



March 1, 2025

Chair Meek, Vice-Chair McLane and Members of the Committee –

ORLA is asking for your support for SB 490.

Oregon restaurants generally operate on a 3-5% profit margin, which means a restaurant doing a \$1 million in revenue per year is not making much money. A full-service restaurant open for three meals a day really needs to make \$3 million in revenue a year. Most people would consider that individual restaurant a small business but is not considered a small business under the current CAT exemption.

The current CAT revenues are coming in higher than expected than when the CAT was originally passed. Additionally, most of the products restaurants use are paying the CAT: Food distributors, insurance carriers, beverage companies and food processors. In an indirect way, all our members are actually contributing to the CAT even with the increased exemption amount.

The biggest concerns with the CAT was always about businesses with high volume and low margins. That is our industry. Most local family restaurants would be considered small businesses by most people, but do not fall under the current small business definition for the CAT.

SB 490 includes these types of businesses in the small business exemption. We urge you to please support SB 490 for Oregon's small local restaurants.