

**PROPOSED AMENDMENTS TO
HOUSE BILL 2464**

1 In line 2 of the printed bill, after “compliance;” insert “creating new
2 provisions; amending ORS 305.217;”.

3 Delete lines 4 through 13 and insert:

4 **“SECTION 1. Section 2 of this 2013 Act is added to and made a part
5 of ORS chapter 314.**

6 **“SECTION 2. (1) As used in this section:**

7 **“(a) ‘Construction services’ includes the erection, excavation, in-
8 stallation, alteration, addition, modification, repair, improvement,
9 demolition, destruction, dismantling or removal of all or any part of
10 a building, structure, dock, wharf, surface or subsurface construction
11 on or attached to any real property.**

12 **“(b) ‘Payee’ means a person, corporation, partnership, association
13 or limited liability company engaged in the performance of con-
14 struction services.**

15 **“(c) ‘Payment’ does not include wages paid to an employee of the
16 payor.**

17 **“(d) ‘Payor’ means a person engaged in a trade or business that
18 makes payment, in the course of the trade or business, for the per-
19 formance of construction services. ‘Payor’ does not include a person
20 that does not, in the ordinary course of the person’s business, engage
21 in contracting for construction services.**

22 **“(2) A payor that makes payment of \$600 or more during the tax**

1 year to a payee for the performance of construction services, including
2 payment for materials and equipment, shall make a report to the
3 payee and to the Department of Revenue. The payor shall make the
4 report on or before the 31st of January following the tax year in which
5 the payment was made. The report must be made on a form prescribed
6 by the department and must include:

7 “(a) The name and address of the payor;

8 “(b) The name, address and tax identification number of the payee;

9 “(c) The total amount that the payor paid to the payee during the
10 tax year; and

11 “(d) Any other information that the department requires.

12 “(3) The Director of the Department of Revenue shall transmit the
13 information contained in all reports received under this section to the
14 Director of the Employment Department no later than the first day
15 of the month following the calendar quarter in which the report was
16 received. The Department of Revenue may share the reports required
17 under this section, upon request, with any state or federal law
18 enforcement agency.

19 “(4)(a) A person who fails to file a report required under this sec-
20 tion, or a return or report required under ORS 314.360 or 316.202, or
21 who files an incomplete or incorrect return or report, shall be subject
22 to a penalty of \$100 per information return after the date on which the
23 return or report is due, up to a maximum penalty of \$2,000.

24 “(b) A person who knowingly fails to file a report required under
25 this section, or a return or report required under ORS 314.360 or
26 316.202, or who knowingly files an incomplete, false or misleading re-
27 turn or report, shall be subject to a penalty of \$2,000 per information
28 return after the date on which the return or report is due, up to a
29 maximum penalty of \$40,000.

30 “(5) The Department of Revenue may by rule establish procedures

1 **for carrying out the provisions of this section. The department may**
2 **further define by rule the terms defined in this section in a manner**
3 **consistent with this section.**

4 **“SECTION 3.** ORS 305.217 is amended to read:

5 **“305.217. [No] A deduction [shall be] is not** allowed under ORS chapter
6 316, 317 or 318 to an individual or entity for amounts paid as wages or as
7 remuneration for personal services if that individual or entity fails to report
8 the payments as required by ORS 314.360 or 316.202 **or section 2 of this 2013**
9 **Act** on the date prescribed therefor (determined with regard to any extension
10 of time for filing) unless it is shown that the failure to report is due to
11 reasonable cause and not done with the intent to evade payment of the tax
12 imposed by ORS chapter 316 or to assist another in evading the payment of
13 such tax.

14 **“SECTION 4. Section 2 of this 2013 Act and the amendments to ORS**
15 **305.217 by section 3 of this 2013 Act apply to payments made in tax**
16 **years beginning on or after January 1, 2013.**

17 **“SECTION 5. This 2013 Act takes effect on the 91st day after the**
18 **date on which the 2013 regular session of the Seventy-seventh Legis-**
19 **lative Assembly adjourns sine die.”.**

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