

# D R A F T

## SUMMARY

Proposes amendment to Oregon Constitution providing that surpluses of personal income tax revenues in excess of two percent of forecast revenues are equally deposited in reserve fund established by law and returned to personal income taxpayers.

Refers proposed amendment to people for their approval or rejection at next regular general election.

## JOINT RESOLUTION

**Be It Resolved by the Legislative Assembly of the State of Oregon:**

**PARAGRAPH 1.** The Constitution of the State of Oregon is amended by creating new section 14a to be added to and made a part of Article IX, and by amending section 14, Article IX, such sections to read:

**Sec. 14.** (1) As soon as is practicable after adjournment sine die of an odd-numbered year regular session of the Legislative Assembly, the Governor shall cause an estimate to be prepared of revenues that will be received by the General Fund for the biennium beginning July 1. The estimated revenues from corporate income and excise taxes shall be separately stated from the estimated revenues from other General Fund sources.

(2) As soon as is practicable after the end of the biennium, the Governor shall cause actual collections of revenues received by the General Fund for that biennium to be determined. The revenues received from corporate income and excise taxes shall be determined separately from the revenues received from other General Fund sources.

(3) If the revenues received by the General Fund from corporate income and excise taxes during the biennium exceed the amount estimated to be re-

1 ceived from corporate income and excise taxes for the biennium, by two  
2 percent or more, the total amount of the excess shall be retained in the  
3 General Fund and used to provide additional funding for public education,  
4 kindergarten through twelfth grade.

5 (4) If the revenues received from General Fund revenue sources, exclusive  
6 of those described in subsection (3) of this section, during the biennium ex-  
7 ceed the amount estimated to be received from such sources for the  
8 biennium, by two percent or more, **one-half of the total amount of the**  
9 **excess shall be transferred to a reserve fund established by law and**  
10 **one-half of the total amount of the excess shall be returned to personal in-**  
11 **come taxpayers.**

12 (5) The Legislative Assembly may enact laws:

13 (a) Establishing a tax credit, refund payment or other mechanism by  
14 which the excess revenues are returned to taxpayers, and establishing ad-  
15 ministrative procedures connected therewith.

16 (b) Allowing the excess revenues to be reduced by administrative costs  
17 associated with returning the excess revenues.

18 (c) Permitting a taxpayer's share of the excess revenues not to be re-  
19 turned to the taxpayer if the taxpayer's share is less than a de minimis  
20 amount identified by the Legislative Assembly.

21 (d) Permitting a taxpayer's share of excess revenues to be offset by any  
22 liability of the taxpayer for which the state is authorized to undertake col-  
23 lection efforts.

24 (6)(a) Prior to the close of a biennium for which an estimate described in  
25 subsection (1) of this section has been made, the Legislative Assembly, by a  
26 two-thirds majority vote of all members elected to each [*House*] **house**, may  
27 enact legislation declaring an emergency and increasing the amount of the  
28 estimate prepared pursuant to subsection (1) of this section.

29 (b) The prohibition against declaring an emergency in an act regulating  
30 taxation or exemption in section 1a[, *Article IX of this Constitution,*] **of this**  
31 **Article** does not apply to legislation enacted pursuant to this subsection.

1 (7) This section does not apply:

2 (a) If, for a biennium or any portion of a biennium, a state tax is not  
3 imposed on or measured by the income of individuals.

4 (b) To revenues derived from any minimum tax imposed on corporations  
5 for the privilege of carrying on or doing business in this state that is im-  
6 posed as a fixed amount and that is nonapportioned (except for changes of  
7 accounting periods).

8 (c) To biennia beginning before July 1, 2001.

9 **SECTION 14a. (1) The amendment to section 14 of this Article by**  
10 **Senate Joint Resolution \_\_\_\_\_ (2015) applies to biennia beginning on**  
11 **or after July 1, 2015.**

12 **(2) This section is repealed on June 30, 2019.**

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14 **PARAGRAPH 2. The amendment proposed by this resolution shall**  
15 **be submitted to the people for their approval or rejection at the next**  
16 **regular general election held throughout this state.**

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