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Democrats pass \$733 million in tax increases on small and family owned businesses

Beginning of a Billion Dollar Tax Day in Oregon Legislature

Salem, OR – On a strictly partisan vote Thursday, Democrats passed two tax bills that will extract \$733 million from Oregon small and family owned businesses over the next two years. By the end today, the Senate will vote on more than one billion dollars in new taxes, all targeted at Oregon small and family businesses, despite a second-highest in the nation unemployment rate.

“These taxes will undermine the small businesses that create jobs and help communities around Oregon thrive,” said Senator Chris Telfer (R-Bend). “A report released today stated that over the next six years, Oregon will lose 36,000 additional jobs because of these tax increases. These tax increases take our state in exactly the wrong direction.”

According to state officials, 75% of the individuals targeted in just one of the adopted tax increases are small and family business owners. Republicans pointed out that in addition to the immediate loss of jobs, these tax increases will drive business owners to other states over the long term. The two tax bills are:

- HB 3405 A – Increases the tax on Oregon businesses for the “privilege” of doing business in Oregon from \$10 to up to \$100,000 and increases the overall tax rate on Oregon corporations. Total raised: \$261 million.
- HB 2649 A – Creates two brand new, highest-in-the-nation tax brackets at 10.8% and 11%. More than 75% of the individuals paying this tax will be small and family owned businesses. Total raised: \$472 million.

Both bills passed on strict party lines, 18 to 12.

“Democrats are turning a tin ear to Oregon's struggling economy,” said Senator Jeff Kruse (R-Roseburg). “Higher taxes mean employers will be forced to cut jobs. The tragedy is, we don't need tax increases to pay for the services that matter most to Oregonians!”

Republicans proposed a [Back to Basics Budget](#) in May that outlines a way to pay for Oregon's most important priorities without increasing taxes.

“We can't tax our way to prosperity,” said Senator Brian Boquist (R-Dallas). “It's time for state government to live within its means, tighten its belt, and fund the most critical services with existing tax revenue. Oregonians and businesses are being forced to cut spending- Salem should do the same.”

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