

Senate Joint Resolution 7

Sponsored by Senator RILEY (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 revision of Oregon Constitution directing Legislative Assembly to adopt sales tax on purchase price of tangible personal property and services and use tax on purchase price of tangible personal property. Requires exemption from taxes for necessities. Preempts local sales and use taxes not approved on or before November 6, 2018.

Exempts all owner-occupied primary residences from all property taxation. Provides sales and use taxes shall be set at rate determined by Legislative Revenue Officer to be necessary to replace revenue formerly collected on residential property granted exemption from property taxation and to pay ongoing administrative costs of sales and use taxes.

Refers proposed revision to people for their approval or rejection at next primary election.

JOINT RESOLUTION

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2 **Be It Resolved by the Legislative Assembly of the State of Oregon, two-thirds of all the**
3 **members of each house concurring:**

4 **PARAGRAPH 1.** The Constitution of the State of Oregon is revised by creating a new section
5 16 to be added to and made a part of Article IX, such section to read:

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

9 **(2)(a) The sales tax shall be imposed on the purchase price of tangible personal property**
10 **and services purchased in this state.**

11 **(b) The use tax shall be imposed on the purchase price of tangible personal property**
12 **purchased outside this state for storage, use or consumption in this state.**

13 **(3) The sales and use taxes shall be set at the rate determined by the Legislative Revenue**
14 **Officer, in consultation with the Department of Revenue, to be necessary to replace the re-**
15 **venue formerly collected on residential property granted exemption from property taxation**
16 **under section 11m, Article XI of this Constitution, and to pay the ongoing costs incurred in**
17 **administering the sales and use taxes.**

18 **(4) Sales of water, food, clothing, drugs, medical and mobility equipment and utilities, as**
19 **defined by law, are exempt from the sales and use taxes.**

20 **(5) A sales tax may not be imposed on transfers of real property.**

21 **(6) Notwithstanding any other provision of law, a unit of local government may not im-**
22 **pose a sales or use tax that is not approved on or before November 6, 2018.**

23 **PARAGRAPH 2.** The Constitution of the State of Oregon is revised by creating new sections
24 11m and 11n to be added to and made a part of Article XI, such sections to read:

25 **SECTION 11m. Notwithstanding section 11 of this Article, all owner-occupied primary**
26 **residences shall be exempt from all property taxation.**

27 **SECTION 11n. (1) Legislation implementing the provisions of section 16, Article IX of this**

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 **Constitution, and section 11m of this Article is not subject to the emergency declaration**
2 **prohibition in section 1a, Article IX of this Constitution.**

3 **(2) This section is repealed on January 2, 2021.**

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5 **PARAGRAPH 3. The revision proposed by this resolution shall be submitted to the people**
6 **for their approval or rejection at the next primary election.**

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