

HB 2019 -6 STAFF MEASURE SUMMARY

House Committee On Revenue

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Meeting Dates: 3/16, 4/20, 5/2, 5/24

WHAT THE MEASURE DOES:

Requires the Department of Revenue to submit certain tax return information to the Legislative Revenue Officer each year by December 1. In general, by March 1 of the following year, the Legislative Revenue Officer is required to produce a public report containing that tax return information. The required information is limited to C-corporations that operate in more than one state and claim a certain amount (currently blank) of tax expenditures in a given year. The report is to provide four lists that rank corporations according to Oregon sales, Oregon taxable income, tax expenditures claimed, tax liability. Each listing is to include the taxpayer name, Oregon sales, Oregon taxable income, amount of tax expenditures claimed, Oregon tax liability, and Oregon property taxes. This provision does not allow the disclosure of federal data considered to be confidential. The initial report would pertain to tax year 2015, provided to the Legislative Revenue Officer by December 1, 2017. The initial public report would be available by January 1, 2018.

ISSUES DISCUSSED:

- Impact of tax credits on the public budgeting process
- Need for better information
- Improvement to transparency regarding tax policy
- Potential impact on privacy and voluntary compliance
- Potential impact on future tax policy

EFFECT OF AMENDMENT:

-6 Replaces bill. Defines 'business tax credit' and requires corporations that claim at least \$5,000 in business tax credits to report certain information to the Legislative Revenue Officer by December 1 of each year. Excludes tax credits that have been purchased or are the result of making a donation. The required information is the taxpayer name, amount of Oregon sales, Oregon taxable income, the name and amount of each credit claimed, the total amount of all business tax credits claimed, Oregon tax liability, and Oregon property taxes paid. The LRO is then required to release a report of that information by February 1 of each year. The initial reporting would pertain to tax year 2015 and be reported by December 1, 2017. The initial LRO report would be due by February 1, 2018.

BACKGROUND:

Under current law, all tax return information is considered confidential and may not be disclosed to the public. Oregon does contain certain exceptions.