

Senate Bill 797

Sponsored by Senator TELFER; Senators FERRIOLI, GEORGE, GIROD, KRUSE, NELSON, OLSEN, STARR, THOMSEN, WHITSETT, WINTERS

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**.

Creates income tax credit for cost of professional services required to resolve erroneous charge billed to or otherwise imposed on taxpayer by state agency.

Applies to tax years beginning on or after January 1, 2011.

Takes effect on 91st day following adjournment sine die.

A BILL FOR AN ACT

1
2 Relating to tax credit for cost of erroneous charge by state agency; and prescribing an effective
3 date.

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

5 **SECTION 1. Sections 2 and 3 of this 2011 Act are added to and made a part of ORS**
6 **chapter 315.**

7 **SECTION 2. As used in this section and section 3 of this 2011 Act:**

8 (1) "Charge" includes an assessment, debt, deficiency, fee, fine or tax that is billed to,
9 or otherwise imposed on, a person by a state agency.

10 (2) "Professional services" includes services provided by any of the following persons li-
11 censed to provide those services in this state:

12 (a) An attorney.

13 (b) A certified public accountant.

14 (c) A tax preparer.

15 (3) "State agency" has the meaning given that term in ORS 293.227.

16 **SECTION 3. (1) A credit against taxes imposed by ORS chapter 316 (or, if the taxpayer**
17 **is a corporation, under ORS chapter 317 or 318) shall be allowed to a taxpayer that, through**
18 **no fault of the taxpayer, has been made subject to an erroneous charge during the tax year.**

19 (2) The amount of the credit allowed under this section shall equal the reasonable cost
20 paid to obtain professional services employed to resolve an erroneous charge that is resolved
21 in the taxpayer's favor.

22 (3) A nonresident shall be allowed the credit under this section in the proportion provided
23 in ORS 316.117.

24 (4) If a change in the status of a taxpayer from resident to nonresident or from nonres-
25 ident to resident occurs, the credit allowed under this section shall be determined in a
26 manner consistent with ORS 316.117.

27 (5) If a change in the taxable year of a taxpayer occurs as described in ORS 314.085, or
28 if the Department of Revenue terminates the taxable year of a taxpayer under ORS 314.440,
29 the credit allowed under this section shall be prorated or computed in a manner consistent
30 with ORS 314.085.

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 **SECTION 4.** Sections 2 and 3 of this 2011 Act apply to tax years beginning on or after
2 **January 1, 2011.**

3 **SECTION 5.** This 2011 Act takes effect on the 91st day after the date on which the 2011
4 **session of the Seventy-sixth Legislative Assembly adjourns sine die.**

5
