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## Oregon Legislative Assembly – 2023 Regular Session

### Hearing SB 141

#### Senate Committee on Finance and Revenue

## Testimony related to updating the connection date to federal Internal Revenue Code and other provisions of federal tax law.

### Support

**DATE:** February 7, 2023, 3:00 p.m.

Good morning, Chair Senator Meek, Vice-Chair Senator Boquist and members of the Senate Committee on Finance and Revenue.

For the record, my name is Heather Jackson. I am a member of the Taxation Committee of the Oregon Society of Certified Public Accountants (OSCPA). I am a Certified Public Accountant and partner with a local firm in Beaverton, Oregon.

For the record, my name is John Hawkins. I am a member of the Taxation Committee of the Oregon Society of Certified Public Accountants (OSCPA). I am a Certified Public Accountant with the firm of Grove, Mueller & Swank, P.C. in Salem, Oregon.

We appreciate the opportunity to come before you at today's hearing.

#### **BACKGROUND:**

On behalf of the nearly 4,000 members of the OSCPAs, we respectfully testify in support of SB 141.

- We support updating the connection date from 2021 to 2022 connecting the State of Oregon to the Federal Internal Revenue Code and other provisions of federal tax law.
- As a reminder, OSCPAs's primary objective is to be a technical resource to the Legislature and secondarily to promote taxpayer compliance by striving to keep Oregon tax law tied to the IRS Code.
  - We support rolling reconnect whether the tax implications to taxpayers are increased or decreased. An example of an exception to this connection is the deduction related to pass-through income under IRC 199A.
  - Current known differences do not have a large impact to taxpayer compliance, but many exceptions or different connection dates can have negative impact on taxpayer compliance. Subsequently, there is an impact on the Oregon Department of Revenue and thus a cost to the State of Oregon to issue notices and perform audits.
- We are available to analyze and discuss provisions and the impacts in this bill.

Thank you for having us back again this session.

**Recommendation:** On behalf of Oregon Society of CPAs, we respectfully encourage you to support SB 141. Thank you for the opportunity to testify today.

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