

Work Session: HB 2500
Tape 131 A

HOUSE COMMITTEE ON
REVENUE AND SCHOOL FINANCE
SUBCOMMITTEE ON INCOME TAXATION

July 8, 1993 9:00 AM HEARING ROOM C STATE CAPITOL BUILDING

Members Present: Representative John Schoon, Chair
Representative Ron Adams
Representative Tony Federici
Representative Delna Jones, Ex Officio
Representative Gail Shibley
Representative Greg Walden

Witnesses Present:

Staff: Jim Scherzinger, Legislative Revenue Officer
Richard Yates, Legislative Revenue Office
Paula K. McBride, Committee Assistant

TAPE 131 SIDE A

007 CHAIR SCHOON called the meeting to order at 10:50. He recapped previous Income Subcommittee discussions about personal property in the tax reform package. He thought the issue would be resolved in a bill before the Small Business Subcommittee (HB 2443), and he asked members to "skip personal property" in the present discussion.

Questions and discussion concerning HB 2443 which would exempt \$3000 of personal property from taxation.

038 CHAIR SCHOON suggested to the members that all three Personal Income Tax brackets be reduced by 1/2 of 1%. He asked staff the impact of this.

047 DICK YATES referred to material given to the members. Exhibit 1

052 JIM SCHERZINGER said the revenue impact of reducing brackets by one half a percent could be found on page 4 of the handout (dividing in half the column that showed a 1% rate decrease). Exhibit 1

059 DICK YATES related that the distribution of this proposed decreased in the Personal Income Tax was found on page 5 of the handout. Exhibit 1

,
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 Committee on
Revenue and School
Finance

Subcommittee on Income Taxation ~P~ 8, 1993 Page 2

061 JIM SCHERZINGER concluded that the revenue impact would be about \$411 million for the 1995-97 biennium. Exhibit 1

Questions and discussion

094 CHAIR SCHOON asked members to consider what could be changed in the standard deduction of the Personal Income Tax.

096 DICK YATES referred to page 3 of the same handout for information about reduction of the standard deduction. Exhibit 1

Questions and discussion concerning the information on the standard deduction of the Oregon Personal Income Tax.

148 DICK YATES corrected information on page 3 of the handout, for the column "Standard Deduction 1: to \$2400/\$4500" represented a one-third increase in the standard deduction. The number should be \$4000, not \$4500.

Discussion continued concerning the possibility of increasing the standard

deduction for the Personal Income Tax.

201 REP. ADAMS asked for a revenue impact if the standard deduction was raised to \$3000/\$5000 (column 2 of page 3) and the Personal Income Tax rate was decreased 1/2 of 1% (resulting in rates of 4.5, 6.5 and 8.5).

205 JIM SCHERZINGER informed the members that the revenue impact for REP. ADAMS' proposed changes would be "something less than \$687 million."

214 CHAIR SCHOON thought the members had "\$669 million to spend) and noted that REP. ADAMS' proposal was close to that number.

Discussion of the proposed Personal Income Tax changes.

276 CHAIR SCHOON noted consensus for the Personal Income Tax changes proposed by REP. ADAMS'.

280 REP. FEDERICI asked members if they wanted to "prioritize Income Tax relief as the number one priority" of the Subcommittee.

Discussion

300 CHAIR SCHOON noted that the members wanted Income Tax relief as the highest priority, and the Oregon Health Plan as the second priority.

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 Committee on

Revenue and School Finance

Subcommittee on Income Taxation

July 8, 1993 Page 3

Discussion

313 CHAIR SCHOON adjourned the meeting at 11:20.

Paula K.McBride, Committee Assistant

Kimberly Taylor James, Office Manager

EXHIBIT SUMMARY

1. Personal Income Tax Proposals (1995), Dick Yates, Legislative Revenue Office.

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.