

**74TH OREGON LEGISLATIVE ASSEMBLY
STAFF MEASURE SUMMARY
HOUSE REVENUE COMMITTEE**

**MEASURE: HB 2592-A
CARRIER: Rep. Read**

REVENUE: Revenue statement issued

FISCAL: No fiscal impact

Action: Do pass as amended; be printed engrossed and rescind subsequent referral to Committee on Ways and Means

Vote: 6-3-0

Yeas: Berger, Gelser, Read, Rosenbaum, Witt, Barnhart

Nays: Bruun, Butler, Olson

Exc.:

Prepared By: Chris Allanach, Economist

Meeting Dates: 2/23, 4/24, 5/10, 5/14, 5/24, 5/25, 6/13

WHAT THE BILL DOES: Requires withholding on certain real estate transactions if the transferor is either a nonresident (if an individual) or is not doing business in Oregon (if a C corporation). The amount withheld is the least of: (a) 4% of the value of the property, (b) 4% of the net proceeds, or (c) 10% of the gain includible in taxable income. Allows state agencies, boards, or commissions that issue occupational or professional licenses to require proof of compliance with Oregon's personal income or corporate excise/income taxes, as defined by the Department of Revenue. Allows them to suspend, revoke, or refuse to issue or renew a license if the licensee fails to demonstrate or maintain compliance. Requires the Department of Revenue to provide collection, enforcement, administration, and distribution services for local governments that impose a tax on income as defined in ORS 316, 317, or 318, if requested.

ISSUES DISCUSSED:

- Efforts of the workgroup
- Technical issues regarding the real estate withholding for nonresidents
- Technical issues regarding the occupational license matching
- Fiscal impact on the Department of Revenue

EFFECT OF COMMITTEE AMENDMENTS: Deleted the withholding from employer-sponsored retirement plans. Deleted original language pertaining to local income taxes. Deleted language providing the Department of Revenue with general rule making authority with respect to withholding. Requires the Department of Revenue to provide collection, enforcement, administration, and distribution services for local governments that impose a tax on income as defined in ORS 316, 317, or 318, if requested.

BACKGROUND: The tax compliance tools included in this bill were part of the A-engrossed version of SB 480 from the 2005 legislative session. That bill was in committee upon adjournment in 2005. This session, another bill relating to tax compliance (SB 39) passed out of the Senate. Together, these two bills are intended to improve compliance with Oregon's income tax laws.

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