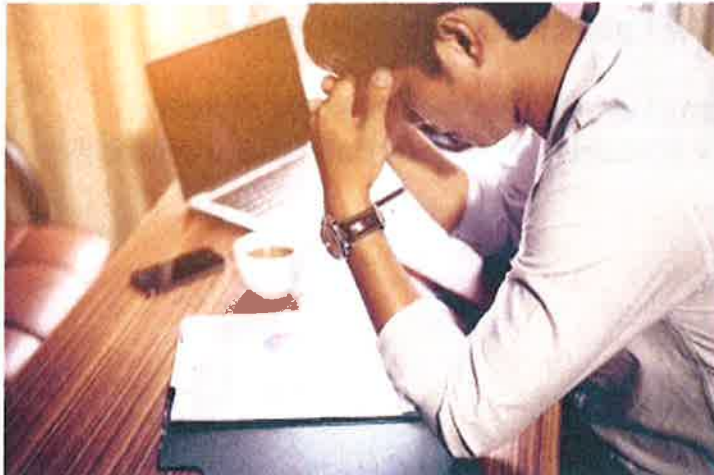


SB 1528 knocks small business with two taxes

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By Oregon NFIB,

[Note: SB 1528 has hearing today]

In response to the new federal tax laws, the Oregon Senate has proposed a state-level tax overhaul.

According to the [Oregonian](#), the proposed tax changes—contained in two bills—would

ensure Oregon taxes multinational corporations' offshore cash, help higher net worth taxpayers get around a new federal cap on the deduction for state taxes, and prevent pass-through entities from getting a state income tax break as a result of the change in federal law.

Senate Bill 1528 makes changes to Oregon's own pass-through entity tax structure, known as the Small Business Tax Cut, by eliminating five of the six brackets and their respective rates and disqualifying certain industries entirely – specifically professional services and health care. It adds sole proprietorships to the list of pass-through businesses that can qualify for the Small Business Tax Cut and increases Oregon's personal exemption credit for low- and middle-income Oregon families.

Senate Republicans came out against S.B. 1528 claiming it was a \$1.3 billion tax increase for local small businesses over a period of six years.

“It appears the Senate Democrats want to punish local Oregon mom and pop small businesses with higher taxes because they so hate the federal tax cuts received by large multinational corporations. The two are not connected,” said Sen. Brian Boquist, the vice-chair of the Senate Finance and Revenue Committee, in the Senate Republican Office press release.

According to [calculations](#) by the state's Legislative Revenue Office, S.B. 1528 will increase taxes on pass-through entities by \$212 million in 2018.

From the Desk of
Senator Jackie Winters

By 2023, that figure increases to \$290 million, amounting to well over \$1 billion in tax increases on Oregon businesses over the six-year period.

In total, S.B. 1528 raises \$81 million in the current 2-year budget – and hundreds of millions in new revenue over the next several years.

In an interview with the East Oregonian, NFIB/Oregon state director Anthony Smith said, “I can’t find a scenario where we have more winners than losers on this.”