

House Bill 3328

Sponsored by Representatives SMITH DB, CLEM

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**.

Imposes additional personal income tax. Adjusts rate of tax annually for inflation. Transfers proceeds of new income tax to State Wildlife Fund, with portion to be transferred to Office of Outdoor Recreation. Applies to tax years beginning on or after January 1, 2022.

Creates credit against personal income taxes for purchase of license, tag or permit under wildlife laws. Applies to tax years beginning on or after January 1, 2022, and before January 1, 2028.

Takes effect on 91st day following adjournment sine die.

A BILL FOR AN ACT

1
2 Relating to funding of State Department of Fish and Wildlife; prescribing an effective date; and
3 providing for revenue raising that requires approval by a three-fifths majority.

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

5 **SECTION 1. Section 2 of this 2021 Act is added to and made a part of ORS chapter 316.**

6 **SECTION 2. (1) As used in this section, "U.S. City Average Consumer Price Index" means**
7 **the U.S. City Average Consumer Price Index for All Urban Consumers (All Items) as pub-**
8 **lished by the Bureau of Labor Statistics of the United States Department of Labor.**

9 **(2) In addition to and not in lieu of any other tax, a tax is imposed on a taxpayer's taxable**
10 **income as otherwise determined under this chapter. The tax shall be the product of 0.0013**
11 **multiplied by the taxpayer's taxable income determined under this chapter, whether filing a**
12 **joint return or another type of return, for the tax year.**

13 **(3) The Department of Revenue shall recompute the rate of the tax under this section**
14 **as applicable to income earned in tax years beginning in each calendar year. The computation**
15 **shall be as follows:**

16 **(a) Divide the monthly averaged U.S. City Average Consumer Price Index for the 12**
17 **consecutive months ending August 31 of the prior calendar year by the monthly averaged**
18 **index for the first six months of 2020.**

19 **(b) Recompute the rate of tax by multiplying 0.0013 by the appropriate indexing factor**
20 **determined as provided in paragraph (a) of this subsection. The product obtained under this**
21 **paragraph shall be carried to four decimal places.**

22 **(4) The tax imposed under this section is not subject to withholding under ORS 316.162**
23 **to 316.221. Notwithstanding ORS 316.557 to 316.589, estimated tax payments are not required**
24 **for the tax imposed under this section.**

25 **(5) Except as otherwise provided in this section, the tax imposed under this section must**
26 **be reported and collected at the same time and in the same manner as personal income taxes**
27 **imposed under this chapter are reported and collected. The provisions of ORS chapters 305**
28 **and 314 that apply to audits and examinations of returns, periods of limitation, determi-**
29 **nations of and notices of deficiencies, assessments, liens, delinquencies, penalties, interest,**

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 claims for refunds, conferences, appeals to the Oregon Tax Court, stays of collection pending
 2 appeal and the confidentiality of returns also apply to the tax imposed under this section.

3 (6)(a) The tax under this section shall be imposed on a nonresident in the proportion
 4 provided in ORS 316.117.

5 (b) If a change in the status of a taxpayer from resident to nonresident or from nonres-
 6 ident to resident occurs, the tax imposed under this section shall be determined in a manner
 7 consistent with ORS 316.117.

8 **SECTION 3.** (1) Notwithstanding ORS 316.502, all moneys received by the Department of
 9 Revenue pursuant to section 2 of this 2021 Act, and interest thereon, shall be paid to the
 10 State Treasurer to be held in a suspense account established under ORS 293.445. After the
 11 payment of refunds, the balance of the moneys received shall be deposited in the State
 12 Wildlife Fund established in ORS 496.300.

13 (2) Of the amount deposited under subsection (1) of this section, \$500,000 per biennium
 14 shall be transferred to the Office of Outdoor Recreation, to be used for the purposes set
 15 forth in ORS 390.233.

16 **SECTION 4.** Section 5 of this 2021 Act is added to and made a part of ORS chapter 315.

17 **SECTION 5.** (1) A credit shall be allowed against the taxes otherwise due under ORS
 18 chapter 316 for the purchase of a license, tag or permit issued pursuant to the wildlife laws.
 19 The credit shall be allowed for the purchase by the taxpayer during the tax year of a valid
 20 license, tag or permit identified in ORS 497.061, and shall equal the lesser of:

- 21 (a) The purchase price of the license, tag or permit; or
- 22 (b) The liability of the purchaser under section 2 of this 2021 Act.

23 (2) The Department of Revenue may:

- 24 (a) Adopt rules for carrying out the provisions of this section; and
- 25 (b) Prescribe the form used to claim a credit and the information required on the form,
 26 including information substantiating that the taxpayer has purchased a valid license, tag or
 27 permit as required under this section.

28 (3) In the case of a credit allowed under this section:

29 (a) A nonresident shall be allowed the credit under this section in the proportion provided
 30 in ORS 316.117.

31 (b) If a change in the status of a taxpayer from resident to nonresident or from nonres-
 32 ident to resident occurs, the credit allowed under this section shall be determined in a
 33 manner consistent with ORS 316.117.

34 (c) If a change in the taxable year of a taxpayer occurs as described in ORS 314.085, or
 35 if the department terminates the taxpayer's taxable year under ORS 314.440, the credit al-
 36 lowed under this section shall be prorated or computed in a manner consistent with ORS
 37 314.085.

38 **SECTION 6.** (1) Sections 2 and 3 of this 2021 Act apply to tax years beginning on or after
 39 January 1, 2022.

40 (2) Section 5 of this 2021 Act applies to tax years beginning on or after January 1, 2022,
 41 and before January 1, 2028.

42 **SECTION 7.** This 2021 Act takes effect on the 91st day after the date on which the 2021
 43 regular session of the Eighty-first Legislative Assembly adjourns sine die.