



February 5<sup>th</sup>, 2026

Dear Councilors,

We are writing on behalf of the Portland Metro Chamber and Better Portland.

The Chamber is Greater Portland's Chamber of Commerce, representing the largest and most diverse network of businesses in the region. We advocate for business at all levels of government to support commerce, community health, and the region's overall prosperity. We represent more than 2,300 members, from 27 counties, 13 states and virtually every industry sector. More than 81% of our members are small businesses.

Better Portland is a locally rooted business network supporting small businesses, nonprofits, and mission-driven organizations through relationship-based economic development. Better Portland connects members into a collaborative ecosystem that strengthens local commerce, supports workforce and community vitality, and fosters shared problem-solving across sectors. Through convenings, peer learning, and cross-sector connection, the organization helps businesses access opportunity, share expertise, and contribute to a more resilient and inclusive local economy—advancing practical, community-centered growth at the neighborhood and citywide level.

We are writing in support of increasing Portland's Business License Tax (BLT) gross receipts exemption and to encourage your support as this proposal comes before the Finance Committee on February 23 at noon.

This policy would raise the BLT exemption to \$75,000 for tax year 2026 and to \$100,000 for tax year 2027, providing meaningful relief to Portland's smallest businesses while better aligning City policy with current economic conditions.

The BLT gross receipts exemption is intended to allow small businesses to retain critical capital so they can grow and succeed. However, the exemption has



remained at \$50,000 since 2007, and its real value has been significantly eroded by inflation. As a result, many very small businesses are paying taxes earlier in their lifecycle than originally intended, limiting their ability to reinvest in operations, equipment, and hiring.

Based on tax year 2023 data, increasing the exemption to \$75,000 beginning in 2026 is estimated to provide \$1.3 million in tax relief to approximately 4,200 businesses—an average of \$310 per business. Increasing the exemption to \$100,000 in 2027 would provide an additional \$1.2 million in relief to roughly 5,800 businesses, averaging \$207 each. Importantly, approximately 65 percent of the businesses receiving relief are sole proprietors.

This proposal also improves fairness and administrative efficiency. The City's Revenue Division administers both the City Business License Tax and the Multnomah County Business Income Tax, which already has a \$100,000 gross receipts exemption. Aligning the City exemption with the County's threshold will reduce complexity, streamline tax filings, and minimize confusion for small business owners trying to comply with overlapping requirements.

Notably, the Governor's Tax Advisory Group identified increasing the BLT gross receipts exemption as a viable tax reform option in its August 2025 report, recognizing the role this policy can play in supporting small business profitability and economic stability.

Taken together, this is a modest, data-driven adjustment that reflects today's economic realities, supports entrepreneurship, and helps create a more small business-friendly environment in Portland—without undermining the City's fiscal responsibility.

Thank you for your consideration and continued leadership.

T.J. McHugh, Director of Government Affairs, Portland Metro Chamber

Ciara Pressler, Board Chair, Better Portland