

**77TH OREGON LEGISLATIVE ASSEMBLY
2014 REGULAR SESSION
STAFF MEASURE SUMMARY
SENATE FINANCE AND REVENUE**

**MEASURE: HB 4055-A
CARRIER:**

**REVENUE: Revenue Impact Statement Issued
FISCAL: Fiscal Impact Statement Issued**

Action:

Vote:

Yeas:

Nays:

Exc.:

**Prepared By: Mazen Malik, Economist
Meeting Dates: 02/26,**

WHAT THE BILL DOES: Establishes procedures for collecting emergency communications tax on prepaid wireless telecommunications service and interconnected Voice over Internet Protocol service. Declares legislative findings concerning scope of existing tax, retroactivity of provisions and intent of Act to facilitate administration of collection of tax. Directs Department of Revenue to report on collections and effectiveness of emergency communications tax 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.
- Agreement on the amendment and the different parties' work on this bill.

EFFECT OF COMMITTEE AMENDMENTS: The house amendment extended the current tax (provider pay method) to prepaid subscribers from 1/1/2015 to 10/1/2015 using two different methods. After that it establishes a \$0.75 tax on each prepaid transaction. It allows 2% for retailers for 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.

**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>**