

HB 2119 A STAFF MEASURE SUMMARY

Carrier: Rep. Findley

House Committee On Revenue

Action Date: 04/09/19

Action: Do pass with amendments. (Printed A-Eng.)

Vote: 6-0-1-0

Yeas: 6 - Findley, Hernandez, Marsh, Nathanson, Reschke, Smith G

Exc: 1 - Smith Warner

Fiscal: Has minimal fiscal impact

Revenue: Has minimal revenue impact

Prepared By: Kaitlyn Harger, Economist

Meeting Dates: 2/14, 4/9

WHAT THE MEASURE DOES:

Disconnects Oregon from federal process for creating the withholding tax tables. Provides the Department of Revenue (DOR) additional flexibility in administering the withholding tax system in Oregon. Applies to tax years 2020 and later. Takes effect on 91st day following adjournment sine die.

ISSUES DISCUSSED:

- Oregon's tie to federal tax system
- Recent changes to federal withholding tables
- Difficulty in using current withholding tables to estimate tax liability

EFFECT OF AMENDMENT:

Adds to the bill changes to statutes affected by the withholding system but not included in the introduced version of the bill. Clarifies and changes language to provide the Department of Revenue (DOR) additional flexibility in dealing with withholding changes.

BACKGROUND:

Currently, Oregon is tied in statute to the federal tax withholding system. Recently, the federal government discussed changing the federal withholding system through the Tax Cuts and Jobs Act (TCJA). The statute changes contained within this bill allow Oregon's Department of Revenue (DOR) more flexibility in determining the withholding system for Oregon and ensuring it accurately reflects tax liability under current law.