

House Bill 3048

Sponsored by Representative BARNHART, Senator BURDICK; Representatives CANNON, DEMBROW, D EDWARDS, GALIZIO, GARRETT, GELSER, HARKER, HOLVEY, KAHL, RILEY, J SMITH, TOMEI, Senator ROSENBAUM

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**.

Requires Department of Revenue, in consultation with Legislative Revenue Officer, to prepare and submit reports on tax incidence to legislative committee on revenue.

Applies to tax revenues received by the Department of Revenue for tax years beginning on or after January 1, 2010.

Takes effect on 91st date following adjournment sine die.

A BILL FOR AN ACT

1
2 Relating to tax incidence reporting; creating new provisions; amending ORS 173.820; and prescribing
3 an effective date.

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

5 **SECTION 1. (1) The Department of Revenue, in consultation with the Legislative Revenue**
6 **Officer, shall prepare and provide a report to the Legislative Assembly by March 1 of each**
7 **odd-numbered year on the overall incidence of personal income tax, excise taxes and property**
8 **taxes in the state. The report shall address the tax year ending before the preceding January**
9 **1, and shall present the following information on the distribution of the tax burden:**

10 (a) **The tax burden as it affects the overall income distribution of taxpayers, using a**
11 **system-wide incidence measure or index that measures progressivity or regressivity.**

12 (b) **The tax burden by classes of personal income taxpayers broken down into deciles or**
13 **smaller rankings.**

14 (c) **The tax burden by other taxpayer demographic characteristics.**

15 (2) **At the request of the chair of a legislative committee on revenue, the department, in**
16 **consultation with the Legislative Revenue Officer, shall prepare an incidence impact analysis**
17 **of any legislative measure that would increase or decrease taxes by more than \$20 million**
18 **or would redistribute tax burden among different income classes of taxpayers by more than**
19 **\$20 million. The department shall report this analysis to the committee. The analysis shall**
20 **include incidence effects that would result if the bill were enacted. The analysis may include**
21 **the effect of the bill on certain representative classes of taxpayers, and may present infor-**
22 **mation using system-wide measures, indices of progressivity or regressivity, income classes,**
23 **taxpayer demographic characteristics or other categories. The analysis must include a**
24 **statement of the incidence assumptions that were used in computing the tax burden.**

25 **SECTION 2. ORS 173.820 is amended to read:**

26 173.820. (1) Pursuant to the policies and directions of the appointing authority, the Legislative
27 Revenue Officer shall:

28 (a) Upon written request of a member of the Legislative Assembly or any committee thereof,

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 prepare or assist in the preparation of studies and reports and provide information and research
 2 assistance on matters relating to taxation and to the revenue of this state and to any other relevant
 3 matters.

4 (b) Ascertain facts concerning revenues and make estimates concerning state revenues.

5 (c) Ascertain facts and make recommendations to the Legislative Assembly concerning the
 6 Governor’s tax expenditure report.

7 (d) Prepare analyses of and recommendations on the fiscal impact of all revenue measures re-
 8 ported out of committees of the Legislative Assembly and of all other measures reported out of
 9 committees of the Legislative Assembly that affect the revenue of this state.

10 (e) **In consultation with the Department of Revenue, prepare the reports required by**
 11 **section 1 of this 2009 Act.**

12 [(e)] (f) Perform such duties as may be directed by joint or concurrent resolution of the Legis-
 13 lative Assembly.

14 [(f)] (g) Adopt rules relating to the submission, processing and priorities of requests. Rules
 15 adopted under this paragraph shall be in conformance with any applicable rule of the House of
 16 Representatives or the Senate. Requests made by joint or concurrent resolution of the Legislative
 17 Assembly shall be given priority over other requests received or initiated by the Legislative Re-
 18 venue Officer. Rules adopted under this paragraph shall be reviewed and approved by the appointing
 19 authority prior to their adoption.

20 [(g)] (h) Seek the advice and assistance of political subdivisions of this state, governmental
 21 agencies and any interested persons, associations or organizations in the performance of the duties
 22 of the Legislative Revenue Officer.

23 [(h)] (i) Perform such other duties as may be prescribed by law.

24 (2) Pursuant to the policies and directions of the appointing authority, the Legislative Revenue
 25 Officer may enter into contracts to carry out the functions of the Legislative Revenue Officer.

26 **SECTION 3. Section 1 of this 2009 Act and the amendments to ORS 173.820 by section 2**
 27 **of this 2009 Act apply to tax revenues received by the Department of Revenue for tax years**
 28 **beginning on or after January 1, 2010.**

29 **SECTION 4. This 2009 Act takes effect on the 91st day after the date on which the reg-**
 30 **ular session of the Seventy-fifth Legislative Assembly adjourns sine die.**

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