

INFORMATIONAL

TAPE 17 A/B

TAPE 18 A

## HOUSE SCHOOL FUNDING AND TAX FAIRNESS/REVENUE COMMITTEE

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JANUARY 22, 2001 — 1:30 P.M. - HEARING ROOM A - STATE CAPITOL BUILDING

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Members Present: Representative Lane Shetterly, Chair

Representative Janet Carlson, Vice Chair

Representative Deborah Kafoury, Vice Chair

Representative Alan Bates

Representative Alan Brown

Representative Mark Hass

Representative Max Williams

Members Excused: Representative Chris Beck

Representative Bill Witt

Staff: Paul Warner, Legislative Revenue Officer

Ed Waters, Economist, Legislative Revenue Office

Richard Yates, Economist, Legislative Revenue Office

Joan Green, Committee Assistant

Witnesses: Debra Buchanan, Department of Revenue

**TAPE 17, SIDE A**

007 Chair Shetterly Meeting called to order at 1:39 p.m.

**INFORMATIONAL MEETING**

- 020 Debra Buchanan Presented slide show on "Administration of Oregon's Corporate Tax System". (EXHIBIT 1)
- 117 Buchanan Continued with presentation, beginning with "Unitary Corporations", (Page 6, Slide 11, Exhibit 1).
- 157 Rep. Bates Questions and discussion regarding how a gross receipts tax differs from an income tax.
- 198 Chair Shetterly Questions and discussion regarding the excise taxes.
- 221 Ed Waters Presented slide show on "Oregon's Corporate Excise Tax". (EXHIBIT 2)
- 250 Questions and discussion interspersed.
- 283 Waters Continued with presentation, beginning with "Business Income Statement", (Page 2, Slide 3, Exhibit 2).
- 356 Questions and discussion interspersed.
- 363 Waters Continued with presentation, beginning with "Corporate Tax", (Page 4, Slide 7, Exhibit 2).
- 406 Questions and discussion interspersed.

**TAPE 18, SIDE A**

- 035 Waters Continued with presentation, beginning with "Distribution of Corporate Returns and Tax", (Page 5, Slide 9, Exhibit 2).
- 051 Questions and discussion interspersed.
- 059 Waters Continued with presentation, beginning with "Oregon Income Taxes — Multi-State Apportionment", (Page 5, Slide 10, Exhibit 2).
- 128 Questions and discussion interspersed.
- 179 Chair Shetterly Referenced Special Report/Viewpoint provided to members titled "Guide to State Corporate Income Tax Apportionment, Parts 1-2". (EXHIBIT 3)
- 210 Waters Continued with presentation, beginning with "Sales Throwback Rule", (Page 7, Slide 13, Exhibit 2).
- 252 Questions and discussion interspersed.
- 331 Waters Continued with presentation, returning to "Double-Weighted Sales", (Page 7, Slide 14, Exhibit 2).

372 Waters Concluded presentation with "Super-Weighted Sales", (Page 8, Slide 15, Exhibit 2).

**TAPE 17, SIDE B**

020 Paul Warner Discussed two issues of consideration for Committee surrounding this area of taxation:

1. The economic effects of changes in the tax system.
2. The complexity of administering the current system and Administrative Rules.

052 Chair Shetterly Meeting adjourned at 2:36 p.m.

Submitted by, Reviewed by,

Joan Green Kim Taylor James

Committee Assistant Revenue Office Manager

Exhibit Summary:

1. Informational, Slide Show, Buchanan, 7 pages
2. Informational, Slide Show, Waters, 8 pages
3. Informational, Handout, Warner, 20 pages