

# D R A F T

## SUMMARY

Makes permanent pilot project that requires certain licensees to demonstrate and maintain tax compliance as condition of issuance or renewal of license. Phases in program requirements, based on size of board and type of tax program, until requirements apply to all state agencies, boards or commissions that issue occupational licenses or licenses for privilege of engaging in occupation or profession.

Directs Department of Revenue to establish automated method for tax compliance certification not later than January 1, 2014.

Takes effect on 91st day following adjournment sine die.

## A BILL FOR AN ACT

1  
2 Relating to tax compliance; creating new provisions; amending section 2,  
3 chapter 576, Oregon Laws 2009; repealing section 4, chapter 576, Oregon  
4 Laws 2009; and prescribing an effective date.

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

6 **SECTION 1. Sections 2 and 3 of this 2013 Act are added to and made**  
7 **a part of ORS chapter 305.**

8 **SECTION 2. (1) As used in this section, “tax” has the meaning given**  
9 **that term in ORS 305.380.**

10 **(2) The Department of Revenue shall establish an automated**  
11 **method for certifying tax compliance via an Internet website. Auto-**  
12 **mated tax compliance certification shall constitute proof of tax com-**  
13 **pliance if required for issuance or renewal of an occupational license**  
14 **or a license for the privilege of engaging in an occupation or profes-**  
15 **sion within this state. A person may not obtain certification as pro-**  
16 **vided under this section if, as of the date of issuance or renewal,**

1 information readily accessible to department personnel indicates that  
2 the person is not in compliance with section 2 (4), chapter 576, Oregon  
3 Laws 2009.

4 (3) The department shall adopt rules establishing procedures by  
5 which a taxpayer may apply for and obtain automated tax compliance  
6 certification under this section. The procedures must maintain the  
7 confidentiality of taxpayer information and ensure that only the tax-  
8 payer named in the certification or an authorized representative of the  
9 taxpayer is able to access information in the certification.

10 (4) The department shall make the Internet website described in  
11 subsection (2) of this section fully accessible by the public not later  
12 than January 1, 2014.

13 SECTION 3. (1) Not later than January 1, 2014, the Department of  
14 Revenue shall develop and implement a communication plan for pro-  
15 viding notification of the automated tax compliance certification sys-  
16 tem established pursuant to section 2 of this 2013 Act and the  
17 requirements of section 2, chapter 576, Oregon Laws 2009, to:

18 (a) State agencies, boards or commissions that issue occupational  
19 licenses or licenses for the privilege of engaging in an occupation or  
20 profession within this state;

21 (b) Licensees; and

22 (c) Individuals and corporations likely to seek issuance or renewal  
23 of a license.

24 (2) Compliance with section 2, chapter 576, Oregon Laws 2009, is  
25 required for licenses issued:

26 (a) On or after January 2, 2014, by state agencies, boards or com-  
27 missions with 5,000 or fewer licensees and with respect to taxes im-  
28 posed under ORS chapter 316, other than the withholding provisions  
29 in ORS 316.162 to 316.221.

30 (b) On or after January 2, 2015, by state agencies, boards or com-  
31 missions with 25,000 or fewer licensees and with respect to taxes im-

1 posed under ORS chapter 316, other than the withholding provisions  
2 in ORS 316.162 to 316.221.

3 (c) By all state agencies, boards or commissions:

4 (A) On or after January 2, 2016, with respect to taxes imposed under  
5 ORS chapter 316, other than the withholding provisions in ORS 316.162  
6 to 316.221.

7 (B) On or after January 2, 2017, with respect to taxes imposed under  
8 ORS chapter 316, other than the withholding provisions in ORS 316.162  
9 to 316.221, or ORS chapter 317.

10 (C) On or after January 2, 2018, with respect to taxes imposed under  
11 ORS chapter 316 or 317 or under the provisions of ORS 323.005 to 323.482  
12 or 323.500 to 323.645.

13 **SECTION 4.** Section 2, chapter 576, Oregon Laws 2009, is amended to  
14 read:

15 **Sec. 2.** (1) The Department of Revenue [*may*] **shall**, in conjunction with  
16 state agencies, boards or commissions that issue occupational licenses or li-  
17 censes for the privilege of engaging in an occupation or profession within  
18 this state, [*develop and implement a pilot project that requires*] **require**  
19 **licensees**, as a condition of issuance or renewal of a license, [*licensees*] to  
20 demonstrate compliance with the following, as [*applicable*] **provided in the**  
21 **schedule set forth in section 3 of this 2013 Act:**

22 (a) The personal income tax laws of this state[, *including the withholding*  
23 *laws in ORS 316.162 to 316.221*].

24 (b) The corporate excise or income tax laws of this state.

25 (c) The provisions of ORS 323.005 to 323.482 or 323.500 to 323.645.

26 (d) **The personal income tax withholding provisions of ORS 316.162**  
27 **to 316.221.**

28 (2) [*Any*] **A** state agency, board or commission [*that participates in the*  
29 *pilot project authorized under subsection (1) of this section may*] **shall** sus-  
30 pend, revoke or refuse to issue or renew a license if the department deter-  
31 mines that the licensee has failed to demonstrate or maintain tax compliance

1 as provided in this section.

2 (3) Notwithstanding ORS 314.835 and 314.840, the department may disclose  
3 to a state agency, board or commission [*that requires tax compliance as a*  
4 *condition of issuance or renewal of a license under subsection (1) of this sec-*  
5 *tion*] whether an individual or corporation **seeking issuance or renewal**  
6 **of a license** is in compliance **as described in subsection (1) of this sec-**  
7 **tion.**

8 (4) In determining compliance for purposes of this section, the department  
9 [*may*] **shall** consider whether the individual or corporation:

10 (a) Has not filed required returns or reports with respect to taxes imposed  
11 by ORS chapter 316 or 317, whichever is applicable, for any of the three tax  
12 years immediately preceding a year for which a tax return or report was  
13 required to be filed;

14 (b) Has not filed required reports with respect to taxes imposed under  
15 ORS 323.005 to 323.482 or 323.500 to 323.645 for any of the three calendar  
16 years immediately preceding a year in which a report was required to be  
17 filed;

18 (c) After all appeal rights, if any, have expired, has failed to:

19 (A) Pay any tax within 30 days after the date of the assessment and is  
20 still delinquent on any payments due;

21 (B) Enter into an approved payment plan within 60 days after the date  
22 of the assessment of the tax; or

23 (C) Follow the terms of an approved payment plan and is still delinquent  
24 on any payments due; or

25 (d) Has been convicted of a criminal offense related to the personal in-  
26 come tax laws of this state, the corporate excise and income tax laws of this  
27 state or the provisions of ORS 323.005 to 323.482 or 323.500 to 323.645,  
28 whichever are applicable.

29 (5) The department may enter into agreements with any state agency,  
30 board or commission [*that participates in the pilot project under subsection (1)*  
31 *of this section*] in order to assist in the administration of the tax compliance

1 requirement.

2 [(6) *Participation in the pilot project authorized under subsection (1) of this*  
3 *section is limited to three state agencies, boards or commissions.*]

4 **(6) Before issuing or renewing a license described in this section, a**  
5 **state agency, board or commission may require the individual or cor-**  
6 **poration seeking issuance or renewal of the license to present an au-**  
7 **tomated tax compliance certification described in section 2 of this 2013**  
8 **Act or other proof of tax compliance from the Department of Revenue.**

9 **SECTION 5. Section 4, chapter 576, Oregon Laws 2009, is repealed.**

10 **SECTION 6. This 2013 Act takes effect on the 91st day after the date**  
11 **on which the 2013 regular session of the Seventy-seventh Legislative**  
12 **Assembly adjourns sine die.**

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