

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

MEASURE: HB 4055-A
CARRIER: Sen. Burdick

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

Action: Do Pass
Vote: 4-0-1
Yeas: George, Hass, Rosenbaum, Burdick
Nays: 0
Exc.: Baertschiger Jr.

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. Extends 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 Department of Revenue admin allowance to 1%. Directs Department of Revenue to report on collections by Feb, 2017.

ISSUES DISCUSSED:

- 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.
- Concentrate on the outcome of the bill.

EFFECT OF COMMITTEE AMENDMENTS: No amendment

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>