

# House Bill 3173

Sponsored by Representative J SMITH (at the request of R. P. Joe Smith)

## 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**.

Sunsetts all income or corporate excise tax credits and all income or corporate excise tax deductions, subtractions or exemptions created by state law. Retains tax expenditures required by federal law, by Oregon Constitution or to avoid double taxation.

Establishes Tax Expenditure Review Commission. Directs commission to review all income or corporate excise tax expenditures, report to Legislative Assembly and make recommendations for proposed legislation. Sunsets commission on date of convening of next regular biennial legislative session.

Takes effect on 91st day following adjournment sine die.

## A BILL FOR AN ACT

1  
2 Relating to tax expenditures; prescribing an effective date; and providing for revenue raising that  
3 requires approval by a three-fifths majority.

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

5 **SECTION 1. Section 2 of this 2009 Act is added to and made a part of ORS chapter 314.**

6 **SECTION 2. (1) Notwithstanding any other provision of law, a credit against the taxes**  
7 **imposed under ORS chapter 316, 317 or 318 that does not require certification, classification,**  
8 **qualification or some other form of approval from a state agency or unit of local government**  
9 **may not be claimed for an income or corporate excise tax year beginning on the earlier of**  
10 **the date otherwise provided by law or on or after January 1, 2014.**

11 **(2) Notwithstanding any other provision of law, if a credit against the taxes otherwise**  
12 **imposed under ORS chapter 316, 317 or 318 requires certification, classification, qualification**  
13 **or some other form of approval from a state agency or unit of local government in order for**  
14 **the credit to be claimed, the certification, classification, qualification or other approval may**  
15 **not be issued for a credit to be first claimed by the taxpayer on the earlier of the date oth-**  
16 **erwise provided by law or for a tax year beginning on or after January 1, 2014.**

17 **(3) Notwithstanding any other provision of law, for income or corporate excise tax pur-**  
18 **poses, a deduction, subtraction or exemption from federal taxable income that was created**  
19 **solely by an Act of the Legislative Assembly or by the people through the initiative process**  
20 **may not be claimed on the earlier of the date otherwise provided by law or for a tax year**  
21 **beginning on or after January 1, 2014.**

22 **(4) This section does not apply to ORS 316.082, 316.131, 316.680 (1)(a), (f) or (g), 316.777,**  
23 **316.783, 316.785, 316.787 or 317.379 or any other tax credit, deduction, subtraction or ex-**  
24 **emption required by the laws or the United States Constitution or the Oregon Constitution.**

25 **SECTION 3. (1) The Tax Expenditure Review Commission is established.**

26 **(2) The commission shall consist of the following nine members:**

27 **(a) Two members appointed by the President of the Senate.**

28 **(b) Two members appointed by the Minority Leader of the Senate.**

**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 (c) Two members appointed by the Speaker of the House of Representatives.

2 (d) Two members appointed by the Minority Leader of the House of Representatives.

3 (e) One member appointed by the Governor.

4 (3) The purpose of the commission is to study and make recommendations on the efficacy  
5 and continued desirability of income and corporate excise tax expenditures.

6 (4) The commission shall prepare a written report and present the report to those in-  
7 terim committees of the Seventy-fifth Legislative Assembly having jurisdiction over tax and  
8 revenue matters. The commission shall develop recommendations for legislation to the  
9 Seventy-sixth Legislative Assembly.

10 (5) The commission shall use the services of permanent legislative staff to the greatest  
11 extent practicable.

12 (6) All agencies of state government, as defined in ORS 174.111, are directed to assist the  
13 commission in the performance of its duties and, to the extent permitted by laws related to  
14 confidentiality, to furnish such information and advice as the members of the commission  
15 consider necessary to perform their duties.

16 (7) A majority of the members of the commission constitutes a quorum for the trans-  
17 action of business.

18 (8) Official action by the commission requires the approval of a majority of the members  
19 of the commission.

20 (9) Members of the commission who are not members of the Legislative Assembly are  
21 not entitled to compensation, but may be reimbursed for actual and necessary travel and  
22 other expenses incurred by them in the performance of their official duties, in the manner  
23 and amounts provided for in ORS 292.495. Claims for expenses shall be paid out of funds ap-  
24 propriated to the Legislative Assembly for that purpose.

25 **SECTION 4.** Section 3 of this 2009 Act is repealed on the date of the convening of the next  
26 regular biennial legislative session.

27 **SECTION 5.** This 2009 Act takes effect on the 91st day after the date on which the reg-  
28 ular session of the Seventy-fifth Legislative Assembly adjourns sine die.

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