

REVENUE IMPACT OF PROPOSED LEGISLATION

74th Oregon Legislative Assembly
2007 Regular Session
Legislative Revenue Office

Bill Number:	SB 176
Revenue Area:	Income, Tobacco, Transit
Economist:	Chris Allanach
Date:	1/26/2007

Measure Description:

Allows the transfer of outstanding liability for taxes, penalty or interest from a business entity that dissolves to a reorganized entity that is substantially the same business. The bill specifies factors that may be considered when determining if the dissolved and reorganized businesses are essentially the same. These factors include: the physical location of the businesses, the services provided or products produced by the businesses, if the businesses have the same corporate directors or officers, or if the businesses have the same owners or holders of a direct or indirect interest in the businesses.

Revenue Impact:

	2007-08	2008-09	2007-09 Biennium	2009-11 Biennium
State General Fund	\$200,000	\$100,000	\$300,000	\$200,000
State Other Funds	< \$50,000	< \$50,000	< \$50,000	< \$50,000
Local Government	< \$50,000	< \$50,000	< \$50,000	< \$50,000

Impact Explanation:

There are currently several cases where a business has an outstanding liability with the Department of Revenue for withholding, tobacco, and transit taxes. The business has dissolved and reorganized as essentially the same business. This bill would allow the DOR to pursue collections activity for these cases. The recurring revenue impact is due to the addition of this tool for DOR collection activities.

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