

These minutes paraphrase and/or summarize statements made during this meeting. Text enclosed in quotation marks reports the speakers exact words. For complete context of proceedings, please refer to the tape recording.

These minutes paraphrase and/or summarize statements made during this meeting. Text enclosed in quotation marks reports the speakers exact words. For complete context of proceedings, please refer to the tape recording.

Public Hearing HB 2204
Work Session HB

House Committee on
State and School Finance
February 9, 1995 Page

These minutes paraphrase and/or summarize statements made during this meeting. Text enclosed in quotation marks reports the speakers exact words. For complete context of proceedings, please refer to the tape recording.

HOUSE STATE AND SCHOOL FINANCE COMMITTEE

FEBRUARY 9, 1995 8:30 AM HEARING ROOM A STATE CAPITOL BUILDING

Members Present: Rep. John Schoon, Chair
Rep. Ron Adams (excused late arrival, 9:05)
Rep. Lee Beyer
Rep. Tim Josi
Rep. Tony Federici, Vice Chair
Rep. Jane Lokan
Rep. Anitra Rasmussen
Rep. Ken Strobeck
Rep. Jim Welsh (excused at 9:30 am, returned at 9:55 am)

Members Excused: Rep. Ron Adams

Witnesses Present:

Staff: James Scherzinger, Legislative Revenue Officer
Steve Bender, Legislative Revenue Office
Terry Drake, Legislative Revenue Office
Rhonda Wehler, Committee Assistant

TAPE 55 SIDE A

007 Chair Schoon -calls the meeting to order at 8:51 am and conducts administrative business
-refers to LC Drafts
014 Rep Beyer -moves introduce 1631, 33 34, as committee bills
THERE BEING NO OBJECTION THE CHAIR SO ORDERS
026 Chair Schoon -refers to LC Draft moves as committee bill
NO OBJECTION
OPENS PUBLIC HEARING WORK SESSION ON HB 2204
035 Chair Schoon -hands chair to Vice Chair Federici
-not germane to reconnect
074 Steve Bender -explains amendments to HB 2204, LC believes amendment is outside of relating clause for this bill, (congress decided to reduce interest rate to be paid to corporate overpayments if refund over \$10,000)
096 Chair Schoon -historical perspective relationship between what we charge and what we pay
104 Rep Welsh -askis if we are out of line to what we charge and what we pay
108 Chair Schoon -are tied but don't know amounts
111 Rep Rasmussen -would like to continue to pursue conversation regarding this amendment, even though unrelated to HB 2204
118 Steve Bender -all other concepts were within relating clause
-HB 2204-4, Exhibit E, impact the OR would do same thing
revenue impact \$1.7 million in 1997-99 Exhibit ?????
-impact is beyond that listed in Governor's budget
328 Chair Schoon -reminds that tax credits are not in Governor's budget
either
344 Steve Bender -refers to
364 Rep Beyer -MOVES -2 AMMENDMENT TO CONFORM TAX PAYMENTS HEARING NO OBJECTION, SO ORDERED
385 Rep Beyer -MOVES -3 AMENDMENTS
389 Steve Bender -explains housekeeping error in numbering, starting date, impact to correct an error in bill
TAPE 56 SIDE A
006 Chair Schoon -HEARING NO OBJECTIONS, THE CHAIR SO ORDERED
010 Rep Beyer -MOVES -4
012 Steve Bender -explains state would adopt any changes congress makes in deductability of lobbying expenses, act automaticallly without vote of

legislature, proxy tax, section 44, if federal govt. repeals, we would repeal it at the same time

-can determine taxable income

063 Vice Chair Federici THERE BEING NO OBJECTIONS, SO ORDERED

067 Rep Beyer -moves -5 amendments

072 Steve Bender -notes correction after date requires 2/9/95-1

-substantial understatement of tax penalty. Congress in 1993 tightened exceptions where taxpayer is not charged OR penalty did not reflect penalty, lines 24 and 25 were added which parallels federal language

116 Jim Bucholz -provision is in federal law for penalty, DOR has no position,

modification made for OR, can tie definitions easily with no problems

137 Vice Chair Federici -THERE BEING NO OBJECTIONS THE CHAIR SO ORDERED

147 Steve Bender -explains 2204-6, changes effective date from 1/1/95 to

1/1/96 so taxpayers are not hit retroactively, federal govt. has been doing

this for several years

174 Bucholz -explains OR has separate but parallel laws, taxpayer would base

tax payments based on OR law, which would be effective throughout the year

186 Chair Schoon -clarifies if taxpayer overpaid, it wouldn't matter and

would have no effect on amount of tax, just shift it from one biennium to

another

202 All -questions and discussion

259 Rep. Adams -reaffirms no effect on revenue

-MOVES -6 amendments

THERE BEING NO OBJECTIONS THE CHAIR SO ORDERED

272 Steve Bender -explains that -7 amendments are being changed by LC,

recommends not accepting them as they are

307 -2204-1 amendments, Exhibit E, 2/3/95, allowing low income families to

take mortgage credit certificates in conformance with IR code requirements,

intent is to correct to refer to current IR code so certificates are

acceptable, not in response to changes congress made

-housekeeping measure

361 Rep Rasmussen -asks if language needed to clean up retroactively

369 Steve Bender -clarifies that has been done on page 2 of amendment

374 Chair Schoon -MOVES -1 amendments

TAPE 55 SIDE B

009 Steve Bender -explains 2204-9, exceptions categories of taxpayers who use

new law requirements would result in higher estimated tax burden, no

penalty imposed on them for 1995 year, applicable 90 days after sine die

040 Bucholz -connects to changes made by feds asap excepting those taxpayers

who would be penalized by new laws than old

056 Rep. Adams -moves -9

057 Vice Chair Federici -HEARING NO OBJECTIONS THE CHAIR SO ORDERED

062 Steve Bender -clarifies that LC can combine amendments into one document

068 Rep Lokan -asks

079 Steve Bender -according to house rules, must have final single set of

amendments, minor provisions to make sure there are no conflicts,

renumbering,

097 Vice Chair Federici -clarifies that -9 superceded -7

113 All -questions and answers

121 Chair Schoon -summarizes items outside of reconnect for future discussion

-emphasizes importance of reconnect as a ser vice to taxpayer

-plans to split bill and allow other members to carry different pieces of

bill

169 Vice Chair Federici -adjourns meeting at 10:00 am

Rhonda Wehler, Committee Assistant

Kimberly Taylor James, Office Manager

Exhibit Summary