

2019 OBI Annual Meeting

*Building Oregon: It Starts With Jobs*



Honoring Senator  
Betsy Johnson

May 7 | 3 p.m. to 6 p.m.  
Salem Convention Center

**REGISTER** ➔



## Tax Update

The Joint Committee on Student Success completed work on [HB 3427](#) last night, laying out plans for \$2 billion in new spending for preK-12 education. The bill goes to the House floor tomorrow and is expected to pass. Senate passage is expected next week.

The bill includes a new commercial activity tax to pay for the education spending. While OBI raised concern about the impact of this new tax burden on Oregon business, we recognized that the Legislature, with a 3/5 Democratic majority in both houses, would have the ability to pass the proposed new tax, and, therefore, we focused on mitigating the impact. In cooperation with other business organizations, we worked with lawmakers on language that would limit tax pyramiding, a characteristic of gross-receipts-based taxes in which a product can be subject to the tax several times in the production process, increasing the effective tax rate.

The bill, as approved by the Joint Committee, would impose a new commercial activity tax on businesses sales above \$1 million in sales or more, with a rate of 0.57 percent. Businesses would be able to deduct 35 percent of their cost of goods sold (as defined by IRS code) or 35 percent of labor costs. OBI continues to seek technical amendments to address industry-specific issues. While certainly not optimal, this tax provision is an improvement on the initial proposal, which would have been a simple gross receipts tax with no ability to deduct business costs.

Today, we issued the following statement about the bill:

*Oregon Business & Industry appreciates the work of the Joint Committee on Student Success and their efforts to improve education outcomes in Oregon. We have spent many months working with the committee, as well as legislative leadership, on the bill, including its tax provisions. While we did not get everything we asked for, lawmakers did make an effort to address the pyramiding characteristic of a gross receipts-based tax, which was our primary concern with the tax option that has been under consideration since the Legislature convened. Based on agreements we reached with legislative leaders, we indicated last night that we were comfortable with the direction the bill is heading and would be neutral on its tax*

provisions, so long as technical fixes are achieved.

The 2019 legislative session has been challenging for Oregon's business community, with multiple costly measures that will impact the ability of many companies to operate successfully and retain jobs in our state. We have estimated that the total cost of all the measures on the table exceeds \$5.6 billion over two years. We continue to talk to legislators about those measures, and we hope to work with them collaboratively to reduce their impact on business.

– Statement from Sandra McDonough, OBI President and CEO

## Building Oregon: It Starts With Jobs



### HONORING

Senator Betsy Johnson with the first Jobs  
Champion Award for her work with the Oregon  
Manufacturing Innovation Center

### WITH GUEST SPEAKERS

Governor Kate Brown  
Senate Republican Leader  
Herman Baertschiger  
Senator Arnie Roblan  
House Speaker Tina Kotek  
House Republican Leader Carl Wilson  
Panel of Business Leaders

## OBI Annual Meeting – May 7

OBI's Annual Meeting is just a week away! Have you registered and reserved your spot?

We invite all our members and partners to join us at the 2019 Annual Meeting on Tuesday, May 7, at the Salem Convention Center. We will bring together economic and civic leaders to discuss how business builds great Oregon jobs.

OBI is honoring Sen. Betsy Johnson with the first Jobs Champion Award, presenting speakers Gov. Kate Brown, House Speaker Tina Kotek, Senate Republican Leader Herman Baertschiger, House Republican Leader Carl Wilson and Sen. Arnie Roblan, and a panel of business leaders will discuss the outlook for growing employment in Oregon.

[Click here](#) to find out more about the event. Or click the image to register.

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Oregon Legislature

## What Happened Last Week

- [HB 3022](#), the workers' compensation bill, had a public hearing and work session in the House Committee on Rules on [April 22](#). OBI has been very involved with the Management-Labor Advisory Committee (MLAC) subcommittee over the past two months on this bill and testified in support at Monday's hearing. A possible work session is scheduled for Wednesday.
- [SB 726](#), a bill dealing with discrimination claims passed the Senate Monday, April 22, and had a first reading in the House on Tuesday. OBI played a role in negotiations that alleviated some of the bill's impacts, although we remain concerned about language that would extend the statute of limitations from one to five years.
- [HB 2509](#), the single-use plastic bag prohibition at checkout stands, moved from the House to the Senate late last week. On [Monday, April 22, the House Committee on Rules](#) voted to move the bill and adopted amendments, including a request from OBI to exempt garment bags from the ban. On Monday it was referred to the Senate Committee on Rules.
- [HB 2269 A](#), the bill requiring employers to contribute to healthcare costs, continues in the Legislature. Lawmakers aim to fill a \$120 million gap in Medicaid funding by imposing fees on employers. On Monday, April 22, OBI testified to the House Committee on Revenue about OBI's objections to the bill.
- [HB 2341](#), which bans employers from denying employment, or failing to make reasonable accommodations, for employees relating to pregnancy, childbirth or related medical conditions, and [HB 2593](#), which requires employers to allow for breast milk pumping or feeding, both had a work session with the Senate Committee on Workforce on Thursday, April 25. The [committee voted](#) to move both bills to the Senate floor.



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## Coming Up This Week

- [HB 2395](#), which requires security for devices connected to the internet, had a public hearing and work session before the Senate Committee on Judiciary [Monday](#).
- [SB 684](#), which relates to vendors notifying customers and the attorney general of a security breach, is scheduled for a work session with the House Committee on Judiciary on [Tuesday](#).

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**Do you have questions about pending legislation? Feel free to contact our team.**

Tax and fiscal policies: [Mike Stober](#)

Education and health care policies: [Nathaniel Brown](#)

Employment and retail policies: [Paloma Sparks](#)

Environment and energy policies: [Sharla Moffett](#)



[Trio of bills aim to reduce Oregon's plastic waste](#)

[Oregon House votes unanimously to repeal gigabit tax break](#)

[Oregon Legislature considers several dozen bills to limit public records access](#)

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## Wholesale Fuel Pricing

OBI has partnered with MCP Petroleum to drive down OBI members' fuel cost. OBI is leveraging the collective purchasing power of our membership to get wholesale fuel pricing for our members. In addition to fuel savings, OBI members will have access to a comprehensive fuel management system that will reduce slippage, save valuable employee time and provide accountability and oversight of your company's fuel consumption.



PETROLEUM

OBI members who use 900 gallons of fuel annually through their company are eligible for this program. Please contact [Jeff DeSantis](#) for more information.

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## LegalPlus Program

Did you know, by being an OBI member you can get free legal advice? OBI and Innova Legal Advisors provides members 15 minutes of legal consultation each month through the LegalPlus program. Check it out by [clicking here](#). Or contact Bob Blackmore at Innova Legal Advisors: Phone: 503-479-7175; email: [Bob.Blackmore@innovalegaladvisors.com](mailto:Bob.Blackmore@innovalegaladvisors.com)



**OBI HealthChoice**  
Big Business Options on  
a Small Business Budget

[LEARN MORE](#) →

The banner features a background image of a person's hands holding a stethoscope over a white lab coat. The text is overlaid in white and purple.

**Smart Oregon  
Businesses Choose  
OBI CompSAFE**

[LEARN MORE](#) →

The banner features a background image of a diverse group of business professionals standing together. The text is overlaid in white and green.

Oregon Business & Industry  
[oregonbusinessindustry.com](http://oregonbusinessindustry.com)  
1149 Court Street NE  
Salem, OR 97301



