

Senate Bill 28

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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**.

Revises tax policy statute.

A BILL FOR AN ACT

1
2 Relating to tax policy; amending ORS 316.003.

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

4 **SECTION 1.** ORS 316.003 is amended to read:

5 316.003. (1) The goals of the Legislative Assembly are to achieve for Oregon's citizens a [*tax*]
6 **revenue** system [*which*] **that** recognizes:

7 [*(a) Fairness and equity as its basic values; and*]

8 [*(b) That the total tax system should use seven guiding principles as measures by which to evaluate*
9 *tax proposals.*]

10 [*(2) Those guiding principles are:*]

11 [*(a) Ability to pay;*]

12 [*(b) Fairness;*]

13 [*(c) Efficiency;*]

14 [*(d) Even distribution;*]

15 [*(e) The tax system should be equitable where the minimum aspects of a fair system are:*]

16 [*(A) That it shields genuine subsistence income from taxation;*]

17 [*(B) That it is not regressive; and*]

18 [*(C) That it imposes approximately the same tax burden on all households earning the same in-*
19 *come;*]

20 [*(f) Adequacy; and*]

21 [*(g) Flexibility.*]

22 [*(3) To meet those goals of Oregon's tax system, any tax must be considered in conjunction with*
23 *the effects of all other taxes on Oregonians.*]

24 **(a) Equity. Taxation must:**

25 **(A) Be viewed as a fair system by the citizens of Oregon.**

26 **(B) Be based on ability to pay.**

27 **(C) Treat taxpayers in comparable circumstances equally.**

28 **(D) Be equitably divided between households and businesses.**

29 **(b) Adequacy. The revenue system must provide sufficient revenue to meet the needs of**
30 **the citizens.**

31 **(c) Economic growth. The revenue system must raise sufficient revenue to support eco-**

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 **conomic growth in the state and not act as a deterrent to growth.**

2 **(d) Stability. The revenue system must provide stable, predictable revenue for state and**
3 **local governments.**

4 **(e) Efficient administration. Compliance with the tax system should not be an undue**
5 **burden to taxpayers or tax collectors.**

6 **(2) All tax expenditures, as defined in ORS 291.201, should be monitored continuously to**
7 **ensure that they are the most effective method for achieving the state's policy goals.**
8 **Adoption, extension or expansion of tax expenditures should be accompanied by a clear policy**
9 **statement of the legislative purpose of each tax expenditure and by a set of measurements**
10 **to monitor the effectiveness of that tax expenditure in achieving its stated policy over time.**

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