

Submitter: Thomas Busse

On Behalf Of:

Committee: Joint Committee On Transportation Reinvestment

Measure, Appointment or Topic: HB2025

I oppose the increase in the bike tax on this bill.

The tax increase is highly regressive given that it is higher as a % for cheaper bikes, meaning wealthy people who buy more expensive bicycles pay proportionately less tax. Second, the marginal \$1M raised is negligible in the context of the state's overall transportation funding. The cost of tax collection on this particular tax eats into the tax proceeds far more than other taxes in this package. I would like to see the bicycle tax abolished altogether. Third, the tax further erodes the Portland area's retail advantage. Although neighboring states have use taxes for goods purchased in Oregon, nobody every pays them, and for items like bicycles or laptop computers, the retail advantage means driving into Portland from Vancouver to purchase a bicycle makes economic sense. With this tax, this is no longer true, and it will lead to the closure of Portland area bicycle shops. Fourth, the tax provides an unnecessary burden of turning private business owners into tax collectors. This is especially true of secondhand stores such as Goodwill that may sell donated bicycles above the \$200 threshold and fall unfairly into the Dept. of Revenue crosshairs.