

**75TH OREGON LEGISLATIVE ASSEMBLY
STAFF MEASURE SUMMARY
SENATE FINANCE & REVENUE COMMITTEE**

**MEASURE: SB 880 A
CARRIER:**

REVENUE: Yes- Revenue Impact Issued

FISCAL: Yes- Fiscal Impact Issued

Action: Do Pass with Amendments and be Printed A-Eng., and be Referred to Ways and Means by Prior Reference.

Vote: 4-0-1

Yeas: Hass, Morse, Rosenbaum, Burdick

Nays: 0

Exc.: Telfer

Prepared By: Paul Warner, Economist

Meeting Dates: 3/18, 4/2, 4/23, 5/5, 5/12

WHAT THE BILL DOES: Establishes general amnesty program for personal, corporate and inheritance taxpayers. Directs Department of Revenue to conduct amnesty program between October 1, 2009 and November 19, 2009. Limits participation to tax years for which taxpayer was not issued a notice of deficiency or assessed a tax. Waives penalties and ½ of interest otherwise due for those who participate in amnesty program. Imposes 25% post amnesty penalty for those eligible who do not participate. Places proceeds from amnesty in a separate Amnesty Fund. Pays for Department of revenue administrative costs (up to \$1 million) out of fund.

ISSUES DISCUSSED:

- Amnesty bill considered during 2005 Legislature session.
- Experience in other states.
- Advantages and disadvantages of including accounts receivable in amnesty program.
- Proper combination of carrots and sticks to ensure participation and long run compliance.
- Outreach strategies for encouraging participation.
- Importance of professional outside help to assist Department of Revenue in developing and implementing outreach strategies.
- Application of limits on participation to particular years for which a notice of deficiency has been issued or a tax assessed, making taxpayers eligible for the program for tax years in which a taxpayer has not received a notice of deficiency.

EFFECT OF COMMITTEE AMENDMENTS: Replaces bill.

BACKGROUND: 43 states have enacted some form of amnesty program over the past 30 years, some multiple times. Recent examples include Indiana (2006), Ohio (2006), Rhode Island (2006) and Iowa (2007), Oregon has chosen not to establish an amnesty program in the past for various reasons. In 2005 both chambers approved a general amnesty program but a conference committee could not reconcile the differences in the two bills.

**State Capitol Building
900 Court St NE, Room 143
Salem, OR 97301-1347**

**Phone: 503-986-1266
Fax: 503-986-1770
<http://www.leg.state.or.us>**