

Colleagues,

First, my thanks to those of you who came to my community and many others to fully understand the barriers to student success, and for your smart and careful work designing an integrated strategy for overcoming them. Your product is remarkable.

What I especially appreciate about this package is:

#1, its upstream focus, getting to the early-childhood roots of our education challenges instead of hacking away at the branches as we have in the past, and--

#2, that it ends 30 years, beginning with the passage of Measure 5, of kicking this problem down the road, rejecting proposal after proposal because it just wasn't perfectly friction-free. Today we say we're done making the perfect the enemy of the good—in this case, the very good—and acknowledge that the cost of inaction is far greater than the cost of action.

I admit that one provision of this bill gave me serious pause. It comes from my ongoing concern for the daunting challenges many local governments have providing services, in some cases literally life-and-death services, to their citizens, people we also represent. Those challenges aren't going away anytime soon, and it bothered me that this legislation might deny them the option of levying a similar tax in the future, even if a huge majority of their own citizens want that to happen.

To be clear, I don't see *any* town wanting to boost taxes on the many small-to-midsize businesses operating on a modest margin and investing in their communities in all kinds of ways...**we're asking enough of them already**. But that's not necessarily the case for multinational corporations who sell their wares in many Oregon cities, and who quarter after quarter report to their shareholders big, often massive, profits. I don't think we want to flatly ban Oregonians from asking the largest corporations pulling so much wealth out of their communities to invest a little more back in.

So with some legal help I studied the definition of "commercial activity" in Section 58 of this bill, to understand exactly what's pre-empted. The language is clear that the pre-emption applies to taxes based *on gross receipts*, QUOTE, **without deduction for expenses incurred by the trade or business,** END QUOTE.

That's a very specific definition that doesn't prohibit local taxes merely because they are somehow tied to a company's income or profits. This bill pre-empts local governments from levying a future tax based on a company's TOTAL RECEIPTS, a gross receipts tax legally and logically different from a tax on net income or profits.

Understanding these specific sideboards on the pre-emption in this bill, I am comfortable to add my support on behalf of Oregon's children and Oregon's future. Well beyond that, I'm proud to do so, I hope you will join me.