



# POLK COUNTY

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ASSESSOR'S OFFICE

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Assessor

March 22, 2017  
House Committee on Revenue  
HB 2573

Chair Barnhart, members of the committee, my name is Douglas Schmidt and I am the Polk County Assessor testifying on behalf of the Oregon State Association of County Assessors (OSACA). At this time, OSACA is **Neutral but need clarification** on HB 2573.

Assessors understand the complexity of the Business Personal Property reporting requirements. We also understand HB 2573 is intended to clarify and reduce the complexity of reporting for certain business owners. Assessors are asking for some clarification on the process requested in HB 2573 and also some possible wording changes.

HB 2573 requires assessors to provide a notice, soon after January 1, to taxpayers whose taxable business personal property is not subject to ad valorem taxation for the current property tax year. Assessors must also send a "sign and date" form for the taxpayer to return if no changes were made to their business assets.

- To clarify, if sending a notice and form is intended to give clarity and simplicity to the reporting of business personal property, assessor support that. However, on the surface, sending a notice and form seems redundant.
  - o By January 1, the taxpayer would already know they did not owe any taxes because they would not have received a tax statement.
  - o The Business Personal Property Return (return) mailed by December 31, for the coming tax year already lets them know if they did not receive a tax bill last year it was because their total assessed value was below the statutory threshold.
  - o The existing return mailed by December 31, already states if they did not receive a tax bill for the current tax year and there has been no assets added or deleted they only need to check a box on the return, sign it and submit the return timely to the assessor's office.
- In order to reduce costs and staff time, some assessors do not mail returns to every business every year. This bill would require assessors staff to identify the businesses not being mailed a return and mailing them a notice and form.

- The notice must include a form the taxpayer can sign, date and return stating the “value” of the taxable personal property has not changed since last year.
  - o The taxpayer does not determine the “value” of the personal property.
  - o The word “value” should be removed and a statement similar to “and you have not purchased, added or deleted any taxable personal property”.
- There is nothing in the bill that lets the taxpayer know to contact the assessor’s office if they have added or deleted assets since the prior January 1 and that they need to file a return.
  - o Should wording similar to the following be added to the bill in Section 1. (3)(b) “(C) If assets have been added or deleted during the past calendar year, the taxpayer is required to contact the assessor’s office and submit a signed Business Personal Property Return with an updated asset detail list within the time period required in ORS 308.290 (1)(a).”
  - o If assets have changed, assessor’s staff will need to mail a return and current asset list to the business. This is additional time and cost.

Between the 2016 and 2017 sessions, Representative Gomberg worked with the Department of Revenue to modify the Personal Property Return form to try and make it clearer and easier for the business owner. The 2017 year is the first year the revised form has been used and the wording changes did cause some confusion for first time filers. Is it possible to wait and see if the revised form helps existing business owners before we implement a program to send them another form or different form?

If the above is what the bill is asking assessors to do, we can do this but for some assessors it could require some additional time and actual cost.

Thank you, if you have any questions I will try and answer them.