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Nick Herrera, Committee Assistant

77th Legislative Assembly HOUSE REVENUE COMMITTEE

900 Court Street NE Rm 143
Salem, Oregon 97301
Phone (503) 986-1266 — Fax (503) 986-1770

Tax Compliance Bills

HB 2460

- Authorizes state agencies, boards, and commissions that issue grants to require applicants to demonstrate and maintain tax compliance. Takes effect on the 91st day following sine die.
 - Applies to the personal income tax (including withholding), the corporate income/excise taxes, the cigarette tax, and the tobacco products tax
 - Allows the state entity to suspend, revoke, or refuse to issue/renew a grant if the applicant is out of compliance
 - Identifies the following factors to be considered when determining compliance status:
 - Whether or not a return/report has been filed for personal or corporate taxes for any of the three tax years preceding a tax year for which a return/report was required
 - Whether or not a report has been filed for the cigarette or tobacco taxes for any of the three calendar years preceding a year in which a report was required
 - If after all appeal rights have expired, the applicant has failed to:
 - Pay any tax within 30 days following assessment and is still delinquent
 - Enter into a payment plan within 60 days following assessment, or
 - Follow the terms of a payment plan and is still delinquent
 - If the taxpayer has been convicted of a criminal offense related to any of the four taxes
 - If requested by the state entity, requires the Department of Revenue to enter into an agreement to assist in the administration of the tax compliance
- Policy Implication:
 - Builds on the occupational licensee pilot project enacted in 2009 with HB 3082, the bill links grants provided by the state with state tax collections that are the source of such funds

HB 2464

- Directs the Department of Revenue to prepare a report on the use of out-of-state tax shelters and submit the report to the 77th Legislative Assembly by February 1, 2014.
 - Requires the report to focus on:
 - The methods used by taxpayers to shift Oregon income to other states, and
 - Recommendations for mitigating noncompliance attributable to these tax shelters
- Policy Implication:
 - Similar to SB 1082 passed in the 2008 special session, this bill directs DOR to report on a tax compliance issue in order to give the revenue committees better information on how to respond to known areas of noncompliance

HB 2467

- Requires the Department of Revenue to establish a tax compliance certification program. Becomes operative on January 1, 2015.
 - The intent is that certification serves as proof of tax compliance if required for the taxpayer to receive public services
 - Certification shall be denied if the taxpayer has:
 - Neglected or refused to file any return required by law to be filed with the department
 - Refused to pay any tax for which all appeal rights have expired
 - Grants rule-making authority to the department to establish the procedure by which taxpayers may obtain the tax compliance certificate
 - Public services and benefits that may be denied if the taxpayer is out of compliance include:
 - Motor vehicle registration
 - Licenses such as hunting and fishing
 - Student financial aid
 - Occupational, professional, or trade licenses
- Policy Implication:
 - Expands upon the occupational licensee pilot project enacted in 2009 with HB 3082, the bill links services and benefits provided by the state with state tax collections that are the source of such funds