



TO: House Revenue Committee

FROM: Hasina E. Squires, Special Districts Association of Oregon/APCO-NENA

DATE: February 20, 2014

RE: **Testimony in Support of House Bill 4055 -6 Amendments**

Members of the House Revenue Committee, thank you for the opportunity to submit written testimony regarding the -6 amendments to HB 4055. For the record my name is Hasina Squires and I represent the Special Districts Association of Oregon (SDAO) and APCO/NENA to provide testimony in **support of the -6 amendments to House Bill 4055**. The Special Districts Association's membership consist of approximately 950 special service districts that provide a range of services (including but not limited to water, wastewater, irrigation, parks and recreation, 9-1-1 and rural fire protection) to citizens who reside within cities and residents of unincorporated communities. APCO/NENA is a professional organization that consists of 9-1-1 professionals who manage public safety answering points.

As you know the issue of taxation of prepaid devices has been debated for several legislative sessions. In addition, there has been a great deal of debate about whether or not the existing statute requires all devices (including VoIP) capable of accessing 9-1-1 to pay the current monthly 75 cent per line tax.

We support the -6 amendments which will clarify current ambiguities in statute and clearly subject all devices capable of accessing 9-1-1 to the current monthly 75 cent tax. These amendments will subject providers to a "carrier remit" payment method for nine months (January 1, 2015 – September 30, 2015) and transition to a "point of sale" method of taxation on October 1, 2015.

The amendments also resolve concerns we previously raised regarding a number of issues and will/do the following:

- Not preempt local governments' taxation authority
- Include the current FCC definition of VoIP in statute
- Include a clear definition of prepaid wireless devices
- Clearly define sellers to include all retailers not just telecommunications retailers
- Not allow purchases to be bundled (each individual purchase will pay the tax)
- Require out of state online retailers to remit the tax and;
- Requires DOR to report back to the legislature

Thank you for the opportunity to submit this testimony in support of the -6 amendments to HB 4055.