

## Preserve Oregon's Connection to Federal Tax Law Vote NO on HB 2092-A

Oregon's connection to federal tax law is one of the few remaining sources of stability and predictability for employers navigating an increasingly challenging business climate. While regulatory burdens and rising costs already place our state at a competitive disadvantage, Oregon's rolling conformity to federal tax law offers a critical backboard—ensuring straightforward and consistent tax filing and efficient administration.

**HB 2092-A unwinds that stability at the worst possible moment.** The Office of Economic Analysis is already reporting that the state has "lost momentum," with employment declines in manufacturing, leisure and hospitality, and many other industry sectors. Oregon businesses are now also scrambling to contain the impact of tariffs on their supply chains and operations. The last challenge our businesses need is an unraveling of our state tax system.

The 2017 federal tax law, known as the Tax Cuts & Jobs Act, provided a windfall for Oregon revenues by imposing new taxes and limiting deductions. To offset lower federal tax rates, Congress introduced new taxes on larger businesses and restricted a broad range of deductions for small businesses and individuals. Since Oregon uses federal taxable income as the starting point for its income tax, the state quietly adopted these new taxes without a vote. Oregon's business community supported full conformity then, just as it does today — unfortunately, HB 2092-A does the opposite. Congress is poised to extend these tax provisions in the coming months, leaving no reason for the legislature to preemptively disconnect the income tax.

At a time when states across the country are actively recruiting Oregon employers to expand or relocate, **we should be focused on strengthening our competitive position—not weakening it.** Preserving rolling conformity is a practical, proven way to support a stable business environment and protect Oregon's fiscal health.

## Lawmakers shouldn't pour salt on the wounds of our struggling businesses. Please vote NO!

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