

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

MEASURE: HB 4003
CARRIER: Sen. George

REVENUE: No Revenue Impact

FISCAL: No Fiscal Impact

Action: Do Pass

Vote: 5-0-0

Yeas: Baertschiger Jr., George, Hass, Rosenbaum, Burdick

Nays: 0

Exc.: 0

Prepared By: Chris Allanach, Economist

Meeting Dates: 2/24

WHAT THE BILL DOES: Generally updates Oregon's date of connection to certain federal laws from January 3, 2013 to December 31, 2013. Updates statutes pertaining to the tax qualification status of the Public Employees Retirement System plans, to unemployment insurance, and to the Oregon 529 College Savings Network. Includes income tax provisions pertaining to the definition of charitable organizations, federal Adjusted Gross Income (for the purposes of Oregon's Elderly Rental Assistance), rules for S-corporation representation before magistrate, the Department of Revenue, and the Oregon Tax Court. Specifies that interest and penalties will not be assessed for tax deficiencies attributable to the federal law connection changes in this Act. Specifies that if a refund is due a taxpayer for a tax year beginning before January 1, 2014 due to any retroactive treatment from these federal tax law connection changes then the refund will be paid without interest. Requires taxpayers to file an amended return for changes in Oregon's law due to these federal tax law changes for tax years beginning before January 1, 2014; requires the Department of Revenue to make changes to tax returns for taxpayers who do not file amended returns.

ISSUES DISCUSSED:

- Level of federal activity regarding tax issues during 2013

EFFECT OF COMMITTEE AMENDMENTS: No amendment

BACKGROUND: Oregon has had a continuing connection ("rolling reconnect") to the definition of taxable income since tax year 2011. Other ties to federal tax law must be updated on a regular basis, with December 31st the usual connection date. The current date of January 3, 2013 was chosen to include the impact of the American Taxpayer Relief Act of 2012, which was signed into law on January 2, 2013. Historically, the Legislature adopted the "rolling reconnect" for tax years 1997 to 2002 and then suspended the policy for tax years 2003 to 2005. The "rolling reconnect" was re-established for tax years 2006 to 2008 and then suspended for tax years 2009 and 2010 when the Assembly selectively disconnected from certain provisions.

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