

House Bill 2004

Sponsored by Representative HARKER; Representatives BRUUN, CANNON, DEMBROW, ESQUIVEL, HUFFMAN, HUNT, KENNEMER, J SMITH, Senators BONAMICI, MORRISSETTE

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 **as introduced**.

Creates income tax return checkoff program through which full-year individual income taxpayers may elect to make contribution to major or minor political party. Establishes Oregon Political Party Fund.

Applies to tax years beginning on or after January 1, 2009.

Takes effect on 91st day following adjournment sine die.

A BILL FOR AN ACT

1
2 Relating to a checkoff on income tax returns for political contributions; and prescribing an effective
3 date.

4 Whereas the 1977 Oregon Dollar Checkoff allowed Oregon taxpayers the option of contributing
5 \$1 of their state tax payments to the political party of their choice; and

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

9 Whereas the opportunity to increase grassroots support of Oregon politics was exercised over
10 650,000 times between 1977 and 1981 while the Dollar Checkoff was an option on state tax returns,
11 raising more than \$1 million to promote high-quality public debate in Oregon; and

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

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

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

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

29 **(b) The area on the return form for making the designation shall provide for a checkoff**

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 box of \$3. The instructions shall adequately explain that any amount designated shall be paid
 2 to the political party of the taxpayer's choice, that the amount designated will decrease the
 3 refund of the taxpayer by the designated amount, and that the designation is entirely vol-
 4 untary.

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

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

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

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

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

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

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

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

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

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

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