

Support for SB 381 & SB 490
Eugene Area Chamber of Commerce
Senate Committee on Finance and Revenue



Support for SB 381 & SB 490: Providing Critical Tax Relief for Oregon's Small Businesses

Dear Chair Meek, Vice-Chair McLane, and Members of the Senate Committee on Finance and Revenue,

My name is Brittany Quick-Warner, CEO of the **Eugene Area Chamber of Commerce**, and on behalf of our members, I am writing to express strong **support for Senate Bills 381 and 490**. These bills propose a necessary increase in the Corporate Activity Tax (CAT) exemption threshold from \$1 million to \$5 million, a change that would provide much-needed relief for Oregon's small businesses.

Since its implementation, the CAT has placed a disproportionate burden on small businesses across the state. Unlike a traditional income tax, the CAT is levied on gross receipts rather than profits, meaning businesses are taxed even when they operate at a loss. This structure is especially harmful to businesses with thin margins, forcing them to either pass costs onto consumers or absorb additional expenses, limiting their ability to hire, invest, and grow.

Oregon's business community has faced significant economic challenges in recent years, including workforce shortages, inflation, and rising operational costs. The current CAT exemption threshold of \$1 million captures thousands of small businesses that were never meant to bear this tax burden. In fact, **businesses with under \$5 million in commercial activity make up approximately 73% of CAT filers but contribute only about 6.5% of total CAT revenue**. Raising the exemption threshold would provide relief to more than 14,000 businesses while preserving the tax's revenue-generating capacity.

SB 381 and SB 490 present an opportunity to make a reasonable, data-driven adjustment that acknowledges the economic realities facing Oregon's small businesses. By raising the exemption threshold, the Legislature can help local employers reinvest in their operations, create jobs, and strengthen Oregon's economy without jeopardizing essential state revenue.

I urge this committee to pass SB 381 and SB 490 to support Oregon's small business community. Thank you for your time and consideration.

Sincerely,

A handwritten signature in black ink, appearing to read "Brittany Quick-Warner".

Brittany Quick-Warner
President & CEO
Eugene Area Chamber of Commerce