

Senate Bill 189

Printed pursuant to Senate Interim Rule 213.28 by order of the President of the Senate in conformance with pre-session filing rules, indicating neither advocacy nor opposition on the part of the President (at the request of Senate Interim Committee on Finance and 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**.

Modifies definition of "tax expenditure" applicable to automatic tax expenditure sunset provisions by excluding provisions required by federal law.

Requires Department of Revenue and Legislative Revenue Office to conduct study of statutory definition of tax expenditures and operation of automatic sunset provisions applied to tax expenditures. Requires department and office to report results of study to Legislative Assembly no later than April 1, 2021.

Takes effect on 91st day following adjournment sine die.

A BILL FOR AN ACT

1
2 Relating to tax expenditures; creating new provisions; amending ORS 315.037; and prescribing an
3 effective date.

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

5 **SECTION 1.** ORS 315.037 is amended to read:

6 315.037. (1) As used in this section, "tax expenditure" has the meaning given that term in ORS
7 291.201, **except that "tax expenditure" does not include any provision of state law required**
8 **under federal law.**

9 (2) Any tax credit enacted by the Legislative Assembly on or after January 1, 2010, shall apply
10 for a maximum of six tax years beginning with the initial tax year for which the credit is applicable,
11 unless the Legislative Assembly expressly provides for another period of applicability.

12 (3) Any tax expenditure enacted by the Legislative Assembly on or after January 1, 2014, shall
13 apply for a maximum of six tax years beginning with the initial tax year for which the tax expend-
14 iture is applicable, unless the Legislative Assembly expressly provides for another period of appli-
15 cability.

16 **SECTION 2.** (1) **The Department of Revenue and the Legislative Revenue Office shall**
17 **conduct a study on the statutory definition of tax expenditures and the operation of auto-**
18 **matic sunset provisions applied to tax expenditures. The study may make recommendations**
19 **for proposed legislation related to tax expenditures.**

20 (2) **No later than April 1, 2021, the department and the office shall report the results of**
21 **the study to a committee of the Legislative Assembly related to revenue.**

22 **SECTION 3.** Section 2 of this 2019 Act is repealed on January 2, 2022.

23 **SECTION 4.** This 2019 Act takes effect on the 91st day after the date on which the 2019
24 regular session of the Eightieth Legislative Assembly adjourns sine die.

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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.