

**A-Engrossed**  
**Senate Joint Resolution 3**

Ordered by the Senate February 26  
Including Senate Amendments dated February 26

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**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.

Proposes amendment to Oregon Constitution to eliminate surplus "kicker" refund of corporate income and excise taxes that exceed estimate of corporate income and excise tax revenues by two percent or more. **Requires total amount of excess be deposited in rainy day savings account.**

Refers proposed amendment to people for their approval or rejection at [*next regular general election*] **special election to be held May 15, 2007.**

**JOINT RESOLUTION**

**Be It Resolved by the Legislative Assembly of the State of Oregon:**

**PARAGRAPH 1.** The Constitution of the State of Oregon is amended by creating a new section 14a to be added to and made a part of Article IX, and by amending section 14, Article IX, such sections to read:

**Sec. 14.** (1) As soon as is practicable after adjournment sine die of a regular session of the Legislative Assembly, the Governor shall cause an estimate to be prepared of revenues that will be received by the General Fund for the biennium beginning July 1. The estimated revenues from corporate income and excise taxes shall be separately stated from the estimated revenues from other General Fund sources.

(2) As soon as is practicable after the end of the biennium, the Governor shall cause actual collections of revenues received by the General Fund for that biennium to be determined. The revenues received from corporate income and excise taxes shall be determined separately from the revenues received from other General Fund sources.

(3) If the revenues received by the General Fund from corporate income and excise taxes during the biennium exceed the amount estimated to be received from corporate income and excise taxes for the biennium, by two percent or more, the total amount of the excess shall be [*returned to corporate income and excise taxpayers*] **deposited into a rainy day savings account.**

(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 amount estimated to be received from such sources for the biennium, by two percent or more, the total amount of the excess shall be returned to personal income taxpayers.

(5) The Legislative Assembly may enact laws:

(a) Establishing a tax credit, refund payment or other mechanism by which the excess revenues are returned to taxpayers, and establishing administrative procedures connected therewith.

**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 (b) Allowing the excess revenues to be reduced by administrative costs associated with return-  
2 ing the excess revenues.

3 (c) Permitting a taxpayer's share of the excess revenues not to be returned to the taxpayer if  
4 the taxpayer's share is less than a de minimis amount identified by the Legislative Assembly.

5 (d) Permitting a taxpayer's share of excess revenues to be offset by any liability of the taxpayer  
6 for which the state is authorized to undertake collection efforts.

7 (6)(a) Prior to the close of a biennium for which an estimate described in subsection (1) of this  
8 section has been made, the Legislative Assembly, by a two-thirds majority vote of all members  
9 elected to each House, may enact legislation declaring an emergency and increasing the amount of  
10 the estimate prepared pursuant to subsection (1) of this section.

11 (b) The prohibition against declaring an emergency in an act regulating taxation or exemption  
12 in section 1a, Article IX of this Constitution, does not apply to legislation enacted pursuant to this  
13 subsection.

14 (7) This section does not apply:

15 (a) If, for a biennium or any portion of a biennium, a state tax is not imposed on or measured  
16 by the income of individuals.

17 (b) To revenues derived from any minimum tax imposed on corporations for the privilege of  
18 carrying on or doing business in this state that is imposed as a fixed amount and that is nonappor-  
19 tioned (except for changes of accounting periods).

20 *[(c) To biennia beginning before July 1, 2001.]*

21 **SECTION 14a. (1) The amendment to section 14 of this Article by Senate Joint Resolution**  
22 **3 (2007) first applies to revenues received in the biennium beginning July 1, 2005.**

23 **(2) This section is repealed on January 1, 2009.**

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25 **PARAGRAPH 2. The amendment proposed by this resolution shall be submitted to the**  
26 **people for their approval or rejection at a special election held throughout this state as**  
27 **provided in chapter \_\_\_\_\_, Oregon Laws 2007 (Enrolled Senate Bill 549).**

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