

FISCAL IMPACT OF PROPOSED LEGISLATION**Measure: HB 2290**

82nd Oregon Legislative Assembly – 2023 Regular Session

Legislative Fiscal Office

Only Impacts on Original or Engrossed Versions are Considered Official

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 Date: 01/27/2023

Measure Description:

Authorizes Department of Revenue to disclose information to Employment Department for purpose of administering paid family and medical leave insurance program.

Government Unit(s) Affected:

Department of Revenue, Employment Department

Summary of Fiscal Impact:

Costs related to the measure may require budgetary action - See analysis.

Summary of Expenditure Impact:

	2023-25 Biennium	2025-27 Biennium
Department of Revenue		
General Fund		
Personal Services	\$1,118,147	\$1,277,882
Services and Supplies	\$55,212	\$55,212
Total General Fund	\$1,173,359	\$1,333,094
Other Funds		
Personal Services	\$279,537	\$319,471
Services and Supplies	\$13,804	\$13,804
Total Other Funds	\$293,341	\$333,275
<i>Total Funds</i>	<i>\$1,466,700</i>	<i>\$1,666,369</i>
<i>Positions</i>	<i>10</i>	<i>10</i>
<i>FTE</i>	<i>8.75</i>	<i>10.00</i>

Analysis: The measure directs the Department of Revenue (DOR) to provide the Oregon Employment Department (OED) withholding and contribution information for employers subject to the family and medical leave insurance program (Paid Leave Oregon). The measure also requires employers to submit a combined tax and assessment coupon with payments and to report total employee Paid Leave Oregon contributions withheld annually on the form with other tax withholdings.

This measure will require DOR to add fields to the current forms used for tax withholding reporting purposes to capture Paid Leave Oregon contributions. DOR states that it will need 10 Public Service Representative 4 positions (8.75 FTE) to answer taxpayer and business questions concerning withholding and contributions. Approximately 144,000 businesses will be subject to these reporting requirements, and an unknown number of additional taxpayers may have questions regarding withholding. DOR estimates an additional 36,000 calls from subject employers and an increasing volume of calls from taxpayers affected by the new program. Currently, the unit has long waiting time for existing phone calls. In 2021, DOR Automated Response Unit (ARU) received 88,000 phone calls, 17,000 emails, and 26,000 web messages. Additional positions are required to maintain current customer service levels. Outreach, education, and systems testing can be accomplished with existing resources.

OED does not anticipate a fiscal impact due to this measure.

This measure warrants a subsequent referral to the Joint Committee on Ways and Means for consideration of its budgetary impact on the State's General Fund.