

House Bill 2137

Introduced and printed pursuant to House Rule 12.00. Pre-session filed (at the request of House Interim Committee on Revenue)

SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure **as introduced**.

Imposes sales tax on sales in this state of works of art having sales prices of \$250,000 or higher. Imposes use tax on storage, use or other consumption in this state of works of art having sales price of \$250,000 or higher. Requires Department of Revenue to adopt rules for reporting, collecting and refunding sales and use taxes.

Takes effect on 91st day following adjournment sine die.

A BILL FOR AN ACT

1
2 Relating to taxation of certain art transactions; prescribing an effective date; and providing for re-
3 venue raising that requires approval by a three-fifths majority.

4 **Be It Enacted by the People of the State of Oregon:**

5 **SECTION 1. (1) A sales tax is imposed on the sale in this state of any work of art having**
6 **a sales price of \$250,000 or higher.**

7 **(2) The sales tax shall be computed at the rate of 8.75 percent of the gross sales price**
8 **of the work of art.**

9 **(3) A seller may add the amount of the sales tax to the sales price.**

10 **SECTION 2. (1) A use tax is imposed on the storage, use or other consumption in this**
11 **state of any work of art having a sales price of \$250,000 or higher.**

12 **(2) The use tax shall be computed at the rate of 8.75 percent of the gross sales price of**
13 **the work of art.**

14 **(3)(a) The use tax imposed under this section shall be reduced, but not below zero, by the**
15 **amount of sales or use tax imposed by any jurisdiction on the sale, or storage, use or other**
16 **consumption, of the work of art.**

17 **(b) The reduction under this subsection shall be made upon a showing by the purchaser**
18 **that the sales or use tax has been paid.**

19 **SECTION 3. (1) A resale certificate taken from a purchaser ordinarily engaged in the**
20 **business of selling works of art relieves the seller from liability for the sales tax or the duty**
21 **to collect the use tax. A resale certificate must be substantially in the form prescribed by**
22 **the Department of Revenue by rule.**

23 **(2) To ensure the proper administration of section 2 of this 2015 Act, and to prevent**
24 **evasion of the use tax and the duty to collect the use tax, the presumptions described in**
25 **subsections (3) to (5) of this section are established.**

26 **(3) A work of art is stored, used or otherwise consumed in this state if it is present in**
27 **this state for private or public display or storage.**

28 **(4)(a) A work of art sold by any seller for delivery in this state was sold for storage, use**
29 **or other consumption in this state unless the contrary is proved.**

NOTE: Matter in **boldfaced** type in an amended section is new; matter [*italic and bracketed*] is existing law to be omitted. New sections are in **boldfaced** type.

1 **(b) The burden of proving the contrary is on the seller unless the seller takes from the**
2 **purchaser a resale certificate to the effect that the work of art was purchased for resale in**
3 **the ordinary course of the purchaser's business.**

4 **(5)(a) A work of art delivered outside this state to a purchaser known by the seller to**
5 **be a resident of this state was purchased from the seller for storage, use or other con-**
6 **sumption in this state and stored, used or otherwise consumed in this state unless the con-**
7 **trary is proved.**

8 **(b) The contrary may be proved by:**

9 **(A) A statement in writing, signed by the purchaser or an authorized agent of the pur-**
10 **chaser, and retained by the seller, that the work of art was purchased for use or other**
11 **consumption exclusively at a designated point or points outside this state; or**

12 **(B) Other evidence satisfactory to the Department of Revenue that the work of art was**
13 **not purchased for storage, use or other consumption in this state.**

14 **SECTION 4.** **The Department of Revenue shall adopt rules to effect the timely reporting,**
15 **collection and refunding of the sales and use taxes imposed under sections 1 and 2 of this**
16 **2015 Act.**

17 **SECTION 5.** **A unit of local government may not impose a sales or use tax on sales of**
18 **works of art that is not approved by the governing body of the local government on or before**
19 **the effective date of this 2015 Act.**

20 **SECTION 6.** **Sections 1 to 3 of this 2015 Act apply to sales of works of art that become**
21 **final on or after the effective date of this 2015 Act.**

22 **SECTION 7.** **This 2015 Act takes effect on the 91st day after the date on which the 2015**
23 **regular session of the Seventy-eighth Legislative Assembly adjourns sine die.**

24