

**77TH OREGON LEGISLATIVE ASSEMBLY
2014 REGULAR SESSION
STAFF MEASURE SUMMARY
HOUSE COMMITTEE ON REVENUE**

**MEASURE: HB 4055-6
CARRIER:**

**REVENUE: Yes
FISCAL: Statement**

Action:

Vote:

Yeas:

Nays:

Exc.:

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Meeting Dates: 02/04, 2/20/2014

WHAT THE BILL DOES: Extends tax on customer access to 9-1-1 emergency reporting system from prepaid telecommunications service customers, requires Department of Revenue to establish by rule policies and procedures for collection of tax imposed on prepaid services and on fixed interconnected Voice over Internet Protocol service. Directs department to report on administration of tax imposed on fixed interconnected Voice over Internet Protocol service to legislative committee on revenue.

ISSUES DISCUSSED:

- HB 4055 provider pay and HB 4080 point of sale method.
- Some combination of both methods in a hybrid system.
- Enforcement and compliance in the collection and administration.
- The 911 emergency response community system and its continued needs.
- County and local preemption.
- Fair and equitable system.

EFFECT OF COMMITTEE AMENDMENTS: the "-6" amendment extends the current tax (provider pay method) to prepaid subscribers from 1/1/2015 to 10/1/2015. After that it establishes a \$0.75 tax on each prepaid transaction. It allows 2% for retailers as a collection costs and increases the DOR admin allowance to 1%. DOR to report on collections by Feb, 2017.

BACKGROUND:

There is presently a 75 cent per month tax on every subscriber who has telecommunication services with access to the 9-1-1 emergency reporting system. This tax is collected by the service provider from the subscriber. The program collects about \$39 million a year, but is set to expire every eight years or so, currently it is scheduled to sunset on 2022. This measure establishes a point of sale (\$0.75 transaction tax) on prepaid consumers.

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