

Submitter: Jacquelin Muro

On Behalf Of:

Committee: Joint Committee On Transportation Reinvestment

Measure, Appointment or Topic: HB2025

****Opposition to HB2025: A Burden on Oregonians****

VOTE NO:

Oregonians are taxed enough already!!

House Bill 2025 (HB2025) proposes a sweeping overhaul of Oregon's transportation-related taxes and fees, introducing a series of increases that would place an undue financial burden on residents, stifle economic growth, and disproportionately harm low- and middle-income families. The bill includes a 37% gas tax hike indexed to inflation indefinitely, a 300% increase in wage tax, a 162% increase in car registration fees, a 146% increase in driver's test fees, a 175% increase in license plate fees, a new 2% transfer fee on new cars, a new electric vehicle (EV) tax, and a staggering 209% increase in the vehicle privilege tax. While proponents may argue that these measures are necessary to fund infrastructure improvements, the cumulative impact of these tax and fee hikes is excessive, poorly timed, and inequitable. This essay outlines the reasons why HB2025 must be opposed, focusing on its economic consequences, regressive nature, and lack of transparency and accountability.

Economic Consequences: A Blow to Oregon's Families and Businesses

The proposed tax and fee increases in HB2025 would significantly raise the cost of living for Oregonians, particularly at a time when many are still recovering from economic challenges. The 37% gas tax increase, which would be permanently indexed to inflation, ensures that fuel costs will continue to rise year after year, regardless of economic conditions or residents' ability to pay. For working families who rely on their vehicles for daily commutes, errands, or small business operations, this perpetual escalation would erode disposable income and force difficult budgetary trade-offs. Similarly, the 300% wage tax increase is an alarming overreach, effectively punishing Oregonians for earning a living. This tax would disproportionately burden small business owners and self-employed individuals, who are already navigating rising operational costs.

The additional fees—162% for car registration, 146% for driver's tests, 175% for license plates, and a 209% vehicle privilege tax—further compound the financial strain. For example, a family purchasing a new vehicle would face not only the 2% transfer fee but also significantly higher registration and privilege taxes, making car ownership prohibitively expensive. These costs would discourage vehicle purchases, potentially harming Oregon's auto industry and related jobs. The introduction of a new EV tax, while perhaps intended to ensure equitable contributions from electric

vehicle owners, risks discouraging the adoption of environmentally friendly vehicles at a time when Oregon is promoting sustainable transportation.

Regressive Impact: Disproportionately Harming Low-Income Oregonians

One of the most troubling aspects of HB2025 is its regressive nature. The proposed tax and fee increases would hit low- and middle-income households the hardest, as these groups spend a larger share of their income on transportation-related expenses. The gas tax, for instance, does not scale with income, meaning that a low-wage worker pays the same per-gallon tax as a high earner. Indexing this tax to inflation ensures that its burden will grow over time, further squeezing those least able to afford it. Similarly, the dramatic increases in registration, is disproportionately affecting lower income families!

Vote NO on HB 2025!!!!