

PUBLIC HEARING AND WORK SESSION

SB 422, SB 426

WORK SESSION

SB 20, SB 277, SB 280, SB 281, SB 282, SB 284

TAPES 022-023 A/B

SENATE REVENUE COMMITTEE

January 29, 2001 — 8:30 A.M. - HEARING ROOM A - STATE CAPITOL BUILDING

Members Present: Senator Ted Ferrioli, Chair

Senator Lee Beyer, Vice Chair

Senator Susan Castillo

Senator Tony Corcoran

Senator Gary George

Senator John Minnis

Senator Charles Starr

Staff: Paul Warner, Legislative Revenue Officer

Ed Waters, Economist, Legislative Revenue Office

Richard Yates, Legislative Revenue Office

Carol Phillips, Committee Assistant

Witnesses: Debra Buchanan, Department of Revenue

TAPE 022, SIDE A

005 Chair Ferrioli Meeting was called to order at 8:34 a.m.

009 Paul Warner Stated that six of the eight bills before this

committee today will be referred to the Committee on Business, Labor, and Economic Development. They are SB 20, SB 277, SB 280, SB 281, SB 282, and SB 284. They are all bills relating to the regulation of accountants and other accounting industry issues.

OPENED WORK SESSION ON SB 20, SB 277, SB 280, SB 281, SB 282, and SB 284

035 Chair Ferrioli Entertained motion to refer the above-listed bills to the Committee on Business, Labor, and Economic Development.

042 Sen. L. Beyer MOTION:

MOVES SB 20, SB 277, SB 280, SB 281, SB 282, AND SB 284 BE REFERRED TO THE SENATE COMMITTEE ON BUSINESS, LABOR, AND ECONOMIC DEVELOPMENT WITH SUBSEQUENT REREFERAL TO SENATE REVENUE IF ANY REVENUE IMPACT.

077 Chair Ferrioli ORDER:

HEARING NO OBJECTION, SB 20, SB 277, SB 280, SB 281, SB 282, AND SB 284 ARE REFERED TO THE SENATE COMMITTEE ON BUSINESS, LABOR, AND ECONOMIC DEVELOPMENT.

CLOSED WORK SESSION ON SB 20, SB 277, SB 280, SB 281, SB 282, AND SB 284

OPENED PUBLIC HEARING ON SB 426

102 Waters Discussed SB 426, which deals with non-resident income tax issues. Specifically, it exempts compensation earned by non-resident crews of interstate vessels operating on Oregon waters. It cancels outstanding assessments owed by non-resident crews for since years since 1993. It authorizes refunds for taxes paid by non-resident crews for tax years since 1993. The (-1) amendments, which were distributed at the meeting on January 18, 2001 as Exhibit 5, would move the effective date for tax years owed or paid by non-resident crews from 1993

back to 1986.

The bill also extends the current exemption allowed for federal employees working on Columbia River hydroelectric dams to include independent contractors, with an effective date of 1997. The bill establishes a gross income-filing threshold for non-resident filers, which is set equal to the Oregon standard deduction amount, effective with 2002 tax year.

At the January 18, 2001 meeting there was an inquiry as to whether Snake River hydroelectric workers operating on the Oregon-Idaho border would be included in the bill. Mr. Waters had a conversation with John Breneman, representing Idaho Power. Mr. Breneman asked that his people not be included under the provisions of SB 426. Mr. Breneman said that all the employees worked in Oregon and were Oregon residents.

Discussed Exhibit 14: Revenue Impact Statement. About 5,000 returns with an average tax due of \$40.00 would be eliminated and would create revenue impact of about (\$400,000) per biennium.

Questions and answers interspersed.

184 Debra Buchanan In answer to the question, "How much does it cost to process one tax return?" she said it was fairly minimal. Department of Revenue processes over one and one-half million returns per year, so the cost saving of not having to process the above-referenced 5,000 would be quite small.

Questions and answers interspersed.

CLOSED PUBLIC HEARING ON SB 426

OPENED WORK SESSION ON SB 426

209 Sen. L. Beyer MOTION:

MOVES (-1) AMENDMENTS TO SB 426 BE

ADOPTED.

210 Chair Ferrioli ORDER:

HEARING NO OBJECTION, THE CHAIR SO ORDERED.

212 Sen. L. Beyer MOTION:

MOVES SB 426 AS AMENDED TO THE SENATE FLOOR WITH DO PASS RECOMMENDATION.

215 Chair Ferrioli ORDER:

HEARING NO OBJECTION , MOTION PASSES: 7 — 0

Sen. L. Beyer will carry the bill on the Senate Floor.

CLOSED WORK SESSION ON SB 426

OPENED PUBLIC HEARING ON SB 422

235 Richard Yates Discussed SB 422. This bill is from the Department of Revenue dealing with deficiencies and cancellation of tax due penalties and interest.

Questions and answers interspersed.

287 Buchanan Discussed SB 422 and Exhibit 18: Comments regarding SB 422. The bill provides five-year period for issuing notice of tax deficiency for significant omission on tax return and reinstates confidentiality of cigarette tax returns.

Comments, and questions and answers interspersed.

CLOSED PUBLIC HEARING ON SB 422

OPENED WORK SESSION ON SB 422

467 Sen. L. Beyer MOTION:

MOVES SB 422 TO THE SENATE FLOOR
WITH DO PASS RECOMMENDATION.

470 Chair Ferrioli ORDER:

HEARING NO OBJECTION, MOTION
PASSES: 7 — 0

Sen. Ferrioli will carry the bill on the Senate
Floor.

CLOSED WORK SESSION ON SB 422

TAPE 023, SIDE A

028 Warner Stated that tomorrow's meeting will be an
orientation presentation on timber taxes.

Comments, and questions and answers
interspersed.

147 Chair Ferrioli Meeting was adjourned at 10:11 a.m.

Submitted by, Reviewed by,

Carol Phillips Kim Taylor James

Committee Assistant Revenue Office Manager

Exhibit Summary:

1. SB 20, Warner, Fiscal Impact Statement, 1 pp.
2. SB 20, Warner, Revenue Impact Statement, 1 pp.
3. SB 277, Warner, Fiscal Impact Statement, 1 pp.
4. SB 277, Warner, Revenue Impact Statement, 1 pp.
5. SB 280, Warner, Fiscal Impact Statement, 1 pp.
6. SB 280, Warner, Revenue Impact Statement, 1 pp.
7. SB 281, Warner, Fiscal Impact Statement, 1 pp.

8. SB 281, Warner, Revenue Impact Statement, 1 pp.
9. SB 282, Warner, Revenue Impact Statement, 1 pp.
10. SB 282, Warner, Fiscal Impact Statement, 1 pp.
11. SB 284, Warner, Fiscal Impact Statement, 1 pp.
12. SB 284, Warner, Revenue Impact Statement, 1 pp.
13. SB 426, Waters, Fiscal Impact Statement, 1 pp.
14. SB 426, Waters, Revenue Impact Statement, 1 pp.
15. SB 422, Yates, Fiscal Impact Statement, 1 pp.
16. SB 422, Yates, Staff Measure Summary, 1 pp.
17. SB 422, Yates, Revenue Impact Statement, 1 pp.
18. SB 422, Yates, Department of Revenue Summary of SB 422, 1 pp.