

House Bill 4079

Sponsored by Representative WITT (Presession filed.)

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**.

Establishes Oregon Freedom Pilot Program in Department of Human Services to provide monthly stipends to low-income families. Sunsets December 31, 2026.

Imposes sales and use tax on sales of certain luxury goods. Establishes Oregon Freedom Pilot Program Fund and continuously appropriates moneys in fund to Department of Human Services for purpose of implementing Oregon Freedom Pilot Program. Provides for general administration, collection and enforcement of taxes by Department of Revenue.

Takes effect on 91st day following adjournment sine die.

A BILL FOR AN ACT

1
2 Relating to programs to aid low-income adults; creating new provisions; amending ORS 822.043;
3 prescribing an effective date; and providing for revenue raising that requires approval by a
4 three-fifths majority.

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

6 **SECTION 1. (1) The Oregon Freedom Pilot Program is established in the Department of**
7 **Human Services. The purpose of the program is to assist low-income Oregonians to live in**
8 **dignity by providing monthly payments of \$750, using a special debit card, to adults partic-**
9 **ipating in the program.**

10 **(2) The number of adults participating in the program will be based on the amount of**
11 **revenue projected by the Department of Revenue from sales taxes and use taxes imposed**
12 **under sections 7 and 8 of this 2022 Act. The Department of Human Services shall prescribe**
13 **by rule eligibility requirements for the program that must give priority to Oregonians with**
14 **incomes furthest below the federal poverty guidelines and that must include, but not be**
15 **limited to, requiring that a participant:**

16 **(a) Is a resident of Oregon;**

17 **(b) Is 18 years of age or older;**

18 **(c) Attends a financial literacy program provided by an entity described in subsection (3)**
19 **of this section; and**

20 **(d) Agrees to allow the participant's spending on the special debit card to be tracked for**
21 **analytical purposes only.**

22 **(3) The Department of Human Services shall contract with a community college or with**
23 **a nonprofit entity with a strong record of assisting individuals to recover from debt and**
24 **credit problems to provide financial literacy education to participants in the program.**

25 **(4) The Department of Human Services shall seek waivers or other exemptions from the**
26 **federal government that are necessary to exclude payments under this section from consid-**
27 **eration for the temporary assistance for needy families program in ORS 412.001 to 412.069,**
28 **the Supplemental Nutrition Assistance Program, as defined in ORS 411.806, medical assist-**

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 **ance, as defined in ORS 414.025, and any other need-based program funded in whole or in part**
 2 **with federal funds.**

3 **(5) Payments from the Oregon Freedom Pilot Program do not count as income for any**
 4 **state-funded need-based benefits or assistance.**

5 **(6) If the federal government denies waivers or other exemptions requested by the de-**
 6 **partment under subsection (4) of this section, the department shall administer a program to**
 7 **semiannually reimburse a participant receiving payments under subsection (1) of this section**
 8 **for any reduction, caused by receipt of the payments, in the participant’s temporary assist-**
 9 **ance for needy families program benefits, Supplemental Nutrition Assistance Program bene-**
 10 **fits or other need-based benefits.**

11 **SECTION 2. (1) No later than September 15, 2025, the Department of Human Services**
 12 **shall provide a preliminary report to the interim committees of the Legislative Assembly**
 13 **related to human services on the success of the Oregon Freedom Pilot Program established**
 14 **in section 1 of this 2022 Act in achieving the goal of enabling low-income Oregonians partic-**
 15 **ipating in the program to live in dignity and meet their basic needs.**

16 **(2) No later than September 15, 2027, the department shall provide a final report to the**
 17 **interim committees of the Legislative Assembly related to human services with the**
 18 **department’s findings on the success of the program in achieving the goal of the program.**

19 **SECTION 3. Section 1 of this 2022 Act becomes operative on January 1, 2023.**

20 **SECTION 4. The Department of Human Services shall take all actions before the opera-**
 21 **tive date specified in section 3 of this 2022 Act that are necessary for the department to ex-**
 22 **ercise, on and after the date specified in section 3 of this 2022 Act, all of the duties and**
 23 **functions conferred on the department by section 1 of this 2022 Act.**

24 **SECTION 5. Section 1 of this 2022 Act is repealed on December 31, 2026.**

25 **SECTION 6. As used in sections 6 to 23 of this 2022 Act:**

26 **(1) “All-terrain vehicle” means:**

- 27 **(a) A class I all-terrain vehicle as defined in ORS 801.190;**
- 28 **(b) A class II all-terrain vehicle as defined in ORS 801.193;**
- 29 **(c) A class III all-terrain vehicle as defined in ORS 801.194; and**
- 30 **(d) A class IV all-terrain vehicle as defined in ORS 801.194.**

31 **(2) “Boat” has the meaning given that term in ORS 830.700 and includes all such**
 32 **watercraft regardless of how the watercraft is powered.**

33 **(3) “Civil aircraft” has the meaning given that term in ORS 836.005.**

34 **(4)(a) “Clothing” means all human wearing apparel suitable for general civilian and sec-**
 35 **ular use.**

36 **(b) “Clothing” does not include bridal apparel.**

37 **(5) “Electronic” means relating to technology having electrical, digital, magnetic,**
 38 **wireless, optical, electromagnetic or similar capabilities.**

39 **(6) “Electronic device” means a desktop or portable computer, a camera, a cellular phone**
 40 **or any component of a computer, camera or cellular phone.**

41 **(7) “Recreational vehicle” has the meaning given that term in ORS 174.101.**

42 **(8) “Recreational watercraft” means any boat that is not purchased for commercial or**
 43 **public uses.**

44 **(9)(a) “Retail sales price” means the total price paid at retail by a purchaser to a seller**
 45 **for taxable luxury goods, exclusive of the amount of any excise, privilege, sales or use tax**

1 that becomes due with respect to the sales transaction.

2 (b) "Retail sales price" does not include the retail value of modifications to a vehicle op-
 3 erated on land or water or in the air that are necessary for a person with a disability to
 4 enter or drive or to otherwise operate or use the vehicle.

5 (10) "Snowmobile" has the meaning given that term in ORS 801.490.

6 (11)(a) "Taxable luxury goods" means the following goods, whether new or used at the
 7 time of the taxable sales transaction:

8 (A) A motor vehicle with a retail sales price greater than \$_____;

9 (B) A recreational vehicle with a retail sales price greater than \$_____;

10 (C) An all-terrain vehicle with a retail sales price greater than \$_____;

11 (D) A snowmobile with a retail sales price greater than \$_____;

12 (E) Any motorized recreational watercraft with a retail sales price greater than
 13 \$_____;

14 (F) Civil aircraft with a retail sales price greater than \$_____;

15 (G) A firearm with a retail sales price greater than \$_____;

16 (H) An electronic device with a retail sales price greater than \$_____;

17 (I) A handbag with a retail sales price greater than \$_____;

18 (J) Any item of clothing with a retail sales price greater than \$_____; or

19 (K)(i) An item or items of jewelry purchased in a single transaction with a total retail
 20 sales price greater than \$_____; or

21 (ii) Items of jewelry that are designed to be worn together but are purchased in separate
 22 transactions with a total aggregate sales price greater than \$_____.

23 (b) "Taxable luxury goods" does not mean property that is purchased for commercial or
 24 public uses.

25 **SECTION 7.** (1) A sales tax is imposed on the sale in this state of taxable luxury goods.

26 (2) The sales tax shall be computed at the rate of three percent of the retail sales price
 27 of the taxable luxury goods. The tax may be rounded to the nearest whole cent.

28 (3) The sales tax is a liability of the purchaser of the taxable luxury goods.

29 (4) A seller shall collect the amount of the sales tax at the time of the taxable sales
 30 transaction.

31 **SECTION 8.** (1) A use tax is imposed on the storage, use or other consumption in this
 32 state of taxable luxury goods purchased from any seller.

33 (2) The use tax shall be computed at the rate of three percent of the retail sales price
 34 of the taxable luxury goods. The tax may be rounded to the nearest whole cent.

35 (3) The use tax is a liability of the purchaser of the taxable luxury goods.

36 (4) The use tax shall be reduced, but not below zero, by the amount of sales or use tax
 37 imposed by any jurisdiction on the sale, or the storage, use or other consumption, of the
 38 taxable luxury goods. The reduction under this subsection shall be made only upon a showing
 39 by the purchaser that the sales or use tax has been paid.

40 (5) The amount of the use tax shall be separately stated on an invoice, receipt or other
 41 similar document that the seller provides to the purchaser or shall be otherwise disclosed
 42 to the purchaser.

43 (6) A purchaser's liability for the use tax is satisfied by a valid receipt given to the pur-
 44 chaser pursuant to section 10 of this 2022 Act by the seller of the taxable luxury goods.

45 **SECTION 9.** For purposes of ORS 315.037, any tax expenditure enacted with respect to

1 the sales and use taxes imposed under sections 7 and 8 of this 2022 Act shall remain in con-
2 tinuous effect until the Legislative Assembly expressly provides otherwise.

3 **SECTION 10.** (1) A seller shall collect the use tax imposed under section 8 of this 2022
4 Act from a purchaser of taxable luxury goods and give the purchaser a receipt for the use
5 tax in the manner and form prescribed by the Department of Revenue if:

6 (a) The seller is:

7 (A) Engaged in business in this state;

8 (B) Required to collect the use tax; or

9 (C) Authorized by the department, under rules the department adopts, to collect the use
10 tax and, for purposes of the use tax, regarded as a seller engaged in business in this state;
11 and

12 (b) The seller makes sales of taxable luxury goods for storage, use or other consumption
13 in this state that are subject to the use tax.

14 (2) A seller required to collect the use tax under this section shall collect the tax:

15 (a) At the time of the taxable sales transaction; or

16 (b) If the storage, use or other consumption of the taxable luxury goods is not taxable
17 at the time of sale, at the time the storage, use or other consumption becomes taxable.

18 (3) To ensure the proper administration of section 8 of this 2022 Act, and to prevent
19 evasion of the use tax, the following presumptions are established:

20 (a) Taxable luxury goods are stored, used or otherwise consumed in this state if the
21 goods are present in this state for private or public display or storage.

22 (b)(A) Taxable luxury goods sold by any seller for delivery in this state were sold for
23 storage, use or other consumption in this state unless the contrary is proved.

24 (B) The burden of proving the contrary is on the seller unless the seller takes from the
25 purchaser a resale certificate to the effect that the taxable luxury goods were purchased for
26 resale in the ordinary course of the purchaser's business.

27 (c)(A) Taxable luxury goods delivered outside this state to a purchaser known by the
28 seller to be a resident of this state were purchased from the seller for storage, use or other
29 consumption in this state and stored, used or otherwise consumed in this state unless the
30 contrary is proved.

31 (B) The contrary may be proved by:

32 (i) A statement in writing, signed by the purchaser or an authorized agent of the pur-
33 chaser and retained by the seller, that the taxable luxury goods were purchased for storage,
34 use or other consumption exclusively at a designated point or points outside this state; or

35 (ii) Other evidence satisfactory to the department that the taxable luxury goods were not
36 purchased for storage, use or other consumption in this state.

37 **SECTION 11.** (1) Notwithstanding section 7 of this 2022 Act, the sales tax is not due on
38 the sale of taxable luxury goods to a purchaser who is not a resident of this state.

39 (2) Notwithstanding sections 7 and 8 of this 2022 Act, a resale certificate taken from a
40 purchaser ordinarily engaged in the business of selling taxable luxury goods relieves the
41 seller from the obligation to collect and remit the sales or use tax. A resale certificate must
42 be substantially in the form prescribed by the Department of Revenue by rule.

43 **SECTION 12.** (1) If the amount of sales or use taxes imposed under section 7 or 8 of this
44 2022 Act that is paid by a purchaser exceeds the amount of taxes due, the Department of
45 Revenue shall refund the amount of the excess.

1 (2) Except as provided in subsection (3) of this section, the period prescribed for the de-
 2 partment to allow or make a refund of any overpayment of sales or use taxes paid shall be
 3 as provided in ORS 314.415.

4 (3) The department shall apply any overpayment of tax first to any outstanding amount
 5 of sales or use tax for which the purchaser is liable.

6 **SECTION 13.** (1) The Department of Revenue shall deposit all revenue collected from the
 7 sales and use taxes imposed under sections 7 and 8 of this 2022 Act in a suspense account
 8 established under ORS 293.445 for the purpose of receiving the revenue. The department may
 9 pay expenses for the administration and enforcement of the sales and use taxes out of
 10 moneys received from the taxes. Amounts necessary to pay administrative and enforcement
 11 expenses are continuously appropriated to the department from the suspense account.

12 (2) After payment of administrative and enforcement expenses under subsection (1) of
 13 this section and refunds or credits arising from erroneous overpayments, the department
 14 shall transfer the balance of the moneys received from the sales and use taxes to as follows:

15 (a) Moneys attributable to the use tax imposed on motor vehicles within the meaning of
 16 Article IX, section 3a (1)(b), of the Oregon Constitution, shall be transferred to the State
 17 Highway Fund.

18 (b) Moneys attributable to the sales and use taxes other than those described in para-
 19 graph (a) of this subsection shall be transferred to the Oregon Freedom Pilot Program Fund
 20 established under section 14 of this 2022 Act.

21 **SECTION 14.** (1) The Oregon Freedom Pilot Program Fund is established in the State
 22 Treasury, separate and distinct from the General Fund. Interest earned by the Oregon
 23 Freedom Pilot Program Fund shall be credited to the fund.

24 (2) Moneys in the Oregon Freedom Pilot Program Fund shall consist of:

25 (a) Amounts transferred to the fund under section 13 of this 2022 Act;

26 (b) Amounts appropriated or otherwise transferred to the fund by the Legislative As-
 27 sembly;

28 (c) Other amounts deposited in the fund from any source; and

29 (d) Interest earned by the fund.

30 (3) Moneys in the fund are continuously appropriated to the Department of Human Ser-
 31 vices for the purpose of implementing the Oregon Freedom Pilot Program established under
 32 section 1 of this 2022 Act.

33 **SECTION 15.** (1)(a) Except as otherwise provided in sections 6 to 23 of this 2022 Act, the
 34 sales and use taxes imposed under sections 7 and 8 of this 2022 Act shall be collected at the
 35 point of sale and remitted by each seller that engages in the retail sale of taxable luxury
 36 goods.

37 (b) Notwithstanding that the sales and use taxes are liabilities of purchasers, each tax
 38 is considered a tax upon the seller that is required to collect the tax, and the seller is con-
 39 sidered a taxpayer.

40 (2) Each seller of taxable luxury goods that is liable for collection of any amount of sales
 41 or use tax shall file a return with the Department of Revenue, in the form and manner
 42 prescribed by the department, on or before the last day of January, April, July and October
 43 of each year for the previous calendar quarter. The return shall show the amount of sales
 44 and use taxes due for retail sales made during the calendar quarter to which the return re-
 45 lates.

1 (3) Each seller shall pay the applicable sales and use taxes to the department in the form
2 and manner prescribed by the department, but not later than the date of submitting each
3 quarterly return, without regard to extensions under subsection (4) of this section.

4 (4) The department may extend the time for making any return required under this
5 section if a written request is filed with the department during or prior to the period for
6 which the extension may be granted. The department may not grant an extension of more
7 than 30 days.

8 (5) Interest shall be added to delinquent tax amounts at the rate established under ORS
9 305.220 from the time the return to which the delinquent tax amounts relate was originally
10 required to be filed to the time of payment.

11 **SECTION 16.** (1) Every seller of taxable luxury goods who collects any amount of sales
12 or use taxes imposed under sections 7 and 8 of this 2022 Act shall hold the amount in trust
13 for the State of Oregon and for payment to the Department of Revenue in the manner and
14 at the time provided in section 15 of this 2022 Act.

15 (2) If a seller of taxable luxury goods fails to remit any amount of sales or use taxes,
16 whether collected or not, the department may enforce collection by the issuance of a
17 distraint warrant for the collection of the delinquent amount and all penalties, interest and
18 collection charges accrued on the delinquent amount. The warrant shall be issued and pro-
19 ceeded upon in the same manner and shall have the same force and effect as is prescribed
20 with respect to warrants for the collection of delinquent income taxes.

21 (3)(a) In the case of a seller that is assessed under the provisions of ORS 305.265 (12) and
22 314.407 (1), the department may issue a notice of liability to any officer, employee or member
23 of the seller at any time within three years after the assessment. Within 30 days after the
24 date on which the notice of liability is mailed to the officer, employee or member, the officer,
25 employee or member shall pay the assessment, plus penalties and interest, or advise the
26 department in writing of objections to the liability and, if desired, request a conference. A
27 conference shall be governed by the provisions of ORS 305.265 pertaining to a conference
28 requested from a notice of deficiency.

29 (b) After a conference or, if no conference is requested, a determination of the issues
30 raised in the written objections, the department shall mail the officer, employee or member
31 a conference letter affirming, canceling or adjusting the notice of liability. Within 90 days
32 after the date on which the conference letter is mailed to the officer, employee or member,
33 the officer, employee or member shall pay the assessment, plus penalties and interest, or
34 appeal to the tax court in the manner provided for an appeal from a notice of assessment.

35 (c) If the department does not receive payment or written objection to the notice of li-
36 ability within 30 days after the notice of liability was mailed, the notice of liability becomes
37 final. The officer, employee or member may appeal the notice of liability to the tax court
38 within 90 days after the notice became final in the manner provided for an appeal from a
39 notice of assessment.

40 (4)(a) In the case of a seller that fails to file a return on the due date, in addition to any
41 action described in the provisions of ORS 305.265 (10) and 314.400, the department may issue
42 a notice of determination and assessment to any officer, employee or member of the seller
43 at any time within three years after the assessment. The time of assessment against the
44 officer, employee or member is 30 days after the date on which the notice of determination
45 and assessment is mailed. Within 30 days after the date on which the notice of determination

1 and assessment is mailed to the officer, employee or member, the officer, employee or
2 member shall pay the assessment, plus penalties and interest, or advise the department in
3 writing of objections to the assessment and, if desired, request a conference. A conference
4 shall be governed by the provisions of ORS 305.265 pertaining to a conference requested from
5 a notice of deficiency.

6 (b) After a conference or, if no conference is requested, a determination of the issues
7 raised in the written objections, the department shall mail or otherwise deliver the officer,
8 employee or member a conference letter affirming, canceling or adjusting the notice of de-
9 termination and assessment. Within 90 days after the date on which the conference letter
10 is mailed or otherwise delivered to the officer, employee or member, the officer, employee
11 or member shall pay the assessment, plus penalties and interest, or appeal to the tax court
12 in the manner provided for an appeal from a notice of assessment.

13 (c) If the department does not receive payment or written objection to the notice of de-
14 termination and assessment within 30 days after the notice of determination and assessment
15 was mailed, the notice of determination and assessment becomes final. The officer, employee
16 or member may appeal the notice of determination and assessment to the tax court within
17 90 days after the notice became final in the manner provided for an appeal from a notice of
18 assessment.

19 (5)(a) More than one officer or employee of a corporation may be held jointly and se-
20 verally liable for payment of the sales and use taxes.

21 (b) Notwithstanding the confidentiality provisions of section 20 of this 2022 Act, if the
22 department determines that more than one officer or employee of a corporation may be held
23 jointly and severally liable for payment of the sales and use taxes, the department may re-
24 quire any or all of the officers or employees to appear before the department for a joint de-
25 termination of liability. The department shall notify each officer or employee of the time and
26 place set for the determination of liability.

27 (c) Each individual notified of a joint determination under this subsection must appear
28 and present such information as is necessary to establish the individual's liability or nonli-
29 ability for payment of the taxes to the department. If an individual who was notified fails to
30 appear, the department shall make the determination on the basis of all the information and
31 evidence presented. The department's determination is binding on all individuals notified and
32 required to appear under this subsection.

33 (d)(A) If any individual determined to be liable for unpaid sales or use taxes under this
34 subsection appeals the determination to the Oregon Tax Court under section 21 of this 2022
35 Act, the individual plaintiff shall implead all individuals required to appear with the plaintiff
36 before the department under this subsection. The department may implead any officer or
37 employee who may be held jointly and severally liable for the payment of the sales and use
38 taxes. Each individual impleaded under this paragraph shall be made a party to the action
39 before the tax court and shall make available to the tax court the information that was
40 presented before the department, as well as other information that may be presented to the
41 tax court.

42 (B) The tax court may determine that one or more individuals impleaded under this
43 paragraph are liable for unpaid sales or use taxes without regard to any earlier determi-
44 nation by the department that an impleaded individual was not liable for the unpaid taxes.

45 (C) If an individual required to appear before the tax court under this subsection fails

1 or refuses to appear or bring such information in part or in whole, or is outside the juris-
 2 diction of the tax court, the tax court shall make its determination on the basis of all the
 3 evidence introduced. Notwithstanding section 20 of this 2022 Act, the evidence introduced in
 4 the tax court constitutes a public record and shall be available to the parties and the tax
 5 court. The determination of the tax court is binding on all individuals made parties to the
 6 action under this subsection.

7 (e) This subsection may not be construed to preclude a determination by the department
 8 or the tax court that more than one officer or employee is jointly and severally liable for
 9 unpaid sales or use taxes.

10 **SECTION 17.** Any purchaser liable for any amount of the sales or use tax imposed under
 11 section 7 or 8 of this 2022 Act and from whom the tax has not been collected shall, on or
 12 before the 30th day following the date on which the tax became due, file with the Department
 13 of Revenue a report of the amount of tax due from the purchaser in a form and manner
 14 prescribed by the department. The purchaser shall remit the amount of tax due with the
 15 report.

16 **SECTION 18.** (1)(a) A seller of taxable luxury goods shall keep receipts, invoices and
 17 other pertinent records related to retail sales of taxable luxury goods in the form required
 18 by the Department of Revenue. Each record shall be preserved for five years from the time
 19 to which the record relates, or for as long as the seller retains the taxable luxury goods to
 20 which the record relates, whichever is later.

21 (b) During the retention period and at any time prior to the destruction of records, the
 22 department may give written notice to the seller not to destroy records described in the
 23 notice without written permission of the department.

24 (c) Notwithstanding any other provision of law, the department shall preserve reports
 25 and returns filed with the department for at least five years.

26 (2) ORS 314.425 applies to the authority of the Department of Revenue to examine, or
 27 cause to be examined by an agent or representative designated by the department for the
 28 purpose, any books, papers, records or memoranda bearing upon the matter required to be
 29 included in any return required under sections 6 to 23 of this 2022 Act for the purpose of
 30 ascertaining the correctness of the return or for the purpose of making an estimate of the
 31 taxable sales of the taxpayer.

32 **SECTION 19.** (1) The Department of Revenue may, by order or subpoena to be served
 33 with the same force and effect and in the same manner as a subpoena is served in a civil
 34 action in the circuit court or the Oregon Tax Court, require the production at any time and
 35 place the department designates of any books, papers, accounts or other information neces-
 36 sary to carry out sections 6 to 23 of this 2022 Act. The department may require the attend-
 37 ance of any individual having knowledge in the premises, and may take testimony and require
 38 proof material for the information, with power to administer oaths to the individual.

39 (2)(a) If an individual fails to comply with a subpoena or order of the department or to
 40 produce or permit the examination or inspection of any books, papers, records and equip-
 41 ment pertinent to an investigation or inquiry under sections 6 to 23 of this 2022 Act, or to
 42 testify to any matter regarding which the individual is lawfully interrogated, the department
 43 may apply to the Oregon Tax Court or to the circuit court of the county in which the indi-
 44 vidual resides or where the individual is for an order to the individual to attend and testify
 45 or otherwise comply with the demand or request of the department.

1 (b) The department shall apply to the court by ex parte motion, upon which the court
 2 shall make an order requiring the individual against whom the motion is directed to comply
 3 with the request or demand of the department within 10 days after the service of the order,
 4 or within the additional time granted by the court, or to justify the failure within that time.
 5 The order shall be served upon the individual to whom it is directed in the manner required
 6 by this state for service of process, which is required to confer jurisdiction upon the court.

7 (3) Failure to obey any order issued by the court under this section is contempt of court.

8 (4) The remedy provided by this section is in addition to other remedies, civil or criminal,
 9 existing under the tax laws or other laws of this state.

10 **SECTION 20.** Except as otherwise provided in sections 6 to 23 of this 2022 Act or where
 11 the context requires otherwise, the provisions of ORS chapters 305 and 314 as to the audit
 12 and examination of returns, periods of limitation, determinations of and notices of deficien-
 13 cies, assessments, collections, liens, delinquencies, claims for refund and refunds, confer-
 14 ences, appeals to the Oregon Tax Court, stays of collection pending appeal, confidentiality
 15 of returns and the related penalties, and the related procedures, apply to the determinations
 16 of taxes, penalties and interest under sections 6 to 23 of this 2022 Act.

17 **SECTION 21.** (1) Notwithstanding the confidentiality provisions of section 20 of this 2022
 18 Act, the Department of Revenue may disclose information received under sections 6 to 23
 19 of this 2022 Act to the Department of Transportation for the purposes of carrying out the
 20 provisions of sections 8 and 25 of this 2022 Act.

21 (2) The Department of Transportation may disclose information obtained under sections
 22 8 and 25 of this 2022 Act to the Department of Revenue for the purposes of carrying out the
 23 provisions of sections 6 to 23 of this 2022 Act.

24 (3) Any officer or employee of the Department of Transportation to whom information
 25 is disclosed under subsection (1) of this section is not required to execute a certificate under
 26 ORS 314.840 (3)(a).

27 (4) Except as otherwise provided in sections 6 to 23 of this 2022 Act, a person aggrieved
 28 by an act or determination of the Department of Revenue or its authorized agent under
 29 sections 6 to 23 of this 2022 Act may appeal, within 90 days after the act or determination,
 30 to the Oregon Tax Court in the manner provided in ORS 305.404 to 305.560. These appeal
 31 rights are the exclusive remedy available to determine the person's liability for the sales and
 32 use taxes.

33 **SECTION 22.** (1) The Department of Revenue shall administer and enforce sections 6 to
 34 23 of this 2022 Act.

35 (2) The department may adopt or establish rules and procedures that the department
 36 considers necessary or appropriate for the implementation, administration and enforcement
 37 of sections 6 to 23 of this 2022 Act and that are consistent with sections 6 to 23 of this 2022
 38 Act.

39 (3) The Department of Transportation shall enter into an agreement with the Depart-
 40 ment of Revenue for purposes of the implementation, administration and enforcement by the
 41 Department of Transportation of those provisions of section 25 of this 2022 Act, and rules
 42 or procedures adopted or established by the Department of Revenue under this section, that
 43 the Department of Transportation and the Department of Revenue determine are necessary
 44 for the effective and efficient implementation, administration and enforcement of section 25
 45 of this 2022 Act.

1 **SECTION 23.** (1) The Department of Revenue and the Department of Transportation shall
 2 enter into an agreement pursuant to which the Department of Transportation shall assist
 3 the Department of Revenue in the collection of the use tax imposed under section 8 of this
 4 2022 Act and any other functions of the Department of Revenue under sections 6 to 23 of this
 5 2022 Act as may be provided under the agreement.

6 (2) The agreement is not intended to preclude performance by the Department of Re-
 7 venue of collection functions as from time to time may be required, nor is the agreement
 8 intended to preclude the performance of functions by the Department of Transportation,
 9 under less formal arrangements made with the Department of Revenue, with respect to the
 10 use tax imposed under section 8 of this 2022 Act if the functions are not specifically men-
 11 tioned in the agreement.

12 (3) The Department of Transportation may contact, consult with and enter into agree-
 13 ments with any public or private person for the purpose of assisting the Department of Re-
 14 venue in the collection of the use tax under this section.

15 (4) The collection of taxes under sections 6 to 23 of this 2022 Act by the Department of
 16 Transportation does not render the Department of Transportation or the agents and em-
 17 ployees of the Department of Transportation responsible for collection of the taxes.

18 **SECTION 24.** Section 25 of this 2022 Act is added to and made a part of the Oregon Ve-
 19 hicle Code.

20 **SECTION 25.** (1) A person that purchases a motor vehicle in a sales transaction that
 21 would be subject to the sales tax imposed under section 7 of this 2022 Act if the sale had
 22 taken place in Oregon may not register or title the motor vehicle in Oregon unless the per-
 23 son provides proof that:

- 24 (a) The person paid the use tax imposed under section 8 of this 2022 Act; or
- 25 (b) The person is not required to pay the use tax for the reasons provided in section 8
 26 (4) of this 2022 Act.

27 (2) The person shall provide the proof described in subsection (1) of this section to the
 28 Department of Transportation in the manner established by the department by rule.

29 **SECTION 26.** ORS 822.043 is amended to read:

30 822.043. (1) As used in this section:

- 31 (a) “Integrator” has the meaning given that term in ORS 802.600.
- 32 (b) “Vehicle dealer” means a person issued a vehicle dealer certificate under ORS 822.020.

33 (2) A vehicle dealer that the Department of Transportation has designated to act as an agent
 34 of the department under ORS 802.031 may elect to prepare, submit, or prepare and submit documents
 35 necessary to:

- 36 (a) Issue or transfer a certificate of title for a vehicle;
- 37 (b) Register a vehicle or transfer registration of a vehicle;
- 38 (c) Issue a registration plate;
- 39 (d) Verify and clear a title;
- 40 (e) Perfect, release or satisfy a lien or other security interest;
- 41 (f) Comply with federal security requirements; or
- 42 (g) Render any other services for the purpose of complying with state and federal laws related
 43 to the sale of a vehicle.

- 44 (3) A vehicle dealer who prepares any documents described in subsection (2) of this section:
 45 (a) May charge a purchaser of a vehicle a document processing fee for the preparation of those

1 documents.

2 (b) May not charge a purchaser of a vehicle a document processing fee for the submission of
 3 any document or the issuance of a registration plate.

4 (c) May charge a purchaser of a vehicle a document processing fee for performing any of the
 5 services described in subsection (2) of this section in connection with preparing the documents de-
 6 scribed in subsection (2) of this section.

7 (4) A purchaser of a vehicle may negotiate the amount of the document processing fee with a
 8 vehicle dealer, but in no case shall the document processing fee charged by a vehicle dealer under
 9 this section exceed:

10 (a) \$150, if the vehicle dealer uses an integrator; or

11 (b) \$115, if the vehicle dealer does not use an integrator.

12 (5) If a vehicle dealer charges a document processing fee under subsection (4)(a) of this section,
 13 of the amount collected \$25 shall be paid to the integrator.

14 (6) Unless otherwise provided by rule, if a vehicle dealer uses an integrator and charges a doc-
 15 ument processing fee greater than that charged for not using an integrator, the dealer must inform
 16 the purchaser of the vehicle of the option of using an integrator to prepare the documents. The
 17 purchaser may then elect whether or not to have the vehicle dealer use an integrator to prepare the
 18 documents.

19 (7) If the purchaser of a vehicle pays a document processing fee, the vehicle dealer shall prepare
 20 and submit all documents to complete the transaction as permitted by law.

21 (8)(a) A vehicle dealer *[who]* **that** collects the privilege tax imposed under ORS 320.405 from the
 22 purchaser of a taxable motor vehicle may collect the privilege tax at the same time and in the same
 23 manner as the vehicle dealer collects document processing fees under this section. The amount of
 24 the privilege tax shall be in addition to and not in lieu of document processing fees collected under
 25 this section.

26 **(b) A vehicle dealer that collects the sales tax imposed under section 7 of this 2022 Act**
 27 **from the purchaser of a motor vehicle may collect the sales tax at the same time and in the**
 28 **same manner as the vehicle dealer collects document processing fees under this section. The**
 29 **amount of the sales tax shall be in addition to and not in lieu of document processing fees**
 30 **collected under this section.**

31 *[(b)]* (c) A vehicle dealer may exclude the amount of the privilege tax **and the sales tax** from
 32 the capitalized cost and offering price of a *[taxable]* motor vehicle **subject to the taxes.** *[as those*
 33 *terms are defined]* **“Capitalized cost” and “offering price” have the meanings given those terms**
 34 **by the Department of Justice by rule.**

35 **SECTION 27. (1) Sections 6 to 25 of this 2022 Act and the amendments to ORS 822.043**
 36 **by section 26 of this 2022 Act become operative on January 1, 2023.**

37 **(2) The Department of Revenue and the Department of Transportation shall take all**
 38 **actions before the operative date specified in subsection (1) of this section that are necessary**
 39 **for the departments to exercise, on and after the date specified in subsection (1) of this**
 40 **section, all of the authority, duties and functions conferred on the departments by sections**
 41 **6 to 25 of this 2022 Act and the amendments to ORS 822.043 by section 26 of this 2022 Act.**

42 **SECTION 28. Sections 6 to 25 of this 2022 Act and the amendments to ORS 822.043 by**
 43 **section 26 of this 2022 Act apply to sales of taxable luxury goods occurring on or after Jan-**
 44 **uary 1, 2023, and before January 1, 2027.**

45 **SECTION 29. Sections 6 to 25 of this 2022 Act are repealed on January 2, 2027.**

SECTION 30. ORS 822.043, as amended by section 26 of this 2022 Act, is amended to read:

822.043. (1) As used in this section:

(a) “Integrator” has the meaning given that term in ORS 802.600.

(b) “Vehicle dealer” means a person issued a vehicle dealer certificate under ORS 822.020.

(2) A vehicle dealer that the Department of Transportation has designated to act as an agent of the department under ORS 802.031 may elect to prepare, submit, or prepare and submit documents necessary to:

(a) Issue or transfer a certificate of title for a vehicle;

(b) Register a vehicle or transfer registration of a vehicle;

(c) Issue a registration plate;

(d) Verify and clear a title;

(e) Perfect, release or satisfy a lien or other security interest;

(f) Comply with federal security requirements; or

(g) Render any other services for the purpose of complying with state and federal laws related to the sale of a vehicle.

(3) A vehicle dealer who prepares any documents described in subsection (2) of this section:

(a) May charge a purchaser of a vehicle a document processing fee for the preparation of those documents.

(b) May not charge a purchaser of a vehicle a document processing fee for the submission of any document or the issuance of a registration plate.

(c) May charge a purchaser of a vehicle a document processing fee for performing any of the services described in subsection (2) of this section in connection with preparing the documents described in subsection (2) of this section.

(4) A purchaser of a vehicle may negotiate the amount of the document processing fee with a vehicle dealer, but in no case shall the document processing fee charged by a vehicle dealer under this section exceed:

(a) \$150, if the vehicle dealer uses an integrator; or

(b) \$115, if the vehicle dealer does not use an integrator.

(5) If a vehicle dealer charges a document processing fee under subsection (4)(a) of this section, of the amount collected \$25 shall be paid to the integrator.

(6) Unless otherwise provided by rule, if a vehicle dealer uses an integrator and charges a document processing fee greater than that charged for not using an integrator, the dealer must inform the purchaser of the vehicle of the option of using an integrator to prepare the documents. The purchaser may then elect whether or not to have the vehicle dealer use an integrator to prepare the documents.

(7) If the purchaser of a vehicle pays a document processing fee, the vehicle dealer shall prepare and submit all documents to complete the transaction as permitted by law.

(8)(a) A vehicle dealer that collects the privilege tax imposed under ORS 320.405 from the purchaser of a taxable motor vehicle may collect the privilege tax at the same time and in the same manner as the vehicle dealer collects document processing fees under this section. The amount of the privilege tax shall be in addition to and not in lieu of document processing fees collected under this section.

[(b) A vehicle dealer that collects the sales tax imposed under section 7 of this 2022 Act from the purchaser of a motor vehicle may collect the sales tax at the same time and in the same manner as the vehicle dealer collects document processing fees under this section. The amount of the sales tax shall

1 *be in addition to and not in lieu of document processing fees collected under this section.]*

2 [(c)] (b) A vehicle dealer may exclude the amount of the privilege tax [*and the sales tax*] from
3 the capitalized cost and offering price of a **taxable** motor vehicle [*subject to the taxes*]. “Capitalized
4 cost” and “offering price” have the meanings given those terms by the Department of Justice by
5 rule.

6 **SECTION 31. The amendments to ORS 822.043 by section 30 of this 2022 Act become op-**
7 **erative on January 1, 2027.**

8 **SECTION 32. This 2022 Act takes effect on the 91st day after the date on which the 2022**
9 **regular session of the Eighty-first Legislative Assembly adjourns sine die.**

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