

PRELIMINARY

77TH OREGON LEGISLATIVE ASSEMBLY
2013 REGULAR SESSION
STAFF MEASURE SUMMARY
HOUSE REVENUE COMMITTEE

MEASURE: HB 2990
CARRIER:

REVENUE:
FISCAL:

Action:

Vote:

Yeas:

Nays:

Exc.:

Prepared By: Chris Allanach, Economist

Meeting Dates: 3/28

WHAT THE BILL DOES: Requires person engaged in a trade or business that makes at least \$600 in annual payments for construction services to report such payments to the Department of Revenue. Defines terms and identifies information to be included in the report. Creates penalties for failure to file reports. Directs the Department of Revenue to share such reports with the Employment Department and, if requested, with state and federal law enforcement agencies. Grants rule making authority to the Department of Revenue. Disallows the deduction for such payments if they are not reported as required. Applies to payments made in tax years beginning on or after January 1, 2014.

ISSUES DISCUSSED:

-

EFFECT OF COMMITTEE AMENDMENTS:

BACKGROUND: This bill would create a third-party reporting system for the construction industry. The most common example of an existing third-party reporting system is for wages. Employers are required to report to the IRS the amount of income paid and taxes withheld on employees. Compliance research by the IRS has shown that the existence of such systems has led to higher tax compliance rates.

State Capitol Building
900 Court St NE, Room 143
Salem, OR 97301-1347

Phone: 503-986-1266
Fax: 503-986-1770
<http://www.leg.state.or.us>