

From: [Vicki Helmig](#)
To: [JCSS Exhibits](#)
Subject: HB 3427
Date: Friday, April 19, 2019 1:50:08 PM

Dear Co-Chair Roblan,

As the board treasurer of a local charter school, I am very aware of the need for more funding for schools. Especially as we are working to finish our budget for the next school year. HB 3427 is not the answer as it is written. There is never going to be a time when taxes on gross receipts is the answer. Increasing corporate taxes on net income may be a part of the answer, however taxing gross receipts will never be the right answer.

As a farmer in Oregon, taxing gross receipts will make years with a loss incur an even larger loss. You are taxing costs, not just revenues. Margins in agriculture are not consistent enough to sustain business with taxes on gross receipts. If this was in effect just 5 years ago, we would have no farm by now. I have 4 children. Two of which plan to operate our farm when they become adults. It saddens me that something like this could cause us to lose everything. That a bill that sets out to set children up to reach their dreams is going to potentially squash 2 children's dreams in my home. Our farm was started by my husband's grandparents. We have worked very hard to keep it operating and they have the same plan.

Farms are not the only small businesses that will be affected so negatively. This could put an end to a lot of small businesses in Oregon and force a lot more out of state resourcing.

I am not one who likes to make complaints and problems. As I teach my children the same, I like to have solutions. If we are going to look at taxing corporations, we need to look at taxing their income, not their costs. By assumption, we are looking at corporations because they supposedly have the higher income. Then lets also look at those with higher income. From the bottom bracket to the middle bracket, taxes jump by 2%. To the next bracket, they only go up .9%. Lets move that up to a 2% jump also. In the good years, that means that I would pay almost the same from that additional tax as I would on my gross receipts, but the difference is that I know I have it to pay. Let's also look at adding a bracket. If a household makes over 500,000 or an individual over 250,000, they could be taxed 12% on any amount over those thresholds. On last year's taxes, that would have brought us even closer to the amount that a 2% tax on gross receipts would have brought in. For those with consistently thriving business, that should bring in much closer to the same as what you are trying to get to. If we want to look at taxing corporations more so they do their "fair share" as so many stated last night, then lets look at having corporations match individuals brackets on income, NOT gross receipts.

Oregon is no where near the lowest in the nation on taxing corporations. Some states do not tax them at all and others are as low as 2.5%. Oregon starts at 6.6%. Farmers are already taxed in so many ways from fuel to income to the high costs of labor and the required matching payroll tax costs and then also pay a lot of the state's property taxes because you can't farm if you don't have property. I already spend nearly as much time on government paperwork as I do administrative tasks from payroll to invoicing. This all takes away from my time in the field and forces me to need more labor, also driving up my costs.

Getting tax policy right is crucial!! Taxes on gross receipts will never be an appropriate answer to state revenue. Not for individuals or corporations. In your bill, you are trying to put some money back in to tax payers hands in the middle and lower class. Someone that spoke last night offered a great suggestion of giving a rebate instead that all Oregonians have access to the same rebate. That sounds like a much more fare way to do that.

Groceries on the retail shelf are excluded, but the farm crops prior to sale are subject to taxation. While on highway fuel is excluded, off road fuels will be taxed before delivery to my farm, adding another cost to fuel. Carbon and gross receipts are too much.

Crop insurance and conservation payments would be subject to tax, but are not revenue. Direct employee costs can be subtracted, but that does not include contracted labor. We have been forced to operate primarily through contract labor because of other government regulations and requirements. Farming has too many variables and unpredictable circumstances causing profits to fluctuate greatly from year to year. Taxing gross receipts will cause larger losses in years that those unpredictable circumstances cause a loss. Farmers should not be subject to tax in years where little or no profit is realized.

I can also speak to many of the comments last night asking for everything from early childhood intervention to paid for college. I grew up in poverty. I had my free lunches at school and often did not eat at home. School was my "safe place". I do not know where I would be without the teachers I had that helped me along the way. I am still paying on my school loans because I am white and grew up in poverty. I fully qualified for so much financial aid,

with one exception. I was not a person of color or the right ethnicity. We need to stop perpetuating race, gender ect... We need to teach kindness and understanding so that EVERYONE can be treated with respect and equality. While I support some of the money going to higher education, I do not agree with those that believe it should be free to attend college. That is not a right, that is a choice of how you are going to live your life as an adult. As more of these things are funded without anyone having to work for it, we are depleting our workforce and setting up a standard that all career paths require a higher education. We know that is just not true. What kind of a handout are we going to give those that chose a profession that does not require higher education. That's exactly what it is when we no longer require young adults to pay for their education to realize their goals they have set for themselves. We are not doing them any favors by making them think they do not have to work to achieve those goals. That being said, a deeper look needs to be taken to look at those careers that require a higher education, but the pay does not equal those that others with the same minimum education. The money should be going to those specific places and people. A prime example is teachers. Teachers have to have at least a masters degree to obtain a teaching license, yet they are one of the lowest paying professions. I do believe in my past research that an average teacher makes less than a third of what an average politician makes. It is undebatable, in my opinion, that schools need more funding. However, this bill is not written in a way to best serve all Oregonians. Please vote NO on HB 3427.

Sincerely,

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