

Senate Bill 954

Sponsored by Senator DECKERT; Senators AVAKIAN, BURDICK, DEVLIN, L GEORGE, JOHNSON, STARR, Representatives BARKER, BONAMICI, BRUUN, FLORES, GALIZIO, MACPHERSON, READ (at the request of Washington County)

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**.

Requires persons receiving property tax exemptions under strategic investment program to use alternative withholding procedures on wages paid to employees at project site.

Establishes Shared Services Fund. Requires withheld taxes to be deposited in fund. Continuously appropriates moneys in fund to Oregon Department of Administrative Services for distribution to _____.

Applies to tax years beginning on or after January 1, 2007.
Takes effect on 91st day following adjournment sine die.

A BILL FOR AN ACT

1
2 Relating to taxation; appropriating money; and prescribing an effective date.

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

4 **SECTION 1. Sections 2 and 3 of this 2007 Act are added to and made a part of ORS 316.162**
5 **to 316.221.**

6 **SECTION 2. (1) An eligible project receiving a property tax exemption under ORS 307.123**
7 **shall withhold, in lieu of the state personal income tax withholding requirements under ORS**
8 **316.167, _____ percent of the compensation paid to employees at the project site receiving**
9 **a property tax exemption under ORS 307.123.**

10 **(2)(a) For tax years beginning on or after January 1, 2009, the Department of Revenue**
11 **may by rule prescribe a withholding percentage that reflects the department's best estimate**
12 **of state personal income tax attributable to qualifying compensation. If a withholding per-**
13 **centage is established by rule, a person described in subsection (1) of this section shall**
14 **withhold compensation at the percentage established by rule in lieu of the withholding per-**
15 **centage established in subsection (1) of this section and the state personal income tax with-**
16 **holding requirements under ORS 316.167.**

17 **(b) The Department of Revenue shall certify the annual amount of personal income tax**
18 **generated by each qualified strategic investment project under ORS 285C.600 to 285C.626.**

19 **(c) The governing body in each county in which there is an eligible project under ORS**
20 **285C.600 to 285C.626 receiving a property tax exemption under ORS 307.123 shall estimate**
21 **employment at the eligible project based on the strategic investment program application**
22 **filed with the county.**

23 **(3) A person who withholds amounts under this section shall pay the amounts withheld**
24 **to the Department of Revenue and shall file combined quarterly tax and assessment reports**
25 **in accordance with ORS 316.168.**

26 **(4) A person who is required to withhold amounts under this section shall file, in addition**
27 **to any other reports required by law, a report with the Economic and Community Develop-**

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 **ment Department, reporting:**

2 (a) **The total amount of qualifying compensation paid by the person;**

3 (b) **The names, taxpayer identification numbers and amounts of qualifying compensation**
 4 **paid to each employee receiving qualifying compensation during the period during which the**
 5 **eligible project received a property tax exemption;**

6 (c) **The total amount withheld under this section for the period during which the eligible**
 7 **project received a property tax exemption; and**

8 (d) **Any other information required by the department.**

9 (5) **The report required by subsection (4) of this section must be filed with the Economic**
 10 **and Community Development Department annually on or before January 31 of each year that**
 11 **the eligible project receives the exemption under ORS 307.123. The department shall report**
 12 **the total amount reported by each person under subsection (4)(c) of this section to the De-**
 13 **partment of Revenue.**

14 (6) **Notwithstanding ORS 316.171 or any other law governing claims for refund of withheld**
 15 **amounts under ORS 316.162 to 316.221, a person who withholds amounts under this section**
 16 **may not file a claim for refund with respect to any amount shown as having been withheld**
 17 **or any payment accompanying a report filed under ORS 316.162 to 316.221 for a reporting**
 18 **period that overlaps a period for which a report is filed under subsection (4) of this section.**

19 **SECTION 3. (1) Notwithstanding ORS 316.168 or 316.502, the Department of Revenue shall**
 20 **deposit into a suspense account established under ORS 293.445 amounts that are withheld**
 21 **and paid to the department under section 2 of this 2007 Act and that equal the amounts re-**
 22 **ported to the department by the Economic and Community Development Department under**
 23 **section 2 (5) of this 2007 Act.**

24 (2) **Notwithstanding ORS 314.835 or 314.840 or any other law concerning the disclosure**
 25 **of tax information, the Department of Revenue may send copies of withholding reports filed**
 26 **under ORS 316.162 to 316.221 by a person receiving a property tax exemption under ORS**
 27 **307.123 and statements of the amounts actually withheld by the person to the Economic and**
 28 **Community Development Department.**

29 (3)(a) **Amounts necessary to reimburse the Department of Revenue for the expenses of**
 30 **the Department of Revenue in administering this section and section 2 of this 2007 Act, not**
 31 **to exceed one-half of one percent of amounts deposited in the suspense account described in**
 32 **subsection (1) of this section, are continuously appropriated to the Department of Revenue**
 33 **from the suspense account.**

34 (b) **Amounts necessary to reimburse the Economic and Community Development De-**
 35 **partment for the expenses of the Economic and Community Development Department in**
 36 **administering this section and section 2 of this 2007 Act, not to exceed one-half of one per-**
 37 **cent of amounts deposited in the suspense account described in subsection (1) of this section,**
 38 **are continuously appropriated to the Economic and Community Development from the sus-**
 39 **pense account.**

40 (c) **The balance of the suspense account shall be transferred to the Shared Services Fund**
 41 **established under section 4 of this 2007 Act.**

42 **SECTION 4. (1) The Shared Services Fund is established in the State Treasury, separate**
 43 **and distinct from the General Fund. Interest earned by the Shared Services Fund shall be**
 44 **credited to the fund.**

45 (2) **All moneys in the Shared Services Fund are continuously appropriated to the Oregon**

1 **Department of Administrative Services, to be distributed as follows:**

2 (a) _____;

3 (b) _____;

4 (c) _____; and

5 (d) _____.

6 **SECTION 5. Sections 2 and 3 of this 2007 Act apply to tax years beginning on or after**
7 **January 1, 2007.**

8 **SECTION 6. This 2007 Act takes effect on the 91st day after the date on which the reg-**
9 **ular session of the Seventy-fourth Legislative Assembly adjourns sine die.**

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