

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.

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Work Session HB 2255, 2256, 2257, 2259, 2064 A
Public Hearing HB 3160
Tapes 176-177 A & B

House Committee on
State and School Finance
April 20, 1995 Page

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HOUSE STATE AND SCHOOL FINANCE COMMITTEE

APRIL 20, 1995 8:30 AM HEARING ROOM A STATE CAPITOL BUILDING

Members Present: Rep. John Schoon, Chair
Rep. Lee Beyer
Rep. Tony Federici, Vice Chair
Rep. Jane Lokan
Rep. Anita Rasmussen
Rep. Ken Strobeck (9:15 am excused late arrival)
Rep. John Watt
Rep. Jim Welsh

Members Excused: Rep. Tim Josi

Witnesses Present: Mari Anne Gest, Oregon Public Employees Union (OPEU)
Ed Edwards, OPEU
Tim Raphael, Oregon State Public Interest Research Group (OSPIRG)
Colleen O'Neal, Don't Waste Oregon
David Buchanan, Oregon Common Cause
Jim Manary, Department of Revenue (DOR)
Joe Mishak, Department of Forestry
Ray Crane, Department of Forestry
Lyn Partin, Mobile Home Park Ombudsman
Jane Meyers, Oregon Dental Association

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

TAPE 176 SIDE A

004 Chair Schoon -calls the meeting to order at 8:40 am and conducts
administrative business
-OPENS PUBLIC HEARING ON HB 3160

HB 3160

010 Steve Bender -explains HB 3160 repeals political tax contributions
026 Mari Anne Gest -opposes HB 3160 which will severely restrict working
families from participating in political process
046 Ed Edwards -speaks opposing HB 3160
Edwards -points out OPEU membership is encouraged to participate in
political process through campaign contributions
063 Tim Raphael -refers to Exhibit A, Written Testimony, opposing HB 3160
090 Colleen O'Neal -speaks in opposition to HB 3160
107 David Buchanan -opposes HB 3160
-summarizes Campaign Reform Law passed in 1975
-campaign spending limits are constitutional
-summarizes checkoff on federal system for political contributions, and

Oregon's tax credit option

159 Chair Schoon -CLOSES PUBLIC HEARING ON HB 3160
-OPENS WORK SESSION ON HB 2256

HB 2256

163 Bender -reviews bill deals with sunseting of credits, reforestation, R &

D credit

-bill extends sunset of credits, also expands qualified research credits
-clarifies only specific industries are eligible for tax credits
-provides for carry-forward for research credits
-increases maximum from \$50,000-\$500,000 for one year for research credits
-refers to page 119 of Oregon Tax Expenditures, Exhibit G, 2/28/95
-refers to HB 2256-1 amendments, Exhibit P, 4/18/95
-notes changes to R & D credit, HB 2256-3 amendments, Exhibit Q, 4/18/95

-remove expansions in bill to other types of research
-eliminates carry-forward provisions
-reduces maximum credit to \$50,000 (restored to original limit)
-limits total credit that can be claimed to totals claimed in this
biennium, so impact on General Fund will not be greater than this biennium
-explains credit doesn't require certification, received through income tax

return

-after return is filed, taxpayers receive notice from Department of Revenue

(DOR) that claim not eligible if limit has been reached

316 Rep Beyer -comments cap effect would be dis-incentive to companies to do
R & D in Oregon
355 Jim Manary -explains procedure for corporate filing for tax credit with
DOR

TAPE 177 SIDE A

006 All -questions and discussion re: motive to provide incentive for
companies to start up in Oregon

181 Bender -notes description of reforestation credit on page 121, Exhibit G,

2/28/95, scheduled to sunset 7/1/96

-HB 2256 extends sunset to 2001

-refers to HB 2256-4 amendments, Exhibit R, 4/1/895, which limits total

amount of certification costs to no more than twice level that was
certified in current biennium

219 Bender -Department of Forestry (DOF) suggests dates of July 1, 1992-June
30, 1994 to calculate limit because of way planting is done

261 -informs usage of credit would have to more than double before -4
amendments would go into effect

283 Chair Schoon -clarifies that caps have to be placed on all credits

301 Joe Mishak -summarizes prior to 1989 legislature, change was made to make

credit eligible to owners with 5 or more acres of forest land to encourage

use of all forest land

388 Ray Crane -points out under-producing areas are those not meeting minimum

Forest Practices Act requirements, have not been recently logged

TAPE 176 SIDE B

119 Rep Welsh -expresses support of HB 2256 without amendments

128 Bender -explains HB 2256-5 amendments, Exhibit F
-credit for foresting new lands, including land that is not forested land
already, or valued as forest land, or has not been commercially logged

-credit would apply only to owners who forest these projects, which would
substantially reduce use of credit

163 Crane -reiterates only those who convert crop land or farm land to forest

land would receive tax credit

-stresses greater opportunity would lie with 1.5 million acres of

unharvested forest land

214 Mishak -informs reforestation after harvest is very successful statistic

-brush lands that could be forested would increase economic basis of state

233 Crane -relays land owner who logs below Forest Practice Act standard
could not receive tax credit

271 Rep Welsh -refers to letter from constituent who received tax credit by
converting brush fields to forest land

-HB 2256-5 would limit this

296 Chair Schoon -asks Rep Welsh to work with him in determining appropriate
amendment

-CLOSES WORK SESSION ON HB 2256

316

-OPENS WORK SESSION ON HB 2259

HB 2259

321 Bender -summarizes credits by referring to page 128 of Exhibit G, 2/28/95

bill extends sunsets to 12/31/2001

-refers to 2259-2 amendments, Exhibit U, 3/29/95

357 -informs to be eligible for involuntary mobile home move tax credit,
must have adjusted gross income of \$30,000 or less and mobile home can have

fair market value of no more than \$50,000

-credit equal to \$1,500 taken over three year period

--2 amendments limits number of moves allowed and number of certificates

issued

-estimate is 20 certificates issued per year

TAPE 177 SIDE B

024 Lyn Partin -expresses concern for much bureaucracy for little tax credit,

involving both DOR and Ombudsman Office

053 -notes statistics: in 1993 112 spaces closed (12 parks) with revenue
impact of \$112,000

084 Chair Schoon -asks Vice Chair Federici to work with ombudsman to make
changes to amendments

132 -notes child development contributions tax credits have not been used

137 Bender -informs credit described on page 129, (Exhibit G, 2/28/95)

-only one corporate tax payer has claimed this credit since 1993

187 Chair Schoon -asks Rep Lokan to check this out

-CLOSES WORK SESSION ON HB 2259

185

-OPENS WORKS SESSION ON HB 2257

HB 2257

193 Rep Beyer -explains HB 2257-2 amendments, Exhibit G, allowing tax credit
for rural dentists

216 Jane Meyers -informs -1 amendments project revenue impact \$.5 million per

biennium, to encourage dentists to locate in areas where no dentist exists

-informs to set up dentist office could cost \$50,000

-tax credit could encourage dentist to set up satellite office in remote

area

281 Rep Beyer -informs 3,000 people necessary in community to establish

dental practice

300 Chair Schoon -CLOSES WORK SESSION ON HB 2257

-adjourns meeting at 10:25 am

Rhonda Wehler, Committee Assistant

Kimberly Taylor James, Office Manager

Exhibit Summary

- A. HB 3160, Raphael, Written Testimony, 4/20/95
- B. HB 3160, Unger, Written Testimony, 4/20/95
- C. HB 3160, Bender, -1 Amendments, 4/18/95
- D. Tax Credits, Bender, Amendments to Tax Credit Bills, 4/20/95
- E. HB 2256, Crane, Tax Revenue Costs and Projected Returns
- F. HB 2256, Bender, -5 Proposed Amendments, 4/19/95
- G. HB 2257, Bender, -2 Proposed Amendments, 3/14/95