

## HOUSE AMENDMENTS TO HOUSE BILL 3991

By JOINT SPECIAL SESSION COMMITTEE ON TRANSPORTATION FUNDING

August 31

1 On page 6 of the printed bill, delete lines 4 through 20 and insert:

2 “(7)(a) This subsection applies if:

3 “(A) The highway cost allocation report indicates that the equity ratio for the heavy vehicle  
4 class or the light vehicle class is at least 1.05; and

5 “(B) The Legislative Assembly has not complied with subsection (6) of this section within 120  
6 days following the date on which the Joint Committee on Transportation received the report sub-  
7 mitted under subsection (5) of this section.

8 “(b)(A) On or after September 1 of each odd-numbered year, the department shall adopt rules  
9 that lower the fee rates per mile set forth in ORS 825.476 or the fuel tax rates set forth in ORS  
10 319.020 (1)(b) and 319.530 (1) as necessary so that whichever class has an equity ratio of 1.05 or  
11 greater will have an equity ratio of 1.045.

12 “(B) Adjustments to the fuel tax rates shall be rounded to the nearest 0.1 cents per gallon.

13 “(8) The department shall repeal any rule adopted pursuant to subsection (7) of this section if  
14 the department determines that, after the rule was adopted, the Legislative Assembly adjusted re-  
15 venue sources to carry out the purposes of Article IX, section 3a (3), of the Oregon Constitution.”.

16 On page 18, after line 9, insert:

17 “**SECTION 25a.** ORS 320.550, as amended by section 24 of this 2025 special session Act, is  
18 amended to read:

19 “320.550. (1) As used in this section:

20 “(a) ‘Employer’ has the meaning given that term in ORS 316.162.

21 “(b) ‘Resident of this state’ has the meaning given that term in ORS 316.027.

22 “(c) ‘Wages’ has the meaning given that term in ORS 316.162.

23 “(2) A tax is imposed at the rate of [*two-tenths*] **one-tenth** of one percent of the wages of an  
24 employee who is:

25 “(a) A resident of this state, regardless of where services are performed.

26 “(b) Not a resident of this state, for services performed in this state.

27 “(3) Every employer at the time of the payment of wages shall deduct and withhold from the  
28 total amount of the wages paid for services described under subsection (2) of this section an amount  
29 equal to the total amount of wages multiplied by the rate of tax imposed under subsection (2) of this  
30 section.

31 “(4) An employer shall report and pay the tax imposed under this section to the Department of  
32 Revenue at the time and in the manner determined by the department by rule.

33 “(5) For purposes of the tax imposed under this section, an employer is considered a taxpayer.

34 “(6) If a lender, surety or other person who supplies funds to or for the account of an employer  
35 for the purpose of paying wages of the employees of such employer has actual notice or knowledge

1 that such employer does not intend to or will not be able to make timely payment or deposit of the  
2 tax required to be deducted and withheld, such lender, surety or other person shall be liable to the  
3 State of Oregon in a sum equal to the taxes, together with interest, that are not timely paid over  
4 to the Department of Revenue. Such liability shall be limited to the principal amount supplied by  
5 the lender, surety or other person, and any amounts so paid to the department shall be credited  
6 against the liability of the employer.

7 “(7)(a) An employer shall submit an annual return pursuant to ORS 316.202 to the Department  
8 of Revenue. The amounts deducted from the wages during any calendar year in accordance with this  
9 section shall be considered to be in payment of the tax imposed under subsection (2) of this section.

10 “(b) The return submitted by the employer shall be accepted by the Department of Revenue as  
11 evidence in favor of the employee of the amounts so deducted from the employee’s wages.

12 “(8) Nothing in this section prohibits the Department of Revenue from including the tax imposed  
13 under this section in the combined quarterly tax report required under ORS 316.168.

14 “(9) An employer that fails to deduct and withhold the tax required under this section:

15 “(a) Is deemed responsible for the payment of the tax obligation in an amount equal to the  
16 amount required to be withheld from the employee’s wages and remitted to the Department of Re-  
17 venue; and

18 “(b) Is subject to a penalty of \$250 per employee, up to a maximum penalty of \$25,000, if the  
19 employer knowingly fails to deduct and withhold the tax.

20 “(10) Residents subject to the tax imposed under this section on wages earned outside this state  
21 from an employer not doing business within this state shall report and pay the tax in an amount  
22 not to exceed [*two-tenths*] **one-tenth** of one percent of the wages earned outside this state, and at  
23 the time and in the manner, as determined by the Department of Revenue by rule.

24 “**SECTION 25b. The amendments to ORS 320.550 by section 25a of this 2025 special session**  
25 **Act become operative on January 1, 2028.”.**