

**REVENUE IMPACT OF
PROPOSED LEGISLATION**
79th Oregon Legislative Assembly
2017 Regular Session
Legislative Revenue Office

Bill Number: SB 181 - A9
Revenue Area: Property Taxes
Economist: Kyle Easton
Date: 6/27/2017

*Only Impacts on Original or Engrossed
Versions are Considered Official*

Measure Description:

Requires specified institutions seeking property tax exemption under ORS 307.130 to annually file an information return on or before April 1 preceding each tax year for which exemption is claimed. Specifies contents of information return. Requires reporting institution to include with information return, most recently required and timely filed Form 990 and Form CT-12 of the reporting institution or link to a version of the form that is publicly available on the Internet.

Upon discovery by the county assessor that any information set forth in information return is misleading or false, in a way that materially affects the eligibility of the property for the exemption, requires assessor to contact the reporting institution and clearly identify the information the county assessor considers misleading or false. Requires reporting institution to respond to county assessor within 30 days by submitting revised information return or claim for exemption. Requires county assessor to determine whether the revised document has cured the identified defect. If reporting institution does not submit revised information return or revised return does not cure identified defect, then property is disqualified for exemption and subject to potential additional tax for up to five immediately preceding property tax years plus interest.

Explicitly states that disqualification of property due to information return containing misleading or false information, as determined by assessor, may be appealed to the Oregon Tax Court.

Revenue Impact: Minimal, see impact explanation

Impact Explanation:

The measure adds reporting requirements of specified institutions seeking property tax exemption under ORS 307.130, commonly referred to as the Literary, Charitable and Scientific Organizations exemption. While the measure does not contain additional requirements that organizations are required to meet other than reporting requirements, it is expected that some organizations currently qualifying for exemption will not qualify for exemption in years following the additional reporting requirements. This assumption is made because of a potential for increased compliance with current law exemption qualification requirements. Under current law, application to assessor is required to be filed only in initial year of application so long as ownership of property remains unchanged. Information provided on information return may also elucidate a property or organization's exemption qualification status.

Creates, Extends, or Expands Tax Expenditure: Yes No