

REVENUE: No Revenue Impact

FISCAL: Fiscal impact statement

Action: Do pass as amended and be printed engrossed
Vote: 9-0-0
Yeas: Berger, Bruun, Butler, Gelser, Olson, Read, Rosenbaum, Witt, Barnhart
Nays:
Exc.:
Prepared By: Paul Warner, Economist
Meeting Dates: 3/27, 6/13

WHAT THE BILL DOES: Creates Tax Accountability Commission. Specifies membership of commission. Directs commission to review a list of tax expenditures. Uses definition in ORS 291.201 to define tax expenditures. States that 50 largest income tax expenditures (in terms of revenue loss) are to be included on list. Directs commission to make recommendations to best coordinate the effect of revenue loss from tax expenditures with the state budget, develop objective criteria for measuring whether a proposed tax expenditure is likely to accomplish its stated objectives and make recommendations on appropriate duration of current and future tax expenditures. Directs Legislative Revenue Office, Department of Revenue, Secretary of State and the Department of Administrative Services to assist commission. Entitles commission members to reimbursement of expenses in conducting commission business. Authorizes Legislative Revenue Office to pay for expenses out of appropriations for that purpose. Requires commission to report to Legislature on or before January 1, 2009 concerning its findings and recommendations concerning tax expenditures.

ISSUES DISCUSSED:

- Limit fiscal impact.
- Importance of maintaining partisan balance.
- Links to tax reform.
- Specific constitutional meaning of term "audit".

EFFECT OF COMMITTEE AMENDMENTS: Replaces bill

BACKGROUND: The Legislature approved the Budget Accountability Act of 1995. This act defines tax expenditures and directs the Department of Revenue and the Department of Administrative Services to produce a report summarizing all tax expenditures. The report is released biennially and accompanies the Governor's Recommended Budget preceding the start of the regular legislative session.

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