

**CONFERENCE COMMITTEE ON HB 2281**

---

**JUNE 15, 2001 – 10:00 A.M. - HEARING ROOM A - STATE CAPITOL BUILDING**

---

Members Present:            Representative Lane Shetterly, Chair  
                                 Representative Deborah Kafoury  
                                 Representative Max Williams  
                                 Senator Ted Ferrioli  
                                 Senator Lee Beyer (10:09 arrived)  
                                 Senator Charles Starr

Staff:                            Paul Warner, Legislative Revenue Officer  
   Joan Green, Committee Assistant

**TAPE 1, SIDE A**

005        Chair Shetterly                    Meeting called to order at 10:00 a.m. and noted that the meeting was for informational purposes only of the revenue impacts for other options being considered.

**OPENED WORK SESSION ON HB 2281 B-ENG.**

017        Paul Warner                        Reviewed the Senate amendments, which would provide telecommunication and utilities taxpayers the option of staying with the current double weighted sales factor or moving to the 100% sales factor when available.

033        Chair Shetterly                    Requested information on the difference in definitions in the Senate amendments.

037        Warner                                Explained where the definitions for the Senate amendments came from. Reported on conversations with taxpayers in the telecommunication industry that thought there might be alternative language that they are more comfortable with.

Continued with review of measure and discussed the sales only apportionment formula for the corporate income tax based on 1998 tax returns, (Page 2, Exhibit 1).

079        Warner                                Reviewed the sales factor apportionment options, (Page 1, Exhibit 2).

094        Sen. Ferrioli                        Noted the question of efficiency in the last two options presented, the reduction does not become effective in producing the best effects until at least 80% is reached, (Page 1, Exhibit 2).

Questions and discussion regarding at what point a single sales factor becomes effective.

LRO Staff

Distributed written material from Oregon Center for Public Policy, Chuck Sheketoff. (Exhibit 2)

134 Chair Shetterly

Meeting adjourned at 10:18 a.m.

Submitted by,

Reviewed by,

Joan Green  
Committee Assistant

Kim Taylor James  
Revenue Office Manager

Exhibit Summary:

1. HB 2281, Spreadsheet of examples and effects, Warner, 2 pages
2. HB 2281, Testimony, Sheketoff, 6 pages