



## Oregon Society of Certified Public Accountants

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### Oregon Legislative Assembly – 2020 Session Hearing – House Committee on Revenue Testimony related to Opportunity Zones (HB 4010) **Opposition**

**DATE: February 6, 2020 – 5:30 p.m.**

Good afternoon Chair Rep. Nathanson, Vice-Chair Rep. Marsh, Vice-Chair Rep. Reschke and Members of the House Committee on Revenue. For the record, my name is Jason Orme. I am a Certified Public Accountant and a Tax Partner with the firm of Talbot, Korvola & Warwick LLP in Lake Oswego, OR, and a Past Chair of the Oregon Society of CPAs. I appreciate the opportunity to share testimony at today's hearing.

On behalf of over 4,400 members of the OSCPA, I respectfully testify in **opposition to HB 4010 related to Opportunity Zones**.

#### **BACKGROUND:**

The overarching issue and concern related to House Bill 4010 is not limited to the specific subject matter of the Bill. Instead, from a more important perspective, the Bill advances the idea that disconnecting from federal tax statute and provisions is a simple course of action with few consequences. Disconnecting from federal statute and provisions increases state tax complexity, a significant consequence.

- Complexity negatively impacts Oregon taxpayers as well as tax advisors.
- Complexity can also have potential impact for the Oregon Department of Revenue. The more complex the process of understanding the differences between state and federal statutes and provisions, the higher the risk of unintended noncompliance by taxpayers. Not all taxpayers utilize the expertise of tax advisors.
- Supporting conformity, and not disconnecting from various federal statutes and provisions, is in the best interest of Oregon taxpayers. This helps taxpayers to understand that the decisions made for federal purposes also impacts their Oregon tax obligation and compliance.
- More than two years after passage of the Tax Cuts and Jobs Act, taxpayers and tax advisors alike are continuing to work through the significant layers of the federal legislation. The majority of known revenue effects of the Opportunity Zone tax provisions relate to what is now a seven-year tax deferral. The detriment of the increased complexity of disconnecting from federal law outweighs any benefit of removing this deferral.

#### **RECOMMENDATION:**

On behalf of Oregon Society of CPAs, I respectfully encourage you to **oppose House Bill 4010** and remain connected to federal tax code and provisions.

Thank you for the opportunity to share our concerns with you today.

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