

HOUSE REVENUE COMMITTEE
JULY 25, 2003 1:00 PM STATE CAPITOL BUILDING

Members Present: Representative Lane Shetterly, Chair
Representative Wayne Scott, Vice Chair
Representative Joanne Verger, Vice Chair
Representative Phil Barnhart
Representative Vicki Berger
Representative Pat Farr
Representative Mark Hass
Representative Elaine Hopson
Representative Max Williams

Staff Present: Paul Warner, Legislative Revenue Officer
Mazen Malik, Legislative Revenue Office
Richard Yates, Legislative Revenue Office
Kathy Tooley, Committee Assistant

TAPE 225, SIDE A

004 Chair Shetterly Calls meeting to order at 1:30 p.m.

BILL INTRODUCTION OF LC 3764

031 Chair Shetterly MOTION: MOVES INTRODUCTION, AS COMMITTEE BILL, OF LC 3764
(Exhibit 1) RELATING TO FEES.

Provided letter of explanation from Legislative Counsel (Exhibit 2).

035 Chair Shetterly HEARING NO OBJECTION, MOTION PASSES.

OPENS WORK SESSION ON HB 2182

038 Paul Warner Provides description the House Revenue Plan (Exhibit 3).

100 Warner Discusses the corporate minimum tax element.

122 Warner Explains the property tax discount component.

132 Warner Discusses the consumption tax element.

141 Warner Discusses the Education Stability fund and lottery discretionary revenue components.

158 Warner Discusses other funds including the Cultural Trust and the medical provider charge.

176 Chair Shetterly Asks about bonds.

177 Warner Responds that bonds are yet to be determined.

180 Warner Provides reasoning for the higher figure. Emphasizes that the fiscal office is lowering some of estimates in the fund shift group so the bottom line number will be going down.

204	Warner	Describes "Components of HB 2182 and -3 Amendment" (Exhibit 4). Describes the HB 2182-3 amendments (Exhibit 5).
250	Warner	Gives explanation of the medical deduction phase in as described in page 5, section 4.
260	Warner	Describes the federal tax subtraction elements.
288	Warner	Discusses the personal exemption credit elements.
320	Richard Yates	Explains the depreciation treatment for SUV's.
370	Chair Shetterly	Asks if the revenue impact is higher than the original bill because of the additional year and the changes at the federal level.
375	Yates	Responds affirmatively.
381	Warner	Discusses the reduction in corporate income tax credits.
400	Warner	Discusses the corporate minimum tax elements.
422	Warner	Discusses property tax discount rate reduction component.

TAPE 226, SIDE A

018	Rep. Williams	Asks about the assumption that new lottery revenues will be coming from the expansion of video gaming.
027	Warner	Responds that in HB 3642, 90% of the revenue flowing into the stability fund was directed to state school fund and that any revenue exceeding lottery projections will go into the state school fund.
035	Rep. Williams	Asks if the estimates that assume an increase in lottery revenues come from the lottery commission?
037	Warner	Responds that \$108 million is the current estimate and that the other \$23 million is a result of a higher lottery total that is not specified in statute. States that the estimate is based on a change in policy at Lottery.
054	Rep. Williams	Clarifies that the revenues resulting from the policy change would go to the state school fund.
063	Rep. Hass	Asks to what extent the amendments would reduce the temporary income tax in Multnomah County.
065	Warner	Responds that Multnomah County is about 22% of the total personal income liability and that their decision depends on the state school fund.
070	Chair Shetterly	States that the offset is not identified specifically in the measure and it is up to the county commissioners.
084	Warner	Points out that these are all estimates and they would need to see the final product before they make their decision.
080	Rep. Scott	Asks if section 22-28 apply to an LC.
092	Warner	Responds that he doesn't know, but will check.

CLOSES WORK SESSION ON HB 2182

100 Chair Shetterly Meeting adjourned at 2:10 p.m.

Tape Log Submitted by,

Kathy Tooley, Committee Assistant

Exhibit Summary:

1. Chair Shetterly, LC 3764, 14pp.
2. Ted Reutlinger, Letter from Legislative Counsel, 1p.
3. Paul Warner, House Revenue Plan, 1p.
4. Paul Warner, Major Components of HB 2182 and -3 Amendment, 3pp.
5. Paul Warner, Proposed HB 2182-3 Amendments, 23pp.