



# PRESS RELEASE

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## **Pandemic-Impacted Oregon Businesses Seeing Major Tax Relief Due to Legislative Action**

*Rep. Paul Holvey (D-Eugene) and Rep. John Lively (D-Springfield) were among the chief sponsors of the bipartisan House Bill 3389 in 2021*

**SALEM, Ore.** – As Oregon continues its strong economic recovery, Oregon businesses that were most impacted by life-saving efforts during the COVID-19 pandemic are seeing critical tax relief because of legislative action to prevent unemployment insurance rate increases.

Representatives from the Oregon Employment Department (OED) testified today to the House Committee on Business and Labor that approximately 19,000 Oregon employers will have saved \$43.5 million in taxes by the end of the year and 4,000 employers have saved \$1.1 million in interest and penalty forgiveness thanks to the passage of [House Bill 3389](#) during the 2021 legislative session. The department projects that Oregon employers will save \$2.2 billion over 10 years due to the long-term provisions in the bipartisan bill.

“We recognized early in our recovery that there were businesses who made sacrifices to save thousands of lives that might see their tax bill grow because of unemployment insurance rate increases,” Representative [Paul Holvey](#) (D-Eugene), chair of the House Business and Labor Committee, said in a statement. “That was unacceptable, particularly as small businesses were struggling to get back on their feet. We took action to support these businesses, and I’m pleased at the progress the Employment Department has made on this really important program.”

The update comes amid growing signs that Oregon [employment has fully recovered](#) from pandemic-related job loss. An OED report last week said Oregon

reached a record 1,974,700 jobs in August, more than 2,500 jobs above the state's pre-pandemic peak in February 2020.

“The economic shock of the COVID-19 pandemic was completely unprecedented,” Representative [John Lively](#) (D-Springfield) said. “While there is always more work ahead to ensure we are supporting our small businesses and working families, it’s fantastic to see that approximately 125,000 employers have seen a decrease in their tax rate as a result of this bill.”

Additionally, HB 3389 is providing short- and long-term pandemic tax relief to Oregon employers while protecting the Unemployment Insurance Trust Fund.

“Unlike many states that had to borrow money during the pandemic, Oregon’s Unemployment Insurance Trust Fund remains healthy, and we are well prepared to pay benefits should another recession occur,” said Lori Graham, the Acting Contributions and Recovery Division Director at the Oregon Employment Department.

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