

Background

The Department of Revenue administers the emergency communications tax (E911) imposed on consumers of telecommunications services. The tax is collected by providers of telecommunications services or interconnected Voice over Internet Protocol with monthly subscriber billings and at the point-of-sale by retailers of prepaid telecommunication services. The E911 tax has been imposed since 1982 and funds a portion of the operating costs of 9-1-1 Centers (Public Safety Answering Points).

The E911 tax provides the Department of Revenue with funding for administrative costs, not to exceed six-tenths of one percent of tax receipts. The E911 tax is currently scheduled to sunset January 1, 2030.

9-8-8 Tax

House Bill 2757A proposes to create a 9-8-8 coordinated crisis services system tax to fund 9-8-8 suicide prevention and behavioral health crisis hotline and the crisis hotline center. The bill adds the 9-8-8 tax to the E911 tax statutes, ORS 403.200 – 403.240, and the same sunset date will apply to the 9-8-8 tax.

With the tax base being the same for both the E911 tax and the proposed 9-8-8 tax, the Department of Revenue anticipates administering the two taxes together with one return. The department's tax accounting system will allocate the tax revenues to each of the two receiving funds.

Considerations

While the Department of Revenue would administer the 9-8-8 tax in concert with the E911 tax, HB 2757A does not define a funding mechanism for implementation or administration of the proposed 9-8-8 tax. The E911 tax – the anticipated vehicle for administration of 9-8-8 tax – authorizes up to six-tenths of one percent of tax receipts be used to reimburse the department for administrative expenses. Without a dedicated funding source for implementation, the department may need to request a General Fund appropriation.

The 9-8-8 tax imposed by Section 6 of the bill refers to tax rates established in Section 2 of the bill. For clarity, the tax rates should be specified in ORS 403.200 by amending Section 6. Including the tax rates in ORS 403.200 will align with the E911 tax.

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