

SUBCOMMITTEE RECOMMENDATION

SB 1

Relating to data collected by the Department of Revenue

To:	Ways and Means Full Committee
From:	General Government Subcommittee
Carrier:	Senator Campos

SB 1 directs the Department of Revenue to create a schedule, within the personal income tax return, for taxpayers to voluntarily report their race and ethnicity. The schedule must detail a complete list of demographic categories related to racial and ethnic identity, in alignment with Oregon Health Authority uniform standards. The schedule must allow taxpayers to identify a primary identifier and up to two additional identifiers.

The measure includes several data privacy restrictions, including limiting use of the data for specific purposes; requiring the data to be collected and stored separately from other information on the tax return; and requiring any data output, including reports, to be presented in an anonymized and aggregated form. The Department of Revenue is to annually report to the Legislature about this new data collection schedule. The measure takes effect 91 days after adjournment *sine die* and first applies to the 2024 tax year.

The –A3 amendment increases the Department of Revenue’s budget by \$498,933 total funds, which includes \$470,724 General Fund and \$28,209 Other Funds, in the 2023-25 biennium. This funding supports updating the department’s tax IT systems and the establishment of three positions, equivalent to 1.42 FTE.

The General Government Subcommittee recommends SB 1 be amended by the –A3 amendment and be reported out do pass, as amended.