

Dear Members of the Joint Committee on Transportation,

I want to express my strong opposition to the proposed bicycle sales tax.

I run a bicycle manufacturing and retail business with 16 employees. However, I am actually not opposed because of the effect on my individual business. I am opposed because the benefit of this tax is much too low, relative to the costs and burdens it would create.

Unlike the vast majority of bikes sold in the state, the bikes I sell are fairly expensive. So a 3% tax might raise a bit of money...but there are just too few high-end bikes sold to make this tax a meaningful contribution to transportation safety.

- Most bikes sold in Oregon are not very expensive, which means that a sales tax on bikes doesn't raise much money.
- But a tax DOES create a new administrative burden for small businesses and for the state. My small company will now have to take on that administrative burden, as will many other small companies around the state.
- The revenues minus the public and private costs leave not much money for transportation.
- PLUS, we know that if you tax something, demand for it goes down! So that's always a consequence we should consider. Do we want to see less of the thing we're taxing? In the case of smoking, sure. In the case of bicycling, I think not.

I do not want to see less bicycling in the state. I do not want to bear the costs of administering a sales tax. And the revenues raised are, to be honest, piddling in the context of the need.

As a business owner I am willing to contribute *meaningful* amounts of money or effort to the health and well being of our state. This tax proposal would not do so.

Finally, I dislike this idea that there is a group of people who are "bicyclists" and then there are the "rest of us." And that the "bicyclists" are not paying for transportation already.

The truth is that most people bicycle sometimes, and drive sometimes, and pay all the taxes associated with living in Oregon: property taxes, gas taxes, local sales taxes, etc.

The idea that we should have a special tax so that this self-contained group of people who are "bicyclists" so that "those people" can have some "skin in the game" is built on a fictional idea. It is PR turned into policy. Good policy is based on fact, not on talking points.

I urge you to remove the bicycle Sales tax from the bill.

Sincerely,

Sacha White
Owner - Vanilla Bicycle Co.

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