

SB 1569 A STAFF MEASURE SUMMARY**Carrier:** Sen. Wagner**Senate Committee On Finance and Revenue****Action Date:** 02/07/22**Action:** Do pass with amendments. (Printed A-Eng.)**Vote:** 4-1-0-0**Yeas:** 4 - Armitage, Beyer, Boquist, Sollman**Nays:** 1 - Findley**Fiscal:** Fiscal impact issued**Revenue:** No revenue impact**Prepared By:** Chris Allanach, Legislative Revenue Officer**Meeting Dates:** 2/7**WHAT THE MEASURE DOES:**

Directs the Department of Revenue to enable personal income taxpayers to voluntarily report their self-identified race and ethnicity, using the standards adopted by the Oregon Health Authority under ORS 413.161. States that the data will be first collected with tax year 2022 tax returns. States that the purpose of collecting the data is for the analysis of revenue policy. Limits data access to the Department of Revenue's Research Section and processing staff, the Legislative Revenue Office, and the Oregon Office of Economic Analysis. Limits the use of the data by tax professionals to the preparation and filing of tax returns. Requires the Department of Revenue to report on the development and implementation of the data collection and sharing to the Legislature. Requires the Department of Revenue to use the information to development racial impact statements, analyze administrative rules and budget requests, and to respond to legislative requests. Limits data to an aggregated and anonymized form when included in a report or other type of output. Takes effect on the 91st day following sine die.

ISSUES DISCUSSED:

- Limitations on tax policy analysis given current data restrictions
- The voluntary nature of taxpayers reporting their data
- The implications for drawing conclusions from voluntarily reported data
- The ability of Legislative members to get data from the Department of Revenue

EFFECT OF AMENDMENT:

Clarifies the purpose for collecting the race/ethnicity data is to analyze revenue policy; limits the private sector use and retention of data to the preparation and filing of returns; limits the Department of Revenue reporting to the legislature on the information security measures to 2023 through 2027; clarifies the Department of Revenues use of the data.

BACKGROUND:

Under current law tax returns do not include race or ethnicity data. Tax policy analysis across such demographic groups is generally limited to a reliance on Census data and statistical matching techniques. Depending on the qualitative results of the proposed voluntary reporting, a direct analysis of tax return data using this demographic information may be undertaken.