

## HB 2576 -2 STAFF MEASURE SUMMARY

### House Committee On Revenue

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**Prepared By:** Kyle Easton, Economist

**Meeting Dates:** 1/31, 3/1, 3/30

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#### WHAT THE MEASURE DOES:

Confers exclusive jurisdiction on Oregon Tax Court for judicial review of questions concerning income taxes imposed by local governments. Applies to petitions filed on or after effective date of act. Takes effect on 91st day following adjournment sine die.

#### ISSUES DISCUSSED:

1/31

- Current law process for local income tax legal challenges
- Background on Oregon Tax Court and judicial process
- Oregon Tax Court jurisdiction if local income tax administered by Department of Revenue
- Local tribunal review of tax disputes
- Introduced version of measure does not provide for Supreme Court Review of Tax Court decisions
- Concerns about travel considerations for those challenging local tax decisions
- Oregon Tax Court statewide outreach and administrative efforts
- Amendment expected.

3/1

- Testimony & comments received from Tax Court
- Review of previous discussion in committee and related modifications contained in -1 amendment in response to previous committee discussion
- Origination of policy proposal.

#### EFFECT OF AMENDMENT:

-2 Replaces content of measure.

Subject to Supreme Court appeal, confers exclusive jurisdiction on Oregon Tax Court for judicial review of questions concerning income taxes imposed by local governments. Requires person to first exhaust all administrative remedies provided before the local government prior to appealing to Oregon Tax Court. Makes conforming amendments. Applies to petitions filed on or after effective date of act. Takes effect on 91st day following adjournment sine die.

#### BACKGROUND:

The Oregon Tax Court is part of the Oregon Judicial Department. It is a statewide court and has exclusive jurisdiction to hear tax appeals under state laws, including personal income tax, property tax, corporation excise tax, timber tax, local budget law, and property tax limitations. The court is independent from the executive and legislative branches of state government. The court is not a part of the Oregon Department of Revenue, which is often a statutory defendant in Tax Court cases.

Several Oregon local governments impose a local income tax in Oregon. Examples include Multnomah County, City of Portland and Metro.