

Impact of Proposed Taxes on Business Growth in Rural Oregon

The Economic Challenges Ahead

Rural Oregon's economic landscape faces significant challenges with the introduction of several new tax proposals. As an employee in Klamath County, I understand firsthand the potential detrimental impacts these changes may have on our local rural businesses & rural citizens.

Road Usage Charge

In addition to the payroll tax, the proposed mandatory road usage charge will further strain businesses. This charge will add to the operating costs of companies that rely on transportation, impacting industries like logistics, agriculture, and retail.

New Tire and Gas Taxes

A new tire tax of 3% and a 50% increase in the gas tax will exacerbate the situation. Higher transportation costs increase prices for goods and services, making it difficult for rural businesses to compete with those in less traveled regions. In rural areas there is less density, so more driving is required.

Retention of Corporate Activity Tax (CAT)

The continuation of the Corporate Activity Tax (CAT) further complicates the issue with Oregon currently ranking 48th in the US for being business friendly, the addition of these new taxes creates a formidable barrier to attracting business & for expansions in our state.

Historical Context

The University of Oregon's January summary report highlighted a troubling trend: over the past five years, Oregon has lost thousands of potential jobs and billions in private investments. Businesses are increasingly opting to leave the state due to the unfavorable tax environment (high taxes), and these new proposals will likely accelerate this exodus.

Conclusion

The proposed tax increases present a significant threat to the economic vitality of rural Oregon. By imposing additional financial burdens on businesses, these measures will likely hinder job creation, deter investment, and stifle growth. It is crucial for policymakers to consider the long-term consequences of such decisions and strive to create a more business-friendly environment to foster economic prosperity in our region.

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