

SENATE REVENUE COMMITTEE

February 25, 1999 - 3:00 P.M. - HEARING ROOM A - STATE CAPITOL BUILDING

Members Present: Senator Thomas Wilde, Vice Chair

Senator Lee Beyer

Senator Tom Hartung

Senator Charles Starr

Members Excused: Senator Randy Miller, Chair

Staff: Paul Warner, Legislative Revenue Officer

Lizbeth Martin-Mahar, Economist, Legislative Revenue Office

Richard Yates, Economist, Legislative Revenue Office

Joan Green, Committee Assistant

Invited Testimony: Elizabeth Harchenko, Department of Revenue

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| 005 | Vice Chair Wilde | Meeting called to order at 3:03 p.m. Welcomed Elizabeth Harchenko, Director for the Oregon Department of Revenue. |
| 014 | Elizabeth Harchenko | Presented an overview of the programs administered by the Department of Revenue, the special projects worked on during interim and general administrative issues. |

027	Harchenko	Described the other tax and fee programs administered by the Department, aside from the personal income and corporate fee programs.
059	Harchenko	Discussed the special projects assigned to the Department this interim, beginning with the taxation of intangible assets.
137	Sen. Hartung	Referenced the handout. (Exhibit 1) This is specific to income tax only, correct?
139	Harchenko	Correct.
141	Sen. Hartung	What is the Department's control of lottery dollars and tobacco taxes?
145	Harchenko	The Lottery office collects all lottery dollars. Reviewed the process for collection of cigarette tax dollars. The distribution is determined by statute.
155		Discussion and questions as to the process for collection and distribution of the cigarette settlement funds.
175	Harchenko	Continued with discussion of intangibles and the effect on the revenue stream.
197	Harchenko	Discussed the Department's different outreach efforts. Referenced the handout depicting the Oregon tax dollar. (Exhibit 1)
214	Harchenko	Discussed the forestland taxation issue, which was another special project this past interim. The task force is still meeting and the final report has not been generated yet.
250	Vice Chair Wilde	How soon will that report be available?
256	Harchenko	Hopefully by March.
259	Vice Chair Wilde	Will there be recommendations to the legislature incorporated into that report?

261	Harchenko	There will be a summary of information relating to taxation and a historical overview as to how forestland taxation has evolved in Oregon.
309	Harchenko	The 1997 legislature assigned the Department the special project of looking at the funding of the property tax system. Discussed that project in relationship to Measure 50.
326		Discussion and questions regarding Measure 50's impact on appraisers.

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013		Continued with discussion and questions regarding the impact Measure 50 will have on appraisers.
030	Harchenko	Spoke to the Department's current project, the tax refund to federal retirees and the challenges the project has presented.
050	Sen. Beyer	Has the Department identified the federal retirees impacted?
053	Harchenko	Most of the federal retirees have been identified, and it is an ongoing project to continue identifying federal retirees impacted by the court decision.
090	Harchenko	Continued with presentation and discussion of the administrative duties of the Department, beginning with personal income tax collection.
114		Discussion and questions interspersed regarding electronic filing.
135	Harchenko	Continued with presentation and discussion of administrative duties of the Department.
160	Harchenko	Discussed the Department's administrative duties, as they relate to business income tax. Discussed the outreach programs the Department has implemented in the business communities.
221	Harchenko	Discussed processing and spoke to how the changes in the employment market have impacted the Department. Spoke to the difficulty in recruiting seasonal workers to process claims and how the Department has addressed this shortage by better

utilization of technology.

250	Harchenko	Discussed how the Department has prepared for Y2K and what they are continuing to do in preparation for the new millenium.
280	Harchenko	Invited members to tour the processing center during the first week of April.
330	Sen. Beyer	Are electronic transfers being done to and from taxpayersí bank accounts?
339	Harchenko	That is an area that is still being investigating, some states are doing that, but we are not there yet.
	Vice Chair Wilde	Meeting adjourned at 3:53 p.m.

Submitted by, Reviewed by,

Joan Green Kim T. James

Committee Assistant Revenue Office Manager

Exhibit Summary:

1. Informational, Harchenko, Handout, 1 page