

REVENUE: Revenue Impact Issued

FISCAL: Fiscal Impact Impact

Action: Do Pass
Vote: 7-0-1
Yeas: Bailey, Bentz, Gelser, Read, Wand, Barnhart, Berger
Nays: 0
Exc.: Brewer
Prepared By: Chris Allanach, Economist
Meeting Dates: 4/15; 4/27

WHAT THE BILL DOES: Expands the current intergovernmental reciprocal agreement between the Oregon Department of Revenue and the U.S. Financial Management Services (and the Internal Revenue Service) beyond tax refunds to include other federal payments.

ISSUES DISCUSSED:

- Existing tax offset program and associated fees
- DOR collections process and confidentiality of data

EFFECT OF COMMITTEE AMENDMENTS: None

BACKGROUND: The Department of Revenue currently has the authority to enter into intergovernmental agreements with the U.S. Financial Management Service and the Internal Revenue Service for the purpose of engaging in the offset of federal tax refunds in payment of liquidated state tax obligations and the offset of state tax refunds in payment of liquidated federal tax obligations. Currently, only tax refunds are offset by tax obligations. This bill would allow the offset of overpayments, refunds, and vendor payments (any payment made by the state or United States to a person, but not including overpayments, salary, wages, or pension).

A liquidated account, in general, is one where the exact past due amount is known, proper notification of the debt has been made to the debtor, and there has been a judgment, distraint warrant, administrative proceeding, or similar action to establish the debt.