**Oppose SB 1528A: Tax increase on Oregon's homegrown businesses**

As a result of federal tax reform, Oregon small businesses will receive a tax savings—a 20% deduction on business income for all pass-through entities to maintain parity with C-Corps.

But now, even *before* state economists have determined the full impact of federal tax reform on Oregon's income tax revenues, SB 1528A is up for a vote. **This bill would eliminate these tax savings and raise taxes on Oregon small businesses by eroding the state's own pass-through entity tax rate structure, the 2013 Small Business Tax Cut.**

**SB 1528A:**

- Raises **$181 million** in revenue by disconnecting Oregon from the federal tax code that applied to pass-through business deductions.
- Undermines the 2013 Grand Bargain by capping tax reductions to pass-through business owners at $250,000 or less in income. Any pass-through business owner above that level would be taxed at the **maximum Oregon tax rate** of 9.9 percent. This raises **$30 million** in revenue.
- Adds sole proprietorships to the Small Business Tax Cut with the caveat that they have at least one year-round, full-time employee. Tax **savings are minimal** when compared to the tax break that will be lost by decoupling from the federal tax code.

Many small businesses lack the capital to reinvest in infrastructure needed to expand. The state should not inhibit economic growth by taxing these businesses in good years.

**The net effect of SB 1528A is not revenue neutral.** SB 1528A is a bill for raising **$81.4 million** in the current biennium and hundreds of millions in new revenue over the next several years.

**Protect Oregon's small and family owned businesses**

**Please vote NO on SB 1528A**