessary state revenue.

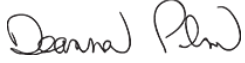
4. Provides Predictability and Stability

Businesses need a predictable tax structure to plan for growth and sustainability. By adjusting the CAT threshold, SB 381 and SB 490 provide much-needed clarity for businesses navigating Oregon's tax landscape. We Support SB 381 and SB 490

The Washington County Chamber of Commerce's 2025 legislative priorities include supporting efforts to increase the current \$1 million revenue threshold for taxable commercial activity and reducing the pyramiding effects of the CAT. SB 381 and SB 490 align with these objectives and represent meaningful reforms that will benefit businesses across the state.

Please feel free to reach out if you have any questions or if the Chamber can be of any assistance.

Respectfully submitted,

A handwritten signature in black ink that reads "Deanna Palm". The signature is written in a cursive, flowing style.

Deanna Palm

President & CEO