

House Bill 2351

Introduced and printed pursuant to House Rule 12.00. Pre-session filed (at the request of House Interim Committee on Judiciary for Association of Oregon Counties)

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**.

Increases rate of tax for access to 9-1-1 emergency reporting system. Applies to telecommunications service or interconnected Voice over Internet Protocol service provided on or after January 1, 2016. Adjusts rate based on inflation. Extends period of applicability of tax.

Takes effect on 91st day following adjournment sine die.

A BILL FOR AN ACT

1
2 Relating to emergency communications taxes; amending ORS 403.200 and section 4, chapter 5,
3 Oregon Laws 2002 (first special session), and section 8a, chapter 59, Oregon Laws 2014; pre-
4 scribing an effective date; and providing for revenue raising that requires approval by a three-
5 fifths majority.

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

7 **SECTION 1.** ORS 403.200, as amended by sections 3 and 3a, chapter 59, Oregon Laws 2014, is
8 amended to read:

9 403.200. (1) There is imposed on each consumer or paying retail subscriber who has telecom-
10 munications service or interconnected Voice over Internet Protocol service, with access to the 9-1-1
11 emergency reporting system a tax equal to [75 cents] **\$1.25** per month or, for prepaid wireless tele-
12 communications service, [75 cents] **\$1.25** per retail transaction. The tax must be applied on a tele-
13 communications circuit designated for a particular consumer or subscriber. One consumer or
14 subscriber line must be counted for each circuit that is capable of generating usage on the line side
15 of the switched network regardless of the quantity or ownership of customer premises equipment
16 connected to each circuit. For providers of central office based services, the tax must be applied to
17 each line that has unrestricted connection to the switched network. Those central office based ser-
18 vice lines that have restricted connection to the switched network must be charged based on soft-
19 ware design in the central office that restricts the number of station calls to and from the network.
20 For cellular, wireless or other radio common carriers, the tax applies to a subscriber on a per in-
21 strument basis and only if the subscriber's place of primary use, as defined under 4 U.S.C. 124, is
22 within this state.

23 **(2)(a) Beginning in calendar year 2017, the Department of Revenue shall annually adjust**
24 **the rates in subsection (1) of this section according to the cost-of-living adjustment for the**
25 **calendar year. The department shall make this adjustment by multiplying the rate applicable**
26 **to subscriber bills issued or retail transactions made during the previous calendar year by**
27 **the percentage (if any) by which the monthly averaged U.S. City Average Consumer Price**
28 **Index for the 12 consecutive months ending August 31 of that calendar year exceeds the**
29 **monthly averaged U.S. City Average Consumer Price Index for the 12 consecutive months**
30 **ending August 31, 2015.**

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) As used in this subsection, “U.S. City Average Consumer Price Index” means the U.S.**
 2 **City Average Consumer Price Index for All Urban Consumers (All Items) as published by the**
 3 **Bureau of Labor Statistics of the United States Department of Labor.**

4 [(2)] (3) The consumer or subscriber is liable for the tax imposed by this section.

5 [(3)] (4) The amounts of tax collected by the provider or seller are considered as payment by the
 6 consumer or subscriber for that amount of tax.

7 [(4)] (5) The tax imposed under this section, as it applies to prepaid wireless telecommunications
 8 service, shall be collected by the seller from the consumer with respect to each retail transaction
 9 occurring in this state. The amount of the tax shall be separately stated on an invoice, receipt or
 10 other similar document that the seller provides to the consumer, or shall be otherwise disclosed to
 11 the consumer.

12 [(5)] (6) For purposes of this section, a retail transaction:

13 (a) Occurs in this state if it is made in person by a consumer at a business location of the seller;

14 (b) If not made in person by a consumer at a business location of the seller, occurs in this state
 15 if the consumer’s shipping address, payment instrument billing address, or other address provided
 16 by the consumer for purposes of the transaction, is in this state; or

17 (c) If insufficient information exists to determine whether paragraph (a) or (b) of this subsection
 18 is accurate, occurs in this state if the consumer’s prepaid wireless telephone number is associated
 19 with an Oregon location.

20 [(6)] (7) Any return made by the provider or seller collecting the tax must be accepted by the
 21 [Department of Revenue] **department** as evidence of payments by the consumer or subscriber of
 22 amounts of tax so indicated upon the return.

23 **SECTION 2.** Section 8a, chapter 59, Oregon Laws 2014, is amended to read:

24 **Sec. 8a. (1)** The amendments to statutes by sections [3a to] 4, 5 and 6 to 8, **chapter 59, Oregon**
 25 **Laws 2014**, apply to telecommunications service or interconnected Voice over Internet Protocol
 26 service, as defined in ORS 403.105, provided on or after October 1, 2015.

27 **(2) The amendments to ORS 403.200 by section 3a, chapter 59, Oregon Laws 2014, apply**
 28 **to telecommunications service or interconnected Voice over Internet Protocol service, as**
 29 **defined in ORS 403.105, provided on or after October 1, 2015, and before January 1, 2016.**

30 **(3) The amendments to ORS 403.200 by section 1 of this 2015 Act apply to telecommuni-**
 31 **cations service or interconnected Voice over Internet Protocol service, as defined in ORS**
 32 **403.105, provided on or after January 1, 2016.**

33 **SECTION 3.** Section 4, chapter 5, Oregon Laws 2002 (first special session), as amended by sec-
 34 tion 1, chapter 4, Oregon Laws 2002 (third special session), section 1, chapter 629, Oregon Laws
 35 2007, section 1, chapter 749, Oregon Laws 2013, and section 9, chapter 59, Oregon Laws 2014, is
 36 amended to read:

37 **Sec. 4.** Taxes imposed under ORS 403.200 apply to subscriber bills issued on or after January
 38 1, 2002, and before January 1, [2022] **2032**, and to retail transactions made on or after October 1,
 39 2015, and before January 1, [2022] **2032**.

40 **SECTION 4. This 2015 Act takes effect on the 91st day after the date on which the 2015**
 41 **regular session of the Seventy-eighth Legislative Assembly adjourns sine die.**