

HB 2119 A STAFF MEASURE SUMMARY

Carrier: Sen. Hass

Senate Committee On Finance and Revenue

Action Date: 05/08/19

Action: Do pass the A-Eng bill.

Vote: 3-0-0-2

Yeas: 3 - Hass, Riley, Taylor

Abs: 2 - Bentz, Boquist

Fiscal: Has minimal fiscal impact

Revenue: Has minimal revenue impact

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Meeting Dates: 5/8

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:

- Calculation of withholding at the individual level using the Federal W-4 form
- Availability of the Oregon W-4 form
- Extent of issue for taxpayers under current system

EFFECT OF AMENDMENT:

No amendment.

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.