

**76TH OREGON LEGISLATIVE ASSEMBLY 2011 Regular Session
STAFF MEASURE SUMMARY
SENATE FINANCE AND REVENUE COMMITTEE**

**MEASURE: SB 305 A
CARRIER: Sen. Hass**

REVENUE: Impact Statement Issued

FISCAL: Minimal Expenditure Impact

Action: Do Pass with Amendments, and be printed A Engrossed

Vote: 4-0-0

Yeas: Hass, Morse, Telfer, Burdick

Nays: 0

Exc.: 0

Prepared By: Paul Warner, Economist

Meeting Dates: 2//11,2/23

WHAT THE BILL DOES: Allows Department of Revenue to grant further extensions for good cause beyond 5-31-11 for tax amnesty program participants using installment plan.

ISSUES DISCUSSED:

- Response to amnesty program.
- Impact of recession on participants ability to meet installment payment agreement.
- Rational for hard end date in original bill establishing amnesty program (SB 880 from 2009).

EFFECT OF COMMITTEE AMENDMENTS: -1 amendment deletes provision in original bill extending deadline for installment plans.

BACKGROUND: In 2009, the Legislature approved Oregon's first tax amnesty program with the passage of SB 880. The Department of Revenue conducted the program between October 1 and November 19, 2009. Under the program, personal income taxpayers could elect to make payments of overdue taxes through an installment plan. SB 880 set a firm deadline of May 31, 2011 for completion of payments under installment plans. Failure to complete payments leads to repayment in full including penalties and interest associated with overdue taxes. A number of participants are failing to maintain their payment schedules. The intent of SB 305 is to give the Department of Revenue discretion to allow extensions of payment schedules in those cases where the amnesty participant can show good cause for not making payments.

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