

Senate Joint Resolution 30

Sponsored by COMMITTEE ON FINANCE AND REVENUE

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**.

Proposes amendment to Oregon Constitution to create Oregon Rainy Day Fund. Sets conditions for appropriation of moneys in fund. Transfers surplus personal income tax revenues that do not exceed six percent of revenue estimate to fund. Transfers surplus personal income tax revenues exceeding six percent of revenue estimate to taxpayers.

Repeals corporate kicker provision.

Transfers amount equal to _____ percent of personal income tax revenue attributable to net capital gain to Oregon Rainy Day Fund.

Refers proposed amendment to people for their approval or rejection at next regular general election.

JOINT RESOLUTION

Be It Resolved by the Legislative Assembly of the State of Oregon:

PARAGRAPH 1. The Constitution of the State of Oregon is amended by creating new sections 14a, 15, 16 and 16a to be added to and made a part of Article IX, and by amending section 14, Article IX, such sections to read:

SECTION 15. (1) The Oregon Rainy Day Fund is established as an account in the General Fund.

(2) The Legislative Assembly may appropriate moneys from the Oregon Rainy Day Fund only if the appropriation is approved by three-fifths of the members serving in each house of the Legislative Assembly and the Legislative Assembly finds one of the following:

(a) That the last quarterly economic and revenue forecast for a biennium indicates that moneys available to the General Fund for the next biennium will be at least three percent less than appropriations from the General Fund for the current biennium;

(b) That there has been a decline for two or more consecutive quarters in the last 12 months in seasonally adjusted nonfarm payroll employment; or

(c) That a quarterly economic and revenue forecast projects that revenues in the General Fund in the current biennium will be at least two percent below what the revenues were projected to be in the revenue forecast on which the legislatively adopted budget for the current biennium was based.

(3) Once each month, in the manner provided by law, a state agency designated by law shall calculate the amount of General Fund interest that is attributable to moneys in the Oregon Rainy Day Fund. Except as provided in subsection (5) of this section, the State Treasurer shall transfer the amount calculated under this subsection to the Oregon Rainy Day Fund.

(4) The Legislative Assembly may not appropriate for any one biennium more than two-thirds of the amount that is in the Oregon Rainy Day Fund at the beginning of that biennium. If the appropriation is for a biennium that has not yet begun, the Legislative As-

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 assembly may use as the base the most recent estimate of the amount that will be in the
 2 Oregon Rainy Day Fund at the beginning of the biennium for which the appropriation is
 3 made.

4 (5) If the moneys in the Oregon Rainy Day Fund just prior to the time of a transfer
 5 scheduled under subsection (3) of this section or section 14 or 16 of this Article equal at least
 6 12 percent of the amount of General Fund revenues collected during the prior biennium,
 7 moneys that would otherwise be transferred to the Oregon Rainy Day Fund under subsection
 8 (3) of this section or section 14 or 16 of this Article shall be deposited in the General Fund.

9 (6) If the moneys in the Oregon Rainy Day Fund just prior to the time of a transfer
 10 scheduled under subsection (3) of this section or section 14 or 16 of this Article do not equal
 11 at least 12 percent of the amount of General Fund revenues collected during the prior
 12 biennium, the transfer to the Oregon Rainy Day Fund shall be made regardless of whether
 13 that transfer increases the amount in the Oregon Rainy Day Fund to at least 12 percent of
 14 the amount of General Fund revenues collected during the prior biennium.

15 (7) As used in this section, "legislatively adopted budget" means the budget enacted by
 16 the Legislative Assembly during a regular session.

17 SECTION 16. Except as provided in section 15 of this Article, on or before July 1 of each
 18 year, a state agency designated by law shall:

19 (1) For tax years beginning on or after January 1 of the preceding year and ending before
 20 January 1 of the current year, estimate the amount of personal income tax revenue received
 21 by this state that is attributable to net capital gain; and

22 (2) Transfer an amount equal to _____ percent of the estimate required under sub-
 23 section (1) of this section to the Oregon Rainy Day Fund established in section 15 of this
 24 Article.

25 Sec. 14. (1) As soon as is practicable after adjournment sine die of an odd-numbered year reg-
 26 ular session of the Legislative Assembly, the Governor shall cause an estimate to be prepared of
 27 revenues that will be received by the General Fund for the biennium beginning July 1. The esti-
 28 mated revenues from corporate income and excise taxes shall be separately stated from the esti-
 29 mated revenues from other General Fund sources.

30 (2) As soon as is practicable after the end of the biennium, the Governor shall cause actual
 31 collections of revenues received by the General Fund for that biennium to be determined. The re-
 32 venues received from corporate income and excise taxes shall be determined separately from the
 33 revenues received from other General Fund sources.

34 [(3) If the revenues received by the General Fund from corporate income and excise taxes during
 35 the biennium exceed the amount estimated to be received from corporate income and excise taxes for the
 36 biennium, by two percent or more, the total amount of the excess shall be returned to corporate income
 37 and excise taxpayers.]

38 [(4)] (3) Subject to section 15 of this Article:

39 (a) If the revenues received from General Fund revenue sources, exclusive of corporate
 40 excise and income taxes, during the biennium exceed the amount estimated to be received
 41 from such sources for the biennium, to the extent that the excess does not exceed six per-
 42 cent of the estimate, the excess shall be transferred to the Oregon Rainy Day Fund estab-
 43 lished by section 15 of this Article.

44 (b) If the revenues received from General Fund revenue sources, exclusive of [those described
 45 in subsection (3) of this section] corporate income and excise taxes, during the biennium exceed

1 the amount estimated to be received from such sources for the biennium, by *[two percent or]* more
 2 **than six percent**, the total amount of the excess **above six percent** shall be returned to personal
 3 income taxpayers.

4 [(5)] (4) The Legislative Assembly may enact laws:

5 (a) Establishing a tax credit, refund payment or other mechanism by which the excess revenues
 6 are returned to taxpayers, and establishing administrative procedures connected therewith.

7 (b) Allowing the excess revenues to be reduced by administrative costs associated with return-
 8 ing the excess revenues.

9 (c) Permitting a taxpayer's share of the excess revenues not to be returned to the taxpayer if
 10 the taxpayer's share is less than a de minimis amount identified by the Legislative Assembly.

11 (d) Permitting a taxpayer's share of excess revenues to be offset by any liability of the taxpayer
 12 for which the state is authorized to undertake collection efforts.

13 [(6)(a)] (5)(a) Prior to the close of a biennium for which an estimate described in subsection (1)
 14 of this section has been made, the Legislative Assembly, by a two-thirds majority vote of all mem-
 15 bers elected to each *[House]* **house**, may enact legislation declaring an emergency and increasing
 16 the amount of the estimate prepared pursuant to subsection (1) of this section.

17 (b) The prohibition against declaring an emergency in an act regulating taxation or exemption
 18 in section 1a~~], Article IX of this Constitution,~~ **of this Article** does not apply to legislation enacted
 19 pursuant to this subsection.

20 [(7)] (6) This section does not apply:

21 (a) If, for a biennium or any portion of a biennium, a state tax is not imposed on or measured
 22 by the income of individuals.

23 *[(b) To revenues derived from any minimum tax imposed on corporations for the privilege of car-*
 24 *rying on or doing business in this state that is imposed as a fixed amount and that is nonapportioned*
 25 *(except for changes of accounting periods).]*

26 [(c)] (b) To biennia beginning before July 1, 2001.

27 **SECTION 14a. (1) Section 15 of this Article and the amendment to section 14 of this Ar-**
 28 **article by Senate Joint Resolution 30 (2011) apply to biennia beginning on or after July 1, 2011.**

29 **(2) This section is repealed on June 30, 2015.**

30 **SECTION 16a. (1) The estimates and transfers required by section 16 of this Article shall**
 31 **begin July 1, 2012.**

32 **(2) Section 16 of this Article applies to tax years beginning on or after January 1, 2011.**

33 **(3) This section is repealed on June 30, 2015.**

34
 35 **PARAGRAPH 2. The amendment proposed by this resolution shall be submitted to the**
 36 **people for their approval or rejection at the next regular general election held throughout**
 37 **this state.**