

House Joint Resolution 14

Sponsored by Representative HOLVEY (Pre-session filed.)

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**.

Proposes amendment to Oregon Constitution directing Legislative Assembly to adopt sales tax at rate of five percent on sales of tangible personal property and services and use tax at rate of five percent on purchase price of tangible personal property. Requires exemption from taxes for necessities. Requires 75 percent of net annual revenue from tax to be used to fund education through post-secondary level and 25 percent to be used for property tax relief for senior citizens and income tax relief for individuals with income below levels set by law. Preempts local sales and use taxes not approved on or before November 8, 2016.

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 a new section 16 to be added to and made a part of Article IX, such section to read:

SECTION 16. (1) The Legislative Assembly shall provide by law for a sales and use tax law that complies with the provisions of this section. The law may be based on an interstate sales and use tax agreement.

(2)(a) A sales tax is imposed at a rate of five percent on gross receipts from sales of tangible personal property and services.

(b) A use tax is imposed at a rate of five percent on the purchase price of tangible personal property purchased for storage, use or consumption in this state.

(c) Sales of water, food, clothing, drugs, medical and mobility equipment and utilities, as defined by law, are exempt from the sales tax and use tax.

(d) A sales tax may not be imposed on transfers of real property.

(3)(a) Revenue generated by the taxes created pursuant to this section must be credited to a fund separate and distinct from the General Fund.

(b) Revenue in the fund established pursuant to this subsection shall be distributed as follows:

(A) Seventy-five percent of the net annual revenue credited to the fund must be expended to fund education in this state through the post-secondary level.

(B) Twenty-five percent of the net annual revenue credited to the fund must be expended to provide:

(i) Progressive property tax relief for senior citizens as defined by law based on the value of the taxable property of the senior citizens as assessed by law for property tax purposes; and

(ii) Income tax relief for individuals with taxable income below annual amounts established by law for separate and joint returns.

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 (c) The Legislative Assembly may provide for periodic indexing of the amounts described
2 in subparagraph (B) of paragraph (b) of this subsection.

3 (d) Notwithstanding paragraph (b) of this subsection, revenue from the sales and use tax
4 law imposed under this section that is described in section 3a of this Article may be used
5 only for the purposes described in section 3a of this Article.

6 (4) Notwithstanding any other provision of law, a unit of local government may not im-
7 pose a sales or use tax that is not approved on or before November 8, 2016.

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

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