

# Enrolled House Bill 2004

Sponsored by Representatives HARKER, J SMITH; Representatives BOONE, BRUUN, CANNON, DEMBROW, ESQUIVEL, GARRETT, HUFFMAN, HUNT, KENNEMER, SPRENGER, Senators BATES, BONAMICI, BURDICK, DEVLIN, DINGFELDER, HASS, MONNES ANDERSON, MONROE, MORRISSETTE, MORSE, NELSON, PROZANSKI, ROSENBAUM, SCHRADER, STARR, VERGER, WALKER

CHAPTER .....

AN ACT

Relating to a checkoff on income tax returns for political contributions; and prescribing an effective date.

Whereas the 1977 Oregon Dollar Checkoff allowed Oregon taxpayers the option of contributing \$1 of their state tax payments to the political party of their choice; and

Whereas in 1977 the Legislative Assembly pioneered the Dollar Checkoff with bipartisan support in the House and Senate and the checkoff was signed into law by Governor Robert William Straub; and

Whereas the opportunity to increase grassroots support of Oregon politics was exercised over 650,000 times between 1977 and 1981 while the Dollar Checkoff was an option on state tax returns, raising more than \$1 million to promote high-quality public debate in Oregon; and

Whereas James Richard Klonoski, political science professor at the University of Oregon for four decades, chairman of the Democratic Party of Oregon from 1974 to 1980 and a leader of the original effort to implement the Dollar Checkoff, passed away on January 30, 2009; now, therefore,

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

**SECTION 1.** (1) **A resident individual taxpayer who files a full-year Oregon individual income tax return may designate that a contribution be made to the Oregon Political Party Fund for payment to the major or minor political party designated. The resident individual taxpayer shall make the designation by entering a code denoting the party and marking the box provided on the return form pursuant to subsection (2) of this section. The amount designated shall be subtracted from any refund due on the return.**

(2)(a) **The Department of Revenue shall provide, on the face of the full-year Oregon individual income tax return form, a place for resident individual taxpayers to make the designation of a political party provided by this section. The department is not required to add a line to a particular form if this addition would require addition of a page to the return form. All major political parties, as described in ORS 248.006, and all minor political parties, as described in ORS 248.008, shall be listed, with identifying codes, in the instructions to the individual income tax return.**

(b) **The area on the return form for making the designation shall provide for a checkoff box of \$3. The instructions shall adequately explain that any amount designated shall be paid to the political party of the taxpayer's choice, that the amount designated will decrease the**

refund of the taxpayer by the designated amount, and that the designation is entirely voluntary.

(3) If a taxpayer filing a full-year Oregon individual income tax return designates more than one political party to receive the contribution, the designation is void and no contribution is made.

(4) If a joint return is filed and only one political party is designated, that political party shall receive a contribution in the total amount designated. If two political parties are designated on a joint return, each political party shall receive a contribution in the amount designated by each joint filer. If more than two parties are designated, the designations are void and no contribution is made.

(5) If an organization that is not a major or minor political party is designated under this section, the designation is void and no contribution is made.

(6) If a designation is void under subsection (3), (4) or (5) of this section, the department shall adjust the return to reflect the amount designated for contribution under this section.

(7) If a taxpayer designates both a contribution to a political party under this section and a contribution pursuant to ORS 305.745, and the refund due the taxpayer is insufficient to satisfy the designated contribution under ORS 305.745, the designation under this section is void and no contribution to a political party is made.

**SECTION 2.** The Oregon Political Party Fund is established in the General Fund. The Oregon Political Party Fund shall consist of all moneys transferred to the fund under this section. Notwithstanding ORS 316.502, the Director of the Department of Revenue shall transfer to the fund an amount equal to the total amount designated by individual income taxpayers to be paid to the fund under section 1 of this 2009 Act.

**SECTION 3.** At least once each calendar quarter, moneys in the Oregon Political Party Fund established in section 2 of this 2009 Act shall be paid to the treasurers of the political parties designated by taxpayers under section 1 of this 2009 Act.

**SECTION 4.** A payment to a political party under section 3 of this 2009 Act is considered a contribution to that political party for the purposes of ORS chapter 260.

**SECTION 5.** A contribution made under section 1 of this 2009 Act may not be claimed as a credit by the taxpayer under ORS 316.102.

**SECTION 6.** Sections 1 to 5 of this 2009 Act apply to tax years beginning on or after January 1, 2009.

**SECTION 7.** This 2009 Act takes effect on the 91st day after the date on which the regular session of the Seventy-fifth Legislative Assembly adjourns sine die.

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**Passed by House June 4, 2009**

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Chief Clerk of House

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Speaker of House

**Passed by Senate June 17, 2009**

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President of Senate

**Received by Governor:**

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**Approved:**

.....M,....., 2009

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Governor

**Filed in Office of Secretary of State:**

.....M,....., 2009

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Secretary of State