

FROM THE DESK OF THE EXECUTIVE VICE PRESIDENT

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I submitting written testimony as follow up to my in person testimony on June 12<sup>th</sup>.

As I have worked for the Oregon Auto Dealers Association for the past twenty one years, I truly understand the need for transportation funding. Oregon roads, bridges and infrastructure are in serious need of increased attention and solid funding. However, I am writing today to testify in opposition to vehicle related fees and taxes in HB 2025 and the impact on consumers, unintended state revenue impact and segregation of funding mechanisms.

The increased fees and addition of new taxes will disproportionately impact working- and middle-class Oregonians who are already struggling to make ends meet. Typically, auto loans have the lowest default rates of any loans in America. Due to the higher cost of acquisition and operation of a vehicle, auto loan delinquencies have reached a record high.

Let's be honest... a 2% transfer tax really needs to be termed what it is...

### **A SALES TAX**

Oregon residents have fought down a sales tax on multiple occasions... and they will object to this as well. It's a daily struggle for my members to explain the Privilege Tax and CAT to consumers... They always say it is just a SALES TAX... in a state with no sales tax.

So let me demonstrate what a 2% sales tax would look like:

<b>2024 Avg vehicle sale price in Oregon \$48,401 – 2%</b>	<b>\$ 968.02</b>
Privilege Tax	\$ 484.01
Corp Activity tax	<u>\$ 180.00</u>
<b><u>Increased cost to consumer</u></b>	<b><u>\$1,632.03</u></b>

Additionally, insurance rates are at an all time high, Interest rates have not moved down as expected and the impact of tariffs has yet to be realized. All of these combined will add considerable cost to the monthly affordability of owning a car or truck.

### **For families, a vehicle is not a luxury — it's a necessity**

For work, for school or just basic daily needs  
**particularly in areas with limited public transportation.**

The people who can least afford additional costs will be the most impacted. This is both untimely and inequitable.

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My second concern is the state's revenue

When cost of vehicles increase, dealership revenue decrease. For every 1% drop of revenue for a dealership, the states revenue from Corporate Activity Tax will reduce by over \$5000 -8000 per store. Again, let's do the math... \$5,000 times 200 stores = 1,000,000 million dollars per 1% drop. We have seen a 6% drop in the last month just because of the threat of tariffs adding several hundred dollars to the cost of a new vehicle. What if it drops 10%...?

**THAT IS A TEN MILLION DOLLAR HIT TO OREGON CAT REVENUE**

In conclusion, I would like to point out that our conversations with the Joint Committee On Transportation have been consistent in stating there is a need for increased funding. We are not opposed to a fuel tax increase, EV funding mechanism, but CANNOT include increased or new taxes on vehicle sales. Oregon needs smarter, more equitable funding solutions that don't place additional burdens on already strained Oregonian households.

I will make myself or my Executive Committee Members available to be part of the discussion to address the funding needs and believe there are solutions to be had within this bill. The impacted industries were not allowed to have input and simply found out the aspects of the bill at a very late date in this legislative session. Our opinion is it needs to be broken into pieces and address each aspect of funding need by a properly related mechanism, rather than looking to vehicle sales to pay for rail, airports and marine needs. Again, the ones who could least afford it would be the most impacted.

I urge you to reconsider and oppose these punitive revenue mechanisms in this bill... specifically the Transfer Tax - or as I have previously said .... THE SALES TAX

Best Regards,



Greg Remensperger

OADA Vision Statement

Our vision is to be an active dealer network that advocates for dealer success, creates value through collective resources whose members strive to exceed consumer's expectations.

OADA Mission Statement

We exist to inform, benefit and advocate for new car and truck dealers in the state of Oregon