

PUBLIC HEARING & WORK SESSION:

SB 388-A, SB 774-A

TAPE 242 A

HOUSE REVENUE COMMITTEE

JUNE 27, 1997 8:30 AM HEARING ROOM A STATE CAPITOL BUILDING

MEMBERS PRESENT: Rep. Tom Brian, Chair

Rep. Lee Beyer, Vice-Chair (Arrived 9:15 a.m.)

Rep. Tony Corcoran

Rep. Randall Edwards

Rep. Leslie Lewis (Excused a.m.)

Rep. Anitra Rasmussen

Rep. Lane Shetterly

Rep. Mark Simmons

Rep. Ken Strobeck

WITNESSES PRESENT: Mark Gibson, Governor's Office

Paul Warner, Department of Administrative Services

Jim Neely, Adult and Family Services

STAFF PRESENT: Ed Waters, Economist

Brian Reeder, Economist

Barbara Guardino, Committee Assistant

-

TAPE 242 SIDE A

007 Chair Called meeting to order at 9:10 a.m. Invited testimony for SB 388-A, earned income tax
Brian credits. Advised, House Revenue has to work within parameters of the work from other
 committees.

WORK SESSION -- SB 388-A

Gave brief overview of policy discussions concerning child care tax credit, its overall strategy for moving Oregonians off of public assistance.

036 Mark Directed members' attention to graph (EXHIBIT A) "Welfare To Work W/No Child
Gibson Care". Graph indicates ascending hourly wages and their net income including subsidies.
 Disposable increase in net income stalls out at \$8 per hour because they lose food stamps.
 State wants to build work incentive into system.

095 Gibson Refer to opposite side of chart "Welfare to Work w/\$626 Child Care". Currently, person
 making \$5.50 per hour has same net income as person making \$12 per hour.

151 Jim Noted, several versions of this chart, this includes average amount for cases that collect
Neely child support.

168 Paul Concern about non-refundable element is, in most cases, someone earning \$8 per hour
Warner would pay little taxes, so they and receive very little child care credit. Need to make tax
 credit refundable. Governor's office proposes to phase down percentages in order to help
 \$8 per hour earners.

206 Chair Reminded members that committee has certain parameters in which it must work. Getting
Brian rid of EITC (Earned Income Tax Credit) is not an option.

229 Ed Referred to handout (EXHIBIT B) "Comparative Tax Calculation: Family of four (2
Waters adults, 2 kids)"

Tells tax liability of various income families under current law; what refundable and non-refundable credits would provide.

255 Chair Recessed meeting at 9:30 a.m.
Brian

PUBLIC HEARING -- SB 774-A

269 Chair Brian Reconvened meeting at 2:10 p.m. Opened public hearing and work session on SB 774-A.

273 Brian Reeder Summarized SB 774 -A: Bill eliminates sunset on riparian property tax exemption; increases number miles per county granted exemption each year; allows land that qualifies but is subsequently rezoned to still qualify. SB 774 -A2 amendments (EXHIBIT I) says, for those lands rezone, they have only five years to apply.

302 Rep. Rasmussen Asked, why is sunset being discontinued? Referred to bill, page 2, line 11. Would prefer it to be reset to 2004.

326 Chair Brian Agreed, this is a good idea.

WORK SESSION -- SB 774-A

334 Chair Brian **ASKED FOR UNANIMOUS CONSENT TO SUSPEND THE RULES TO MAKE CONCEPTUAL AMENDMENTS TO SB 774 -A, PAGE 2, LINE 11. HEARING NO OBJECTIONS, CHAIR SO ORDERED.**

339 Rep. Rasmussen **MOTION TO CONCEPTUALLY AMEND SB 774-A, PAGE 2, LINE 11 TO RESTORE LANGUAGE, "THE TAX YEARS BEGINNING PRIOR TO JULY 1;" REPLACE "1998" WITH "2004".**

355 Chair Brian **ASKED MEMBERS FOR ANY OBJECTIONS TO CONCEPTUAL AMENDMENTS TO SB 774-A. HEARING NO OBJECTIONS, CHAIR SO ORDERED.**

363 Chair Brian Moved out of suspension of rules.

372 Rep. Rasmussen **MOTION TO MOVE SB 774 -A2 AMENDMENTS INTO SB 774-A.**

375 Chair Brian **ASKED MEMBERS FOR ANY OBJECTIONS TO MOVING SB 774 -A2 AMENDMENTS INTO SB 774-A. HEARING NO OBJECTIONS, CHAIR SO ORDERED.**

387 Chair Brian **SUSPENDED RULES TO MOVE MULTIPLE AMENDMENTS INTO SB 774-A.**

395 Rep. Simmons **MOTION TO MOVE SB 774-A AS AMENDED TO THE FLOOR WITH A DO PASS RECOMMENDATION.**

398 **VOTE**

6 - 0 - 3

IN A ROLL CALL VOTE, MEMBERS VOTING AYE: REPS. CORCORAN, EDWARDS, LEWIS, RASMUSSEN, SIMMONS; CHAIR BRIAN.

MEMBERS EXCUSED: REPS. SHETTERLY, STROBECK, VICE CHAIR BEYER.

MOTION CARRIED.

423 Chair Brian Continued meeting until 3 p.m.

AFTERNOON MEETING CANCELLED.

Submitted by, Reviewed by,

Barbara Guardino Kim James

Committee Assistant Revenue Office Manager

-

EXHIBIT SUMMARY:

- A. SB 388, Gibson, Welfare to Work W/No Child Care, 2 pp.
- B. SB 388, Waters, Comparative Tax Calculation: Family of four (2 adults, 2 kids), 2 pp.
- C. SB 388, Gibson, Senate Bill 388/Amendments, 1 p.
- D. SB 388, Gibson, Welfare to Work W/\$330 Child Care, 3 pp.
- E. SB 388, Waters, Proposed Amendments: SB 388 -A8, 1 p.
- F. SB 388, Waters, Staff Measure Summary, 1 p.
- G. SB 388, Waters, Fiscal Analysis of Proposed Legislation, 1 p.
- H. SB 388, Waters, Revenue Impact of Proposed Legislation, 1 p.
- I. SB 774, Reeder, Proposed Amendments: SB 774 -A2, 2 pp.
- J. SB 774, Reeder, Staff Measure Summary, 1 p.

K. SB 774, Reeder, No Fiscal Impact statement, 1 p.

L. SB 774, Reeder, Revenue Impact of Proposed Legislation, 1 p.