

# House Bill 2692

Sponsored by COMMITTEE ON REVENUE

## 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**.

Eliminates sunset on telephone line subscriber tax used to fund 9-1-1 emergency reporting system and related emergency communications equipment and services.

Requires Department of Revenue to base adjustments to rate of tax applied to subscriber lines for 9-1-1 service on changes to cost of living identified in Consumer Price Index. Requires department to adjust rate of tax at five-year intervals.

Directs department to determine amount of first rate adjustment for application to subscriber bills issued on or after January 1, 2013.

## A BILL FOR AN ACT

1  
2 Relating to 9-1-1 telecommunications tax; creating new provisions; amending ORS 401.792 and sec-  
3 tion 4, chapter 5, Oregon Laws 2002 (first special session); and providing for revenue raising  
4 that requires approval by a three-fifths majority.

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

6 **SECTION 1.** Section 4, chapter 5, Oregon Laws 2002 (first special session), as amended by sec-  
7 tion 1, chapter 4, Oregon Laws 2002 (third special session), is amended to read:

8 **Sec. 4.** (1) Taxes imposed under [*section 10, chapter 533, Oregon Laws 1981, as amended by sec-*  
9 *tion 1, chapter 793, Oregon Laws 1989, section 12, chapter 743, Oregon Laws 1991, section 1, chapter*  
10 *808, Oregon Laws 1993, section 2, chapter 276, Oregon Laws 1995, section 2, chapter 740, Oregon Laws*  
11 *2001, and section 1, chapter 5, Oregon Laws 2002,*] **ORS 401.792** apply to subscriber bills issued on  
12 or after January 1, 2002[, and before January 1, 2008].

13 (2) Taxes imposed under [*section 10, chapter 533, Oregon Laws 1981,*] **ORS 401.792** on or after  
14 January 1, 2002, and before May 13, 2002, are due and payable by the subscriber to the provider on  
15 or before 20 days after the first day of the month following May 13, 2002. Taxes that are not paid  
16 by the subscriber to the provider within the time required shall bear interest at the rate established  
17 under ORS 305.220 for each month, or fraction of a month, from the date that is 20 days after the  
18 first day of the month following May 13, 2002, until paid.

19 (3) Unless previously remitted, taxes that are paid to the provider under subsection (2) of this  
20 section shall be remitted by the provider to the Department of Revenue at the time and in the same  
21 manner as taxes imposed under [*section 10, chapter 533, Oregon Laws 1981,*] **ORS 401.792** for the first  
22 month following May 13, 2002, are remitted to the department.

23 **SECTION 2.** ORS 401.792 is amended to read:

24 401.792. (1) There is imposed on each paying retail subscriber who has telecommunication ser-  
25 vices with access to the 9-1-1 emergency reporting system a tax equal to 75 cents per month. The  
26 tax shall be applied on a telecommunications circuit designated for a particular subscriber. One  
27 subscriber line shall be counted for each circuit that is capable of generating usage on the line side  
28 of the switched network regardless of the quantity or ownership of customer premises equipment

**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 connected to each circuit. For providers of central office based services, the tax shall be applied to  
 2 each line that has unrestricted connection to the switched network. Those central office based ser-  
 3 vice lines that have restricted connection to the switched network shall be charged based on soft-  
 4 ware design in the central office that restricts the number of station calls to and from the network.  
 5 For cellular, wireless or other radio common carriers, the tax shall apply on a per instrument basis  
 6 and only if the subscriber's place of primary use, as defined and determined under 4 U.S.C. 116 to  
 7 126, is within this state.

8 (2) The subscriber shall be liable for the tax imposed by this section.

9 (3) The amounts of tax collected by the provider shall be considered as payment by the sub-  
 10 scriber for that amount of tax.

11 (4) Any return made by the provider collecting the tax shall be accepted by the Department of  
 12 Revenue as evidence of payments by the subscriber of amounts of tax so indicated upon the return.

13 **(5) The Department of Revenue shall adjust the rate of tax identified in subsection (1)**  
 14 **of this section at five-year intervals. The Department of Revenue shall base the rate ad-**  
 15 **justment on the change in the cost of living identified in the U.S. City Average Consumer**  
 16 **Price Index for All Urban Consumers (All Items) published by the Bureau of Labor Statistics**  
 17 **of the United States Department of Labor for the most recent five-year period ending not**  
 18 **later than three months before the Department of Revenue applies the adjustment.**

19 **SECTION 3. The Department of Revenue shall:**

20 **(1) Determine the amount of the first rate adjustment required by the amendments to**  
 21 **ORS 401.792 by section 2 of this 2007 Act on October 1, 2012.**

22 **(2) Apply the first rate adjustment required by the amendments to ORS 401.792 by section**  
 23 **2 of this 2007 Act to subscriber bills issued on or after January 1, 2013.**

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