

Testimony of the Taxation Section in support of SB 5535
Before the Ways and Means Subcommittee on General Government

March 16, 2017

Co-Chairs Manning and Smith, and members of the Committee:

Thank you for allowing the Taxation Section of the Oregon State Bar to express its support for adequate funding for the Oregon Department of Revenue (DOR). The Taxation Section's membership includes approximately 500 attorneys who represent private citizens of all income levels, businesses, and public agencies. Section members represent a wide variety of clients, each with their own unique problems and concerns, with clients from eastern Oregon to Hood River, to the Portland metro area and down the Willamette Valley.

1. The Taxation Section of the Oregon State Bar believes that maintaining the current service level is important to taxpayer fairness and system integrity. The Section is concerned about how cuts could affect taxpayer services, including the DOR's ability to:

- *Provide taxpayers access to well-trained and competent staff*
- *Ensure timely responses to taxpayers and representatives*
- *Instill confidence in taxpayers that the tax system is fair*
- *Protect the existing working relationship with the Bar and other representatives*
- *Incorporate feedback into proposed laws and rules*

2. Good working relationship. The Section appreciates the willingness of the DOR to engage with the section and consumers, and to explore ways to work together to communicate effectively with Oregon taxpayers about state tax law.

Quarterly meetings. For the last decade, the DOR Director has hosted quarterly meetings for representatives of the Taxation Section and senior DOR policy officers and managers. In the last year, representatives of the Oregon Society of CPAs have participated as well. This group has discussed legislative and rulemaking proposals and infrastructure issues such as the core computer system replacement project, and the DOR's work on tax uniformity through the Multistate Tax Commission. We have also addressed issues involving taxpayer service and systems improvements. Establishing and maintaining open lines of communication between the DOR and practitioners has allowed for a more comprehensive understanding of taxpayers' concerns by both the Department and practitioners alike.

Opportunity to review draft rules and statutory concepts. Between meetings, the DOR has shared administrative rule drafts with the Section before they are formally proposed--often at the concept stage. The DOR has also discussed legislative concepts with the section. The Taxation section appreciates the opportunity to provide comments on technical, practical and language issues to help make the tax rules and laws as understandable and workable as possible for Oregon taxpayers.

We encourage the Legislature to support adequate funding of the Department of Revenue.

Thank you for your attention to this matter. We would be happy to answer any questions.

Robert Manicke
Chair, Laws Committee
OSB Taxation Section

Justin Hobson
Member, Executive Committee
OSB Taxation Section