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Joint Committee on Transportation Reinvestment

Oregon State Legislature 900 Court St NE Salem, OR 97301

RE: Opposition to Proposed STIF Payroll Tax Increase

Dear Co-Chairs and Members of the Joint Committee on Transportation Reinvestment,

As a transit professional with 17 years of experience in public transportation management, I am writing to express strong opposition to the proposed increase in the Statewide Transportation Improvement Fund (STIF) payroll tax.

STIF was created with a clear mission: to **expand transit service**, **connect communities**, and **improve last-mile access**. Unfortunately, the current proposal to increase the tax is not aligned with these goals. Instead of funding new service or improving access, this increase is being positioned as a mechanism to backfill budget shortfalls—an approach that departs fundamentally from the program's original intent.

It is particularly concerning that **Oregon's largest transit providers already have local tax streams** in place. These local resources were designed to ensure financial sustainability, and they should be the first line of defense in addressing any operational funding gaps—not a statewide tax that burdens all Oregonians.

Moreover, the current structure creates serious equity issues. Many Oregonians pay into the STIF but **receive no transit service in return**. A striking example is Canby Area Transit's service in Aurora and Hubbard, both of which lie along 99E. While these areas fall within Salem Cherriots' STIF tax collection zone, Cherriots refuses to support funding the service—even though workers in those communities continue to pay the tax. This is just one of many examples where the promise of STIF is failing those who fund it.

The initial proposal for a 0.4% increase has now become a more modest 0.2% increase. However, the previous proposal was for a .08% increase. Oregon Transit Association members have publicly stated that even that was "not good enough." Even though the proposal has now increased there are still those who claim it isn't enough. Such

statements show a troubling disregard for fiscal restraint and public appreciation. When compromise is met with contempt, it should serve as a red flag to this Committee.

Lastly, this proposal comes at a time when **many Oregonians are facing financial strain**. Increasing payroll taxes now will hurt working families, many of whom are already struggling to make ends meet.

For these reasons, I urge you to **reject the proposed increase to the STIF payroll tax** and instead seek equitable, transparent, and locally accountable solutions to transit funding challenges.

Respectfully,

Todd M. Wood

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