

House Bill 3048

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**.

Modifies calculation of corporate income and excise tax kicker to be percentage of corporate income or excise taxpayer's tax liability for prior year.

Applies to biennia beginning on or after July 1, 2007.

A BILL FOR AN ACT

1
2 Relating to surplus refunds; creating new provisions; and amending ORS 291.349.

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

4 **SECTION 1.** ORS 291.349 is amended to read:

5 291.349. (1) As soon as practicable after adjournment sine die of the regular session of the
6 Legislative Assembly, the Oregon Department of Administrative Services shall report to the Emer-
7 gency Board the estimate as of July 1 of the first year of the biennium of General Fund and State
8 Lottery Fund revenues that will be received by the state during that biennium. The Oregon De-
9 partment of Administrative Services shall base its estimate on the last forecast given to the Legis-
10 lative Assembly before adjournment sine die of the regular session on which the printed, adopted
11 budget prepared in the Oregon Department of Administrative Services is based, adjusted only insofar
12 as necessary to reflect changes in laws adopted at that session. The report shall contain the esti-
13 mated revenues from corporate income and excise taxes separately from the estimated revenues from
14 other General Fund sources. The Oregon Department of Administrative Services may revise the esti-
15 mated revenues from corporate income and excise taxes separately from the estimated revenues from
16 other General Fund sources. The Oregon Department of Administrative Services may revise the esti-
17 mated revenues from corporate income and excise taxes separately from the estimated revenues from
18 other General Fund sources. The Oregon Department of Administrative Services may revise the esti-
19 mated revenues from corporate income and excise taxes separately from the estimated revenues from
20 other General Fund sources. The Oregon Department of Administrative Services may revise the esti-
21 mated revenues from corporate income and excise taxes separately from the estimated revenues from
22 other General Fund sources. The Oregon Department of Administrative Services may revise the esti-
23 mated revenues from corporate income and excise taxes separately from the estimated revenues from
24 other General Fund sources. The Oregon Department of Administrative Services may revise the esti-
25 mated revenues from corporate income and excise taxes separately from the estimated revenues from
26 other General Fund sources. The Oregon Department of Administrative Services may revise the esti-
27 mated revenues from corporate income and excise taxes separately from the estimated revenues from
28 other General Fund sources. The Oregon Department of Administrative Services may revise the esti-
29 mated revenues from corporate income and excise taxes separately from the estimated revenues from
30 other General Fund sources. The Oregon Department of Administrative Services may revise the esti-
31 mated revenues from corporate income and excise taxes separately from the estimated revenues from
other General Fund sources.

(2) As soon as practicable after the end of the biennium, the Oregon Department of Adminis-
trative Services shall report to the Emergency Board, or the Legislative Assembly if it is in session,
the amount of General Fund revenues collected as of the last June 30 of the preceding biennium.
The report shall contain the collections from corporate income and excise taxes separately from
collections from other sources.

(3) If the revenues received from the corporate income and excise taxes during the biennium
exceed the amounts estimated to be received from such taxes for the biennium, as estimated after
adjournment sine die of the regular session, by two percent or more, the total amount of that excess
shall be credited to corporate income and excise taxpayers in a percentage amount of **prior year**
corporate excise and income tax liability as determined under subsection (5) of this section. How-
ever, no credit shall be allowed against tax liability imposed by ORS 317.090.

(4) If the revenues received from General Fund revenue sources, exclusive of those described in
subsection (3) of this section, during the biennium exceed the amounts estimated to be received from
such sources for the biennium, as estimated after adjournment sine die of the regular session, by two

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 percent or more, there shall be refunded from personal income tax revenues an amount equal to the
 2 total amount of that excess, reduced by the cost certified by the Department of Revenue under ORS
 3 291.351 as being allocable to payments described under this subsection. The excess amount to be
 4 refunded shall be paid to personal income taxpayers in a percentage amount of prior year personal
 5 income tax liability as determined under subsection (6) of this section.

6 (5)(a) If there is an excess to be credited under subsection (3) of this section, on or before Oc-
 7 tober 1, following the end of each biennium, the Oregon Department of Administrative Services shall
 8 determine and certify to the Department of Revenue the percentage amount of credit for purposes
 9 of subsection (3) of this section. The percentage amount determined shall be a percentage amount
 10 to the nearest one-tenth of a percent that will distribute the excess to be credited to corporate ex-
 11 cise and income taxpayers [*for taxable years beginning in the calendar year during which the excess*
 12 *is determined*].

13 **(b) The percentage amount shall equal the amount distributed under subsection (3) of**
 14 **this section divided by the estimated total corporate income and excise tax liability for all**
 15 **corporate income and excise taxpayers for tax years beginning in the calendar year imme-**
 16 **diately preceding the calendar year in which the excess is determined.**

17 **(c) The Department of Revenue shall multiply the percentage amount determined under**
 18 **paragraph (b) of this subsection by the total amount of a corporate income or excise tax-**
 19 **payer's tax liability for the tax year beginning in the calendar year immediately preceding**
 20 **the calendar year in which the excess is determined in order to calculate the amount to be**
 21 **credited to the taxpayer.**

22 **(d) The credit shall be computed after the allowance of any other credit or offset against tax**
 23 **liability allowed or allowable under any provision of law of this state, and before the application**
 24 **of estimated tax payments, withholding or other advance tax payments.**

25 (6)(a) If there is an excess to be refunded under subsection (4) of this section, on or before
 26 September 15, following the end of each biennium, the Oregon Department of Administrative Ser-
 27 vices shall determine and certify to the Department of Revenue the percentage amount of refund
 28 payment for purposes of subsection (4) of this section. The percentage amount so determined shall
 29 be a percentage amount to the nearest one-hundredth of a percent that will distribute the excess to
 30 be refunded to personal income taxpayers under subsection (4) of this section. The percentage
 31 amount shall equal the amount distributed under subsection (4) of this section divided by the esti-
 32 mated total personal income tax liability for all personal income taxpayers for tax years beginning
 33 in the calendar year immediately preceding the calendar year in which the excess is determined.

34 (b) The Department of Revenue shall multiply the percentage amount determined under para-
 35 graph (a) of this subsection by the total amount of a personal income taxpayer's tax liability for the
 36 tax year beginning in the calendar year immediately preceding the calendar year in which the ex-
 37 cess is determined in order to calculate the amount of the refund to be made to the taxpayer.

38 (c) The refund described under this subsection shall be subject to the rules allowing setoff of
 39 refunds or sums due debtors of this state under ORS 293.250.

40 (d) The refund described under this subsection shall be mailed by the Department of Revenue
 41 to personal income taxpayers eligible for the payment on or before December 1 following the end
 42 of the biennium for which the payment described under this subsection is being made.

43 (e) Notwithstanding paragraph (d) of this subsection, the Department of Revenue shall mail the
 44 refund at the earliest date of practicable convenience in the case of a return:

45 (A) For a tax year beginning in the calendar year immediately preceding the calendar year in

1 which the excess is determined for which refund is being made; and

2 (B) That is first filed on or after August 15 after the end of the biennium.

3 (7) No refund shall be made to a taxpayer if, after making the calculation described under sub-
4 section (6) of this section, the amount calculated is less than \$1.

5 **SECTION 2. The amendments to ORS 291.349 by section 1 of this 2007 Act apply to**
6 **biennia beginning on or after July 1, 2007.**

7
