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Dear Chair Meek and Members of the Senate Finance & Revenue Committee,

Thank you for the opportunity to comment on SB 381 and SB 490. The Roseburg Area Chamber of Commerce is the leading voice of and advocate for business in Douglas County. On behalf of the businesses, organizations and individuals we represent throughout Douglas County let me express our ardent support for SB 381 and SB 490.

Both of these bills propose increasing the exemption amount and filing threshold for Oregon's Corporate Activity Tax (CAT) from the current \$1 million revenue threshold to \$5 million, to ensure small businesses and businesses with lower profit margins are not disproportionately burdened by the tax.

The proposed legislation is imperative to safeguarding Oregon's small businesses. Small businesses are the backbone of our local communities. However, many small businesses are still struggling with post-pandemic challenges such as workforce shortages, unrelenting inflation, supply chain issues and an unpredictable economy.

In its current structure, the CAT imposes a tax on gross receipts rather than profits which inordinately impacts small and medium-sized businesses. The CAT can substantially adversely impact a small business' cash flow, when so many are struggling to make a profit. Additionally, the unintended consequence of the CAT creates tax pyramiding and compounding costs for businesses as the tax is applied at all stages of the supply chain.

SB 381 and SB 490 can help address some of these challenges facing small business. Raising the threshold to \$5 million will provide needed relief to many of these businesses, allowing them to redirect potential tax payments to invest in their operations, employees and local communities.

We urge you to champion Oregon's small businesses by supporting SB 381 and SB 490.

Respectfully submitted,

ROSEBURG AREA CHAMBER OF COMMERCE  
DOUGLAS COUNTY CHAMBER OF COMMERCE

Debra L. Fromdahl, IOM  
President & CEO



*To advocate for and be the voice of the business community in the greater Roseburg area.*

*To strengthen, enhance and protect our members through political advocacy, economical development, community promotion and member programs and services.*