

SENATE REVENUE COMMITTEE
MARCH 28, 2005 8:30 AM STATE CAPITOL BUILDING

Members Present: Senator Ryan Deckert, Chair
Senator Gary George
Senator Rick Metsger
Senator Floyd Prozanski
Senator Charles Starr, Vice Chair

Witnesses Present: Senator Bruce Starr, District 15

Staff Present: Paul Warner, Legislative Revenue Officer
Lizbeth Martin-Mahar, Economist
Barbara Guardino, Committee Assistant

TAPE 78, SIDE A

005 Chair Deckert Calls meeting to order at 8:35 a.m. Notes, this week the committee will hear tax credit bills.

WORK SESSION, SB 25

015 Lizbeth Martin-Mahar Gives overview of SB 25 and -1 amendments. SB 25 allows the Treasury Department the ability to accept donations for awarding scholarships, grants and other incentives to account owners and their beneficiaries (**EXHIBITS 1 & 2**). See-1 amendments (**EXHIBIT 3**), which better define the uses of the donated funds and amend Statute 348.256.

035 Sen. Metsger **MOTION: MOVES ADOPTION OF SB 25-1.**

037 Chair Deckert **ORDER: THERE BEING NO OBJECTION THE CHAIR SO ORDERS.**
VOTE: 3-0-2
MEMBERS VOTING AYE: METSGER, C. STARR, DECKERT
MEMBERS EXCUSED: PROZANSKI, GEORGE

039 Sen. Metsger **MOTION: MOVES SB 25 AS AMENDED TO THE SENATE FLOOR WITH A DO PASS RECOMMENDATION.**
VOTE: 4-0-1
MEMBERS VOTING AYE: METSGER, PROZANSKI, C. STARR, DECKERT
MEMBERS EXCUSED: GEORGE

PUBLIC HEARINGS, SB 896, and SB 866

060 Martin-Mahar Gives overview of SB 896. Establishes a new employer tax credit for wages paid to employees who assist in the manufacture of a water transit vessel (**EXHIBITS 4, 5**). The tax credit is the lesser of a certain portion. Credit amounts are yet to be determined. Revenue impact is minimal.

092	Chair Deckert	Comments on creation of a revenue impact statement.
101	Martin-Mahar	Responds to Chair Deckert's comments.
115	Sen. B. Starr	Begins testimony in favor of SB 896. Notes, the bill can be amended concerning the issue of layoff and rehiring. See written testimony, verbatim (EXHIBIT 6). Notes errors in testimony – "866" should read "896." Also see concept drawing of a ship (EXHIBIT 7).
155	Chair Deckert	Asks if it is necessary to further define "water transit vessel" and what are Oregon's opportunities to entice manufacturers to come here.
169	Sen. B. Starr	Will provide a definition. Comments about providing incentives.
188	Chair Deckert	Expresses interest in SB 896. Believes it would bring new jobs to the state that pay a decent salary.
202	Martin-Mahar	Begins overview of SB 866 (EXHIBIT 8). Bill proposes two tax credits: One establishes a new employer tax credit for a portion of the wages paid to an expansion in the number of full-time employees of the business during the tax year. Percentage is blank. The other establishes a business tax credit for the health insurance premiums paid by an employer for the benefit of employees.
256	Martin-Mahar	Notes, this bill may need additional language to exclude self-employed individuals.
281	Sen. B. Starr	Testifies in favor of SB 866. See written testimony (EXHIBIT 9) verbatim. This bill will encourage small businesses to hire workers, thus putting Oregonians back to work. The first three sections of the bill provide incentives for businesses to hire new employees. Percentage is blank.
306	Sen. B. Starr	Directs members' attention to a Corvallis Gazette-Times editorial which highlights Oregon's unemployment (EXHIBIT 10).
346	Sen. Metsger	Thanks Sen. B. Starr for sponsoring this bill. Expresses particular interest in the incentive for increased health insurance coverage.
374	Chair Deckert	Asks Sen. B. Starr to work with Paul Warner on scheduling people to testify in regard to SB 896.
397	Chair Deckert	Notes issues coming up later this week; double majority and a "gut-and-stuff" on telecom taxes.
416	Chair Deckert	Closes public hearings on SB 896 and SB 866. Adjourns meeting at 9:02 a.m.

Tape Log Submitted by,

Barbara Guardino, Committee Assistant

Exhibit Summary:

1. SB 25, Revenue Impact of Proposed Legislation, Martin-Mahar, 1 pp.
2. SB 25, Staff Measure Summary, Martin-Mahar, 1 pp.
3. SB 25, -1 amendments, Martin-Mahar, 2 pp.
4. SB 896, Revenue Impact of Proposed Legislation, Martin-Mahar, 1 pp.
5. SB 896, Staff Measure Summary, Martin-Mahar, 1 pp.
6. SB 896, Testimony in Support of SB 896, Senator Bruce Starr, March 28, 2005, 1 pp.
7. SB 896, concept drawing of a ship, B. Starr, 1 pp.
8. SB 866, Staff Measure Summary, Martin-Mahar, 1 pp.
9. SB 866, Testimony in Support of SB 866, Senator Bruce Starr, March 28, 2005, 1 pp.
10. SB 866, Corvallis Gazette-Times, "Oregon's new jobs largely bring low pay", B. Starr, 2 pp.