

# House Bill 2228

Ordered printed by the Speaker pursuant to House Rule 12.00A (5). Pre-session filed (at the request of Governor Theodore R. Kulongoski for Department of Revenue and Office of Regulatory Streamlining of Department of Consumer and Business Services)

## SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure **as introduced**.

Increases authority of county assessors to grant extensions of time for filing property tax returns.

Permits Department of Revenue to grant extensions to persons required to file property tax returns in more than one county.

Applies to returns filed for property tax years beginning on or after July 1, 2008.

## A BILL FOR AN ACT

1  
2 Relating to property tax returns; creating new provisions; and amending ORS 308.250 and 308.290.

3 **Be It Enacted by the People of the State of Oregon:**

4 **SECTION 1.** ORS 308.290 is amended to read:

5 308.290. (1)(a) Every person and the managing agent or officer of any firm, corporation or asso-  
6 ciation owning, or having in possession or under control taxable personal property shall make a  
7 return of the property for ad valorem tax purposes to the assessor of the county in which such  
8 property has its situs for taxation. As between a mortgagor and mortgagee or a lessor and lessee,  
9 however, the actual owner and the person in possession may agree between them as to who shall  
10 make the return and pay the tax, and the election shall be followed by the person in possession of  
11 the roll who has notice of the election. Upon the failure of either party to file a personal property  
12 tax return on or before March 1 of any year, both parties shall be jointly and severally subject to  
13 the provisions of ORS 308.296.

14 (b) Every person and the managing agent or officer of any firm, corporation or association  
15 owning or in possession of taxable real property shall make a return of the property for ad valorem  
16 tax purposes when so requested by the assessor of the county in which such property is situated.

17 (2)(a) Each return of personal property shall contain a full listing of such property and a state-  
18 ment of its real market value, including a separate listing of those items claimed to be exempt as  
19 imports or exports. Each statement shall contain a listing of the additions or retirements made since  
20 the prior January 1, indicating the book cost and the date of acquisition or retirement. Each return  
21 shall contain the name, assumed business name, if any, and address of the owner of the personal  
22 property and, if it is a partnership, the name and address of each general partner or, if it is a cor-  
23 poration, the name and address of its registered agent.

24 (b) Each return of real property shall contain a full listing of the several items or parts of such  
25 property specified by the **county** assessor and a statement exhibiting their real market value. Each  
26 return shall contain a listing of the additions and retirements made during the year indicating the  
27 book cost, book value of the additions and retirements or the appraised real market value of re-  
28 tirements as specified in the return by the assessor.

**NOTE:** Matter in **boldfaced** type in an amended section is new; matter [*italic and bracketed*] is existing law to be omitted. New sections are in **boldfaced** type.

1 (c) There shall be annexed to each return the affidavit or affirmation of the person making the  
 2 return that the statements contained in the return are true. All returns shall be in such form as the  
 3 assessor, with the approval of the Department of Revenue, may prescribe. Prior to December 31  
 4 preceding the assessment year, the department or assessor shall cause blank forms for the returns  
 5 to be prepared and distributed by mail, but failure to receive or secure the form shall not relieve  
 6 the person, managing agent or officer from the obligation of making any return required by this  
 7 section.

8 (3) All returns shall be filed on or before March 1 of each year, but the **county** assessor[, *upon*  
 9 *written request filed with the assessor prior to that date and for good cause shown in the request, shall*  
 10 *allow for*] **or the Department of Revenue may grant** an extension of time **to April 15** within  
 11 which to file the return [*to April 15*] **as provided by subsection (5), (6) or (7) of this section.**  
 12 [*The department shall adopt rules for the granting of extensions under this subsection.*]

13 (4)(a) In lieu of the returns required under subsection (1)(a) or (b) of this section, every person  
 14 and the managing agent or officer of any firm, corporation or association owning or having in pos-  
 15 session or under control taxable real and personal property that is either principal industrial prop-  
 16 erty or secondary industrial property as defined by ORS 306.126 (1) and is appraised by the  
 17 Department **of Revenue** shall file a combined return of the real and personal property with the  
 18 department.

19 (b) The contents and form of the return shall be as prescribed by rule of the department. Any  
 20 form shall comply with ORS 308.297. Notwithstanding ORS 308.875, a manufactured structure that  
 21 is a part of an industrial property shall be included in a combined return.

22 (c) In order that the **county** assessor may comply with ORS 308.295, the department shall pro-  
 23 vide a list to the assessor of all combined returns that are required to be filed with the department  
 24 under this subsection but that were not filed on or before the due date or within the time allowed  
 25 by an extension.

26 (d) If the department has delegated appraisal of the property to the **county** assessor under ORS  
 27 306.126 (3), the department shall notify the person otherwise required to file the combined return  
 28 under this subsection as soon as practicable after the delegation that the combined return is re-  
 29 quired to be filed with the [*county*] assessor.

30 (e) Notwithstanding subsection (1) [*or (3)*] of this section, a combined return of real and personal  
 31 property that is industrial property appraised by the department shall be filed with the department  
 32 on or before March 1 of the year.

33 (5)(a) Any person required to file a return under subsection (4) of this section may apply to the  
 34 Department of Revenue for an extension of [*the*] time **to April 15**, within which to file the return.  
 35 [*to April 15. An extension granted under this subsection shall continue in effect for each subsequent*  
 36 *year unless canceled by the person or revoked by the department.*]

37 **(b) Extensions granted under this subsection may be based on a finding by the depart-**  
 38 **ment that:**

39 **(A) Good or sufficient cause exists for granting an extension for the property tax year**  
 40 **of the return; or**

41 **(B) Granting an extension enhances the accuracy of the filing by the taxpayer and long-**  
 42 **term voluntary compliance. An extension granted under this subparagraph shall continue in**  
 43 **effect for each subsequent property tax year until the taxpayer cancels the extension or the**  
 44 **department revokes the extension.**

45 (c) An extension granted under this subsection shall apply to returns required to be filed **under**

1 **subsection (4) of this section** with either the county assessor or the department.

2 (d) The department shall [*provide for notification of county assessors of the granting of*  
3 *extensions*] **notify assessors in affected counties when the department grants extensions** under  
4 this subsection.

5 (6)(a) **Except as provided in subsection (5) of this section, any person required to file a**  
6 **return with the county assessor under this section may apply to the assessor for an exten-**  
7 **sion of time to April 15 within which to file the return.**

8 (b) **Extensions granted under this subsection may be based on a finding by the assessor**  
9 **that:**

10 (A) **Good or sufficient cause exists for granting an extension for the property tax year**  
11 **of the return; or**

12 (B) **Granting an extension enhances the accuracy of the filing by the taxpayer and long-**  
13 **term voluntary compliance. An extension granted under this subparagraph shall continue in**  
14 **effect for each subsequent property tax year until the taxpayer cancels the extension or the**  
15 **assessor revokes the extension.**

16 (7)(a) **Any person required to file returns in more than one county may apply to the De-**  
17 **partment of Revenue for an extension of time to April 15 within which to file the returns.**  
18 **The department may grant extensions to a person required to file returns in more than one**  
19 **county.**

20 (b) **Extensions granted under this subsection may be based on a finding by the depart-**  
21 **ment that:**

22 (A) **Good or sufficient cause exists for granting an extension for the property tax year**  
23 **of the return; or**

24 (B) **Granting an extension enhances the accuracy of the filing by the taxpayer and long-**  
25 **term voluntary compliance. An extension granted under this subparagraph shall continue in**  
26 **effect for each subsequent property tax year until the taxpayer cancels the extension or the**  
27 **department revokes the extension.**

28 (c) **Whenever the department grants an extension to a person required to file returns in**  
29 **more than one county, the department shall notify the assessors in the counties affected by**  
30 **the extensions.**

31 [(b)] (8) The Department of Revenue shall, by rule, establish procedures and criteria for [*the*  
32 *granting of extensions provided for under paragraph (a) of this subsection. The department shall adopt*  
33 *such rules*] **granting, denying or revoking extensions under this section** after consultation with  
34 an advisory committee selected by the department that represents the interests of county assessors  
35 and affected taxpayers.

36 [(6)] (9) No return shall be controlling on the **county** assessor or on the Department of Revenue  
37 in any respect in the assessment of any property. On any failure to file the required return, the  
38 property shall be listed and [*evaluated*] **assessed** from the best information obtainable from other  
39 sources.

40 [(7)(a)] (10)(a) All returns filed under the provisions of this section and ORS 308.525 and 308.810  
41 [*shall be*] **are** confidential records of the **Department of Revenue or the county assessor's** office  
42 in which [*such*] **the** returns are filed.

43 (b) Notwithstanding paragraph (a) of this subsection, a return described in paragraph (a) of this  
44 subsection may be disclosed to:

45 (A) The Department of Revenue or its representative;

1 (B) The representatives of the Secretary of State or to an accountant engaged by a county under  
 2 ORS 297.405 to 297.555 for the purpose of auditing the county's personal property tax assessment  
 3 roll (including adjustments to returns made by the Department of Revenue);

4 (C) The county tax collector or the tax collector's representative for the purpose of collecting  
 5 delinquent personal property taxes;

6 (D) Any reviewing authority to the extent the return being disclosed relates to an appeal  
 7 brought by a taxpayer;

8 (E) The Division of Child Support of the Department of Justice or a district attorney to the  
 9 extent the return being disclosed relates to a case for which the Division of Child Support or the  
 10 district attorney is providing support enforcement services under ORS 25.080; or

11 (F) The Legislative Revenue Officer for the purpose of preparation of reports, estimates and  
 12 analyses required by ORS 173.800 to 173.850.

13 (c) Notwithstanding paragraph (a) of this subsection:

14 (A) The Department of Revenue may exchange property tax information with the authorized  
 15 agents of the federal government and the several states on a reciprocal basis.

16 (B) Information regarding the valuation of leased property reported on a property return filed  
 17 by a lessor under this section may be disclosed to the lessee or other person in possession of the  
 18 property. Information regarding the valuation of leased property reported on a property return filed  
 19 by a lessee under this section may be disclosed to the lessor of the property.

20 [(8)] (11) If the assessed value of any personal property in possession of a lessee is less than the  
 21 maximum amount of the assessed value of taxable personal property for which ad valorem property  
 22 taxes may be canceled under ORS 308.250, the person in possession of the roll may disregard an  
 23 election made under subsection (1) of this section and assess the owner or lessor of the property.

24 **SECTION 2.** ORS 308.250 is amended to read:

25 308.250. (1) All personal property not exempt from ad valorem taxation or subject to special  
 26 assessment shall be valued at 100 percent of its real market value, as of January 1, at 1:00 a.m. and  
 27 shall be assessed at its assessed value determined as provided in ORS 308.146.

28 (2) If the total assessed value of all taxable personal property required to be reported under ORS  
 29 308.290 in any county of any taxpayer is less than \$12,500 in any assessment year, the county  
 30 assessor shall cancel the ad valorem tax assessment for that year.

31 (3) In any assessment year or years following an assessment year for which taxes are canceled  
 32 under subsection (2) of this section, the taxpayer may meet the requirements of ORS 308.290 by fil-  
 33 ing, within the time required **or extended** under ORS 308.290, a verified statement with the county  
 34 assessor indicating that the total assessed value of all taxable personal property of the taxpayer  
 35 required to be reported under ORS 308.290 in the county is less than \$12,500. The statement shall  
 36 contain the name and address of the taxpayer, the information needed to identify the account and  
 37 other pertinent information, but shall not be required to contain a listing or value of property or  
 38 property additions or retirements.

39 (4)(a) For each tax year beginning on or after July 1, 2003, the Department of Revenue shall  
 40 recompute the maximum amount of the assessed value of taxable personal property for which ad  
 41 valorem property taxes may be canceled under this section. The computation shall be as follows:

42 (A) Divide the average U.S. City Average Consumer Price Index for the prior calendar year by  
 43 the average U.S. City Average Consumer Price Index for 2002.

44 (B) Recompute the maximum amount of assessed value for which taxes may be canceled by  
 45 multiplying \$12,500 by the appropriate indexing factor determined as provided in subparagraph (A)

1 of this paragraph.

2 (b) As used in this subsection, "U.S. City Average Consumer Price Index" means the U.S. City  
3 Average Consumer Price Index for All Urban Consumers (All Items) as published by the Bureau of  
4 Labor Statistics of the United States Department of Labor.

5 (c) If any change in the maximum amount of assessed value determined under paragraph (a) of  
6 this subsection is not a multiple of \$500, the increase shall be rounded to the nearest multiple of  
7 \$500.

8 **SECTION 3. The amendments to ORS 308.250 and 308.290 by sections 1 and 2 of this 2007**  
9 **Act apply to returns filed for property tax years beginning on or after July 1, 2008.**

10