

## SENATE AMENDMENTS TO SENATE BILL 34

By COMMITTEE ON BUSINESS AND TRANSPORTATION

April 28

1 On page 1 of the printed bill, line 2, after “ORS” delete the rest of the line and delete line 3  
2 and insert “267.385; and repealing sections 8 and 9, chapter 739, Oregon Laws 2003.”.

3 Delete lines 5 through 30 and delete pages 2 through 4 and insert:

4 “**SECTION 1.** ORS 267.385 is amended to read:

5 “267.385. (1) To carry out the powers granted by ORS 267.010 to 267.390, a district may by or-  
6 dinance impose an excise tax on every employer equal to not more than [*seven-tenths*] **eight-tenths**  
7 of one percent of the wages paid with respect to the employment of individuals. For the same pur-  
8 poses, a district may by ordinance impose a tax on each individual equal to not more than [*seven-*  
9 *tenths*] **eight-tenths** of one percent of the individual’s net earnings from self-employment.

10 “(2) No employer shall make a deduction from the wages of an employee to pay all or any por-  
11 tion of a tax imposed under this section.

12 “(3) The provisions of ORS 305.620 are applicable to collection, enforcement, administration and  
13 distribution of a tax imposed under this section.

14 “(4) At any time an employer or individual fails to remit the amount of taxes when due under  
15 an ordinance of the district board imposing a tax under this section, the Department of Revenue  
16 may enforce collection by the issuance of a distraint warrant for the collection of the delinquent  
17 amount and all penalties, interest and collection charges accrued thereon. Such warrant shall be  
18 issued and may be enforced in the same manner and have the same force and effect as prescribed  
19 with respect to warrants for the collection of delinquent state income taxes.

20 “(5) Any ordinance adopted under subsection (1) of this section shall require an individual hav-  
21 ing net earnings from self-employment from activity both within and without the district taxable by  
22 the State of Oregon to allocate and apportion such net earnings to the district in the manner re-  
23 quired for allocation and apportionment of income under ORS 314.280 and 314.605 to 314.675. Such  
24 ordinance shall give the individual the option of apportioning income based on a single factor des-  
25 ignated by the ordinance.

26 “(6) Any ordinance adopted under subsection (1) of this section with respect to net earnings  
27 from self-employment may impose a tax for a taxable year measured by each individual’s net  
28 earnings from self-employment for the prior taxable year, whether such prior taxable year begins  
29 before or after November 1, 1981, or such ordinance.

30 “(7) Any ordinance imposing a tax authorized by subsection (1) of this section shall not apply  
31 to any business, trade, occupation or profession upon which a tax is imposed under ORS 267.360.

32 “(8) The district board may not adopt an ordinance increasing a tax authorized by subsection  
33 (1) of this section unless the board makes a finding that the economy in the district has recovered  
34 to an extent sufficient to warrant the increase in tax. In making the finding, the board shall consider  
35 regional employment and income growth.

1        **“SECTION 2. Notwithstanding ORS 267.385 (1) and subject to ORS 267.260 (3) and (6), an**  
2 **increase in any tax imposed on wages or on net earnings from self-employment that is au-**  
3 **thorized by a mass transit district under ORS 267.385 (1) on or after January 1, 2010, must**  
4 **be phased in over a 10-year period. The district shall by ordinance set forth the increments**  
5 **by which the increase in tax is phased in. Subject to ORS 267.260 (3) and (6), each annual**  
6 **increment may not increase the rate of tax by more than 0.02 percent of the wages or net**  
7 **earnings from self-employment.**

8        **“SECTION 3. Sections 8 and 9, chapter 739, Oregon Laws 2003, are repealed.”.**

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