



February 11, 2026

TO: Members of the Senate Committee on Finance and Revenue

FR: Derek Sangston, Oregon Business & Industry

RE: Support for SB 1510 – 1 – Salt Cap Workaround Renewal

Char Broadman, Vice-Chair McLane, members of the Senate Committee on Finance and Revenue. For the record, I am Derek Sangston, policy director and counsel for Oregon Business & Industry (OBI).

OBI is a statewide association representing businesses from a wide variety of industries and from each of Oregon's 36 counties. In addition to being the statewide chamber of commerce, OBI is the state affiliate for the National Association of Manufacturers and the National Retail Federation. Our 1,500 member companies, approximately 75% of which are small businesses, employ more than 250,000 Oregonians. Oregon's private sector businesses help drive a healthy, prosperous economy for the benefit of everyone.

OBI supports SB 1510, as it would be amended by the -1, because it ensures Oregon's smallest businesses can continue to benefit from a revenue neutral policy adopted by 33 states to help some pass-through businesses – like partnerships and S-Corps – reduce their federal tax burden while holding Oregon's general fund harmless. While a renewal of this important policy will help thousands of small businesses throughout Oregon, I urge the committee to consider broadening the policy so that it could be utilized by trusts and provide an option for individual members of pass-through businesses the flexibility to take this benefit even when their business partners do not. Not only did that expanded version of the policy pass the Senate unanimously last session, but it would also be an easy way for the Legislature to increase Oregon's competitiveness when compared to other states and help further Governor Kotek's goal of making Oregon more prosperous.

Since 2019, the effective tax burden imposed on Oregon businesses has grown by 33% and Oregon's general tax competitiveness has dropped from 9th to 35th. While SB 1510 does not reduce the Oregon tax burden for pass-through businesses, it does provide substantial relief to those businesses when it comes to their federal tax burden. Allowing those Oregon businesses to invest, hire, and compete. Given the policy is revenue neutral, OBI would push the Legislature to make it as broadly available as possible so that Oregon's manufacturing and agricultural industries can take full advantage of this policy as they do in other states.

Thank you for your consideration.

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