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March 4, 2025

To: The Joint Committee on Transportation
From: Anthony K. Smith, National Federation of Independent Business
Re: NFIB Written Testimony in Opposition to HB 3362

Co-Chairs Gorsek & McLain, Vice-Chairs Starr & Boshart Davis, and Members of the Committee:

On behalf of Oregon's small business members of the National Federation of Independent Business, I would like to express our opposition to HB 3362, which would impose a 4% excise tax on the retail sales of tires.

NFIB is the Voice of Small Business. We are a nonprofit, nonpartisan, member-driven organization that advocates on behalf of America's small and independent business owners – both in Washington, D.C. and in all 50 state capitals. NFIB represents thousands of small businesses across the state in every industry sector, many being the smallest of small businesses, with about 90% of our members in Oregon having fewer than 25 employees and 70% having fewer than 10 employees. Together, our members provide jobs for tens of thousands of Oregonians.

HB 3362 would raise the after-tax price of each and every tire subject to this new tax. Oregonians have already been hit with cost increases in nearly every part of the economy due to national and international economic conditions, but this artificial cost increase would be due to action by the Oregon Legislature alone. Oregonians already struggling to afford basic necessities may have to drive more miles on older tires, delaying the replacement of tires that are no longer safe.

While the state may have a desire to generate more revenue to pay for new programs, the passage of HB 3362 would shift the burden of distinguishing between needs and wants from state policymakers to Oregon families – and small businesses that use vehicles (and sell tires) as an essential part of their business operations.

As Oregon businesses face rising costs from persistent inflation and ongoing labor market challenges, we ask legislators to oppose policies that could further negatively impact Oregon's small businesses.

NFIB respectfully asks you to oppose HB 3362.

Thank you for your time and consideration,

A handwritten signature in blue ink, appearing to read "Anthony K. Smith".

Anthony K. Smith
NFIB Oregon State Director