

REVENUE: No Revenue Impact

FISCAL: May have fiscal impact; statement not yet issued

Action: Do pass as amended, be printed engrossed, and be referred to the Committee on Ways and Means

Vote: 7-0-2

Yeas: Berger, Bruun, Olson, Read, Rosenbaum, Witt, Barnhart

Nays:

Exc.: Butler, Gelser

Prepared By: Paul Warner, Economist

Meeting Dates: 4/26, 5/10, 5/15, 5/16

WHAT THE BILL DOES: Creates Commission on Comprehensive Revenue Restructuring. Directs commission to recommend to the Legislature and Governor changes to Oregon's state and local revenue system. States need for more stable, predictable and adequate revenue system. Establishes 30 member task force. Designates affiliation of members. Spells out task force procedural rules. Directs Legislative Revenue Office to provide staff to the task force. Entitles non-legislative members to reimbursement of expenses incurred in task force activities. Authorizes Legislative Revenue Office to pay reimbursement claims out of appropriations for that purpose. Requires task force to complete initial recommended state plan on or before November 1, 2008. Establishes Oregon Revenue Advisory Council consisting of 7 members to provide technical analysis and advice to task force.

ISSUES DISCUSSED:

- Problems of stability and adequacy created by current revenue system.
- Proposed plan to reduce personal income tax rates and establish retail sales tax contained in bill as introduced.
- Previous efforts at tax reform.
- Public's view of tax system and potential restructuring options.
- Links between revenue system and budget system.

EFFECT OF COMMITTEE AMENDMENTS: Replaces bill

BACKGROUND: The 2003 Legislature established a joint legislative committee on tax reform. The joint committee met at various locations around the state during the 2003-5 interim. The most recent major tax reform proposal submitted to voters was Measure 1 referred by the 1993 Legislature. That proposal which would have established a retail sales tax and reduced property taxes was defeated by voters in November of 1993.

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This summary has not been adopted or officially endorsed by action of the committee.