

REVENUE: No revenue impact

FISCAL: No fiscal impact

Action:	Do Pass as Amended and Be Printed Engrossed and Rescind the Subsequent Referral to the Committee on Revenue
Vote:	9 - 0 - 1
Yeas:	Barton, Cameron, Edwards C., Esquivel, Holvey, Kennemer, Matthews, Thatcher, Schaufler
Nays:	0
Exc.:	Witt
Prepared By:	Theresa Van Winkle, Administrator
Meeting Dates:	4/20, 4/22

WHAT THE MEASURE DOES: Allows the Oregon Liquor Control Commission to waive corporate surety bond required for grower sales privilege or warehouse licensee under certain circumstances. Applies to privilege tax reporting periods beginning on or after January 1, 2010.

ISSUES DISCUSSED:

- Provisions of the measure

EFFECT OF COMMITTEE AMENDMENT: Extends the waiver to qualifying out-of-state shippers and wine self-distribution permittees who do not owe Oregon privilege taxes in a similar fashion as outlined in the measure's provisions.

BACKGROUND: Oregon wineries are required to provide a surety bond to the Oregon Liquor Control Commission (OLCC) to cover unpaid wine taxes. The 2007 legislature enacted HB 3486, which allows a waiver for the surety bond requirement for Oregon wineries who did not owe privilege tax in the immediate preceding year and do not expect to owe privilege tax in the current year. The legislation also allows a waiver to be applied if a winery is established in a current calendar year and does not expect any liability for the privilege tax in that same year.

HB 3128 extends these waivers to OLCC warehouse licensees, grower sales privilege licensees, and new businesses that do not expect to owe privilege tax in the current year.

ORS 473.050 exempts the privilege tax for the first 40,000 gallons or 151,000 liters of wine sold annually in Oregon from a United States manufacturer of wines producing less than 100,000 gallons or 379,000 liters per year.