

REVENUE: Revenue Impact Issued

FISCAL: Minimal Fiscal Impact, no statement issued

Action: Do Pass with Amendments and be Printed A-Engrossed

Vote: 4-1-0

Yeas: Hass, Morse, Rosenbaum, Burdick

Nays: Telfer

Exc.: 0

Prepared By: Chris Allanach, Economist

Meeting Dates: 3/10, 4/2, 4/30, 5/5

WHAT THE BILL DOES: Allows the Department of Revenue to disclose taxpayer information to local law enforcement agencies under certain circumstances. Expands the department's authority to disclose information to the State Board of Tax Practitioners and the Oregon Board of Accountancy. Clarifies that the Oregon Tax Court may impose a penalty in cases of frivolous arguments. Allows the department to report to consumer reporting agencies certain information regarding delinquent taxpayers and provide advance notice to those taxpayers. Affected taxpayers are those who have neglected or refused to pay any tax and have not filed an appeal with the Oregon Tax Court.

ISSUES DISCUSSED:

- The Department of Revenue Personal Income Tax compliance report
- Consumer reporting agency procedures
- The ability of the Department of Revenue to have occupational licenses suspended
- Potential role of a data match program with financial institutions
- The role of local law enforcement in tax compliance

EFFECT OF COMMITTEE AMENDMENTS: Deletes language that would have allowed the Department of Revenue to request that occupational licenses be suspended earlier in the collections process than under current law. Deletes languages that would require the Department of Revenue to enter into data exchange agreements with financial institutions doing business in Oregon for purposes of improving tax compliance. Changes the language pertaining to the reporting of information to consumer reporting agencies from a requirement to an allowance.

BACKGROUND: In February 2008, the Legislature passed SB 1082 requiring the Department of Revenue to conduct a study on individual taxpayer compliance. In January 2009, the department presented its report to the House Revenue and Senate Finance & Revenue committees. This bill is a continuation of that work in an effort to improve taxpayer compliance.