

# House Bill 2116

Introduced and printed pursuant to House Rule 12.00. Pre-session filed (at the request of House Interim Committee on Revenue)

## 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**.

Directs Department of Revenue to establish automated method for tax compliance certification not later than January 1, 2020.

Requires certain licensees to demonstrate and maintain tax compliance as condition of issuance or renewal of license. Phases in program requirements, based on size of licensing entity and type of tax program, until requirements apply to all state agencies, boards and commissions that issue occupational licenses or licenses for privilege of engaging in occupation or profession.

Takes effect on 91st day following adjournment sine die.

## A BILL FOR AN ACT

1  
2 Relating to tax compliance; and prescribing an effective date.

3 **Be It Enacted by the People of the State of Oregon:**

4 **SECTION 1. Sections 2 and 3 of this 2019 Act are added to and made a part of ORS**  
5 **chapter 305.**

6 **SECTION 2. (1) As used in this section, "tax" has the meaning given that term in ORS**  
7 **305.380.**

8 **(2) The Department of Revenue shall establish an automated method for certifying tax**  
9 **compliance via an Internet website. Automated tax compliance certification shall constitute**  
10 **proof of tax compliance for issuance or renewal of an occupational license or a license for**  
11 **the privilege of engaging in an occupation or profession within this state. A person may not**  
12 **obtain compliance certification as provided under this section if, as of the application date**  
13 **for issuance or renewal of the license, information readily accessible to department person-**  
14 **nel indicates that the person is not in compliance with section 4 of this 2019 Act.**

15 **(3) The department shall adopt rules establishing procedures by which a taxpayer may**  
16 **apply for and obtain automated tax compliance certification under this section. The proce-**  
17 **dures must maintain the confidentiality of taxpayer information and ensure that only the**  
18 **taxpayer named in the certification or an authorized representative of the taxpayer is able**  
19 **to access information in the certification.**

20 **SECTION 3. (1) The Department of Revenue shall develop and implement a communi-**  
21 **cation plan for providing notification of the automated tax compliance certification system**  
22 **established pursuant to section 2 of this 2019 Act and the requirements of section 4 of this**  
23 **2019 Act to:**

24 **(a) State agencies, boards and commissions that issue occupational licenses or licenses**  
25 **for the privilege of engaging in an occupation or profession within this state;**

26 **(b) Licensees; and**

27 **(c) Individuals and corporations likely to seek issuance or renewal of a license.**

28 **(2) Compliance with section 4 of this 2019 Act is required for licenses issued or renewed:**

**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 (a) On or after January 2, 2020, by state agencies, boards or commissions with 5,000 or  
 2 fewer licensees and with respect to taxes imposed under ORS chapter 316, other than the  
 3 withholding provisions in ORS 316.162 to 316.221.

4 (b) On or after January 2, 2021, by state agencies, boards or commissions with 25,000 or  
 5 fewer licensees and with respect to taxes imposed under ORS chapter 316, other than the  
 6 withholding provisions in ORS 316.162 to 316.221.

7 (c) By all state agencies, boards or commissions:

8 (A) On or after January 2, 2022, with respect to taxes imposed under ORS chapter 316,  
 9 other than the withholding provisions in ORS 316.162 to 316.221.

10 (B) On or after January 2, 2023, with respect to taxes imposed under ORS chapter 316,  
 11 other than the withholding provisions in ORS 316.162 to 316.221, or ORS chapter 317.

12 (C) On or after January 2, 2024, with respect to taxes imposed under ORS chapter 316  
 13 or 317 or under the provisions of ORS 323.005 to 323.482 or 323.500 to 323.645.

14 **SECTION 4.** (1) The Department of Revenue shall, in conjunction with state agencies,  
 15 boards and commissions that issue occupational licenses or licenses for the privilege of en-  
 16 gaging in an occupation or profession within this state, require licensees, as a condition of  
 17 issuance or renewal of a license, to demonstrate compliance with the following, as provided  
 18 in the schedule set forth in section 3 of this 2019 Act:

19 (a) The personal income tax laws of this state.

20 (b) The corporate excise or income tax laws of this state.

21 (c) The provisions of ORS 323.005 to 323.482 or 323.500 to 323.645.

22 (d) The personal income tax withholding provisions of ORS 316.162 to 316.221.

23 (2) A state agency, board or commission shall suspend, revoke or refuse to issue or re-  
 24 new a license if the department determines that the licensee has failed to demonstrate or  
 25 maintain tax compliance as provided in this section.

26 (3) Notwithstanding ORS 314.835 and 314.840 and section 2 (3) of this 2019 Act, the de-  
 27 partment may disclose to a state agency, board or commission whether an individual or  
 28 corporation seeking issuance or renewal of a license is in compliance as described in sub-  
 29 section (1) of this section.

30 (4) In determining compliance for purposes of this section, the department shall consider  
 31 whether the individual or corporation:

32 (a) Has not filed required returns or reports with respect to taxes imposed by ORS  
 33 chapter 316 or 317, whichever is applicable, for any of the three tax years immediately pre-  
 34 ceding a year for which a tax return or report was required to be filed;

35 (b) Has not filed required reports with respect to taxes imposed under ORS 323.005 to  
 36 323.482 or 323.500 to 323.645 for any of the three calendar years immediately preceding a year  
 37 in which a report was required to be filed;

38 (c) After all appeal rights, if any, have expired, has failed to:

39 (A) Pay any tax within 30 days after the date of the assessment and is still delinquent  
 40 on any payments due;

41 (B) Enter into an approved payment plan within 60 days after the date of the assessment  
 42 of the tax; or

43 (C) Follow the terms of an approved payment plan and is still delinquent on any payments  
 44 due; or

45 (d) Has been convicted of a criminal offense related to the personal income tax laws of

1 this state, the corporate excise and income tax laws of this state or the provisions of ORS  
2 323.005 to 323.482 or 323.500 to 323.645, whichever are applicable.

3 (5) The department may enter into agreements with any state agency, board or com-  
4 mission in order to assist in the administration of the tax compliance requirement.

5 (6) Before issuing or renewing a license described in this section, a state agency, board  
6 or commission may require the individual or corporation seeking issuance or renewal of the  
7 license to present an automated tax compliance certification described in section 2 of this  
8 2019 Act or other proof of tax compliance from the department.

9 SECTION 5. (1) The Department of Revenue shall make the Internet website described  
10 in section 2 (2) of this 2019 Act fully accessible by the public not later than January 1, 2020.

11 (2) The department shall develop and implement the communication plan described in  
12 section 3 of this 2019 Act not later than January 1, 2020.

13 SECTION 6. This 2019 Act takes effect on the 91st day after the date on which the 2019  
14 regular session of the Eightieth Legislative Assembly adjourns sine die.

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