

Requested by Representative BARNHART

**PROPOSED AMENDMENTS TO  
HOUSE BILL 2056**

1 On page 1 of the printed bill, delete lines 3 and 4 and insert “305.620,  
2 323.030 and 323.640; and prescribing an effective date.”.

3 Delete lines 6 through 28 and delete pages 2 through 9 and insert:

4 **“SECTION 1.** ORS 323.030 is amended to read:

5 “323.030. (1) Every distributor shall pay a tax upon distributions of ciga-  
6 rettes at the rate of 29 mills for the distribution of each cigarette in this  
7 state.

8 “(2) The taxes imposed by ORS 323.005 to 323.482 are in lieu of all other  
9 state[, *county or municipal*] taxes on the sale or use of cigarettes.

10 “(3) Any cigarette with respect to which a tax has been prepaid under  
11 ORS 323.068 or has otherwise once been imposed under ORS 323.005 to  
12 323.482 is not subject upon a subsequent distribution to the taxes imposed  
13 by ORS 323.005 to 323.482.

14 “(4) In addition to and not in lieu of any other tax imposed under ORS  
15 323.005 to 323.482, every distributor shall pay a tax upon distributions of  
16 cigarettes at the rate of seven mills for the distribution of each cigarette in  
17 this state.

18 **“SECTION 2.** ORS 323.030, as amended by section 16, chapter 5, Oregon  
19 Laws 2013 (special session), is amended to read:

20 “323.030. (1) Every distributor shall pay a tax upon distributions of ciga-  
21 rettes at the rate of 29 mills for the distribution of each cigarette in this

1 state.

2 “(2) The taxes imposed by ORS 323.005 to 323.482 are in lieu of all other  
3 state[, *county or municipal*] taxes on the sale or use of cigarettes.

4 “(3) Any cigarette with respect to which a tax has been prepaid under  
5 ORS 323.068 or has otherwise once been imposed under ORS 323.005 to  
6 323.482 is not subject upon a subsequent distribution to the taxes imposed  
7 by ORS 323.005 to 323.482.

8 “(4) In addition to and not in lieu of any other tax imposed under ORS  
9 323.005 to 323.482, every distributor shall pay a tax upon distributions of  
10 cigarettes at the rate of 7.5 mills for the distribution of each cigarette in this  
11 state.

12 **“SECTION 3.** ORS 323.640 is amended to read:

13 “323.640. (1) The taxes imposed by ORS 323.505 are in lieu of all other  
14 state[, *county or municipal*] taxes on the sale or use of tobacco products.

15 “(2) Any tobacco product with respect to which a tax has once been im-  
16 posed under ORS 323.505 [*shall not be*] **is not** subject upon a subsequent  
17 distribution to the taxes imposed by ORS 323.505.

18 **“SECTION 4.** ORS 305.620, as amended by section 32, chapter 24, Oregon  
19 Laws 2016, is amended to read:

20 “305.620. (1) Any state agency or department may enter into agreements  
21 with any political subdivision of this state for the collection, enforcement,  
22 administration and distribution of local taxes of the political subdivision  
23 imposed upon or measured by gross or net income, wages or net earnings  
24 from self-employment, local general sales and use taxes [*or*], taxes imposed  
25 under ORS 475B.345 **or taxes imposed on cigarettes or tobacco**  
26 **products.**

27 “(2) The department or agency shall prescribe the rules by which the  
28 agreements entered into under subsection (1) of this section are administered.

29 “(3) The department or agency shall prescribe the rules by which the  
30 taxes described by subsection (1) of this section are administered, collected,

1 enforced and distributed.

2 “(4) A political subdivision may appear as an intervenor at any conference  
3 held by the Department of Revenue or conference, hearing or proceeding held  
4 by another department or agency in connection with a local tax administered  
5 by the department or agency. The political subdivision may be represented  
6 by its own counsel. The department or agency shall adopt rules governing  
7 the procedures to be followed by the political subdivision in making an ap-  
8 pearance.

9 “(5) Costs incurred by the department or agency in the administration,  
10 enforcement, collection and distribution of taxes under the agreements en-  
11 tered into under subsection (1) of this section shall be first deducted from  
12 the taxes collected before distribution is made to the political subdivision  
13 which is a party to the agreement.

14 “(6) The Oregon Tax Court shall have exclusive jurisdiction to review  
15 determinations of the Department of Revenue or orders of another depart-  
16 ment or agency relating to the collection, enforcement, administration and  
17 distribution of local taxes under agreements entered into under subsection  
18 (1) of this section.

19 “(7) A proceeding for refund or to set aside additional taxes or taxes as-  
20 sessed when no return was filed may be initiated before the state agency or  
21 department.

22 “(8) An appeal from a determination or an order may be taken by the  
23 taxpayer or by the political subdivision whose taxes are in issue, by filing  
24 a complaint with the clerk of the Oregon Tax Court at its principal office  
25 in Salem, Oregon, within 60 days after the notice of the determination of the  
26 Department of Revenue or the order of the department or agency is sent to  
27 the taxpayer or the political subdivision. The filing of the complaint in the  
28 Oregon Tax Court shall constitute perfection of the appeal. Service of the  
29 taxpayer’s complaint shall be accomplished by the clerk of the tax court by  
30 filing a copy of the complaint with the administrative head of the department

1 or agency and a copy with the political subdivision. Service of the political  
2 subdivision's complaint shall be accomplished by the clerk of the tax court  
3 by filing a copy of the complaint with the administrative head of the de-  
4 partment or agency and mailing a copy of the complaint to the taxpayer. The  
5 complaint of a taxpayer shall be entitled in the name of the person filing as  
6 plaintiff and the department or agency as defendant. The complaint of a  
7 political subdivision shall be entitled in the name of the political subdivision  
8 as plaintiff and the taxpayer and the department or agency as defendants.  
9 A copy of the order of the department or agency shall be attached to the  
10 complaint. All procedures shall be in accordance with ORS 305.405 to 305.494.

11 **“SECTION 5. (1) The amendments to ORS 323.030 by section 1 of this**  
12 **2017 Act apply to distributions of cigarettes occurring on or after the**  
13 **effective date of this 2017 Act and before January 1, 2018.**

14 **“(2) The amendments to ORS 323.030 by section 2 of this 2017 Act**  
15 **apply to distributions of cigarettes occurring on or after January 1,**  
16 **2018.**

17 **“(3) The amendments to ORS 323.640 by section 3 of this 2017 Act**  
18 **apply to distributions of tobacco products occurring on or after the**  
19 **effective date of this 2017 Act.**

20 **“SECTION 6. This 2017 Act takes effect on the 91st day after the**  
21 **date on which the 2017 regular session of the Seventy-ninth Legislative**  
22 **Assembly adjourns sine die.”**

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