

HB 2068 STAFF MEASURE SUMMARY

Joint Committee On Tax Expenditures

Prepared By: Beau Olen, Economist

Meeting Dates: 3/17

WHAT THE MEASURE DOES:

Moves sunset date of partial property tax exemption for centrally assessed companies by seven years, from July 1, 2025 to July 1, 2032. Takes effect January 1, 2024.

ISSUES DISCUSSED:

EFFECT OF AMENDMENT:

No amendment.

BACKGROUND:

A company that is centrally assessed under ORS 308.515(1) can receive an exemption on any value above 130 percent of the historical or original cost of the company's real property and tangible personal property included in the unit subject to central assessment:

Exemption = (Unitary RMV – value exempt under ORS 308.671) – (HC × 130%)

- *Unitary RMV:* Real market value of company's real property and tangible and intangible personal property included in unit subject to central assessment
- *ORS 308.671 exemptions:* FCC Licenses, Franchises, Satellites
- *HC:* Historical or original cost of the company's real property and tangible personal property included in unit subject to central assessment

The amount of this exemption may not exceed 95 percent of the real market value of the company's real property and tangible and intangible personal property included in the unit subject to central assessment:

Exemption ≤ Unitary RMV × 95%

Beginning with the 2009-10 property tax year, Department of Revenue began treating cable television and internet access services as "communication" services. There was a Supreme Court decision in 2014 (Comcast v. Department of Revenue) that Comcast's cable television and internet access services are data transmission services and are subject to central assessment.

This exemption originally became law in 2015 with the passage of SB 611. In 2019, HB 2130 moved the sunset date to June 30, 2025.