

SB 212 B STAFF MEASURE SUMMARY

Carrier: Rep. Smith Warner

House Committee On Revenue

Action Date: 06/18/19

Action: Do pass with amendments to the A-Eng bill. (Printed B-Eng.)

Vote: 7-0-0-0

Yeas: 7 - Findley, Hernandez, Marsh, Nathanson, Reschke, Smith G, Smith Warner

Fiscal: No fiscal impact

Revenue: No revenue impact

Prepared By: Kyle Easton, Economist

Meeting Dates: 5/13, 6/18

WHAT THE MEASURE DOES:

Specifies that if corporate activity tax imposed on commercial activity enacted by section 63, chapter 122, Oregon Laws 2019 (Enrolled House Bill 3427) does not become law by March 1, 2020, specified sections of Enrolled House Bill 3427 do not take effect. Takes effect on the 91st day following adjournment sine die.

ISSUES DISCUSSED:

5/13/2019

- Background on measure and policy rationale
- Measure directs tax benefits to taxpayers with higher education tuition and fees
- Potential impact of deduction elimination on tribal gaming casinos
- Roughly 80% of revenue for Spirit Mountain Casino originates from about 20% of customers
- No public testimony submitted by tribal governments during hearings in Senate Finance and Revenue
- Historic existence of deduction for gambling losses.

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- -A3 replaces content of measure
- House Bill 3427 viewed as a package
- Necessity of measure
- Potential referral to voters of portions of HB 3427.

EFFECT OF AMENDMENT:

Replaced content of measure.

BACKGROUND:

Enrolled House Bill 3427 (chapter 122, Oregon Laws 2019) created a Corporate Activity Tax based on commercial activity conducted by businesses, reduced personal income tax rates for the three lower brackets and created the Fund for Student Success and allocated funds. Tax changes for House Bill 3427 first take effect with tax year 2020. Engrossed Senate Bill 212 ensures that if the corporate activity tax portion of House Bill 3427 does not become law by March 1, 2020, House Bill 3427 as a package does not take effect.