

**77TH OREGON LEGISLATIVE ASSEMBLY
2013 REGULAR SESSION
STAFF MEASURE SUMMARY
SENATE FINANCE AND REVENUE COMMITTEE**

**MEASURE: HJM 18
CARRIER: Sen. Baertschiger**

REVENUE: No Revenue Impact

FISCAL: No Fiscal Impact

Action: Do Pass

Vote: 4-0-1

Yeas: Baertschiger, Hass, Rosenbaum, Burdick

Nays: 0

Exc.: George

Prepared By: Paul Warner, Economist

Meeting Dates: 6/17

WHAT THE BILL DOES: Urges Congress to exempt certain sellers from potential federal legislation that requires them to collect and remit sales and use taxes to the state of the purchaser in the case of remote sales. Exemption applies only if seller is located in a state that does not impose a sales and use tax.

ISSUES DISCUSSED:

- Number of sales tax jurisdictions and complexity of compliance with differing tax base definitions.
- Lack of infrastructure for Oregon small business that do not currently collect sales taxes.
- Potential competitive disadvantage for Oregon businesses.

EFFECT OF COMMITTEE AMENDMENTS: None

BACKGROUND: The U.S. Senate voted May 6 to approve the Market Place Fairness Act (S. 743). The bill now goes to the House of Representatives. The Market Place Fairness Act authorizes states that adhere to certain simplifications to require out-of-state retailers that have more than \$1 million a year in out-of-state sales to collect and remit that state's sales taxes. The legislation also requires states to provide software to on-line retailers free of charge and removes the liability from the retailer should the software malfunction.

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>