

Public Hearing on HB 2058 Tapes 0102 A/B 03 A
HOUSE COMMITTEE ON
REVENUE AND SCHOOL FINANCE
SUBCOMMITTEE ON INCOME TAXATION
JANUARY 26, 1993 8:00 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: Rob Douglas, Oregon Society of Certified Public
Accountants (OSCPA)
Leonard Powers, Oregon Society of Certified Public Accountants
Mark Skoglund, Oregon Society of Certified Public Accountants
Jim Bucholz, Oregon Department of Revenue
Staff: Richard Yates, Legislative Revenue Office
Mary Gottlieb, Committee Assistant

TAPE 001 SIDE A

001 CHAIR SCHOON called the meeting to order at 8:10 a.m.
005 CHAIR SCHOON conducted administrative business.
060 DICK YATES introduced Exhibit 1, HB 2058 which showed the different
statutes effected by this bill. He provided additional information
concerning HB 2058.
101 ROB DOUGLAS (with MARK SKOGLUND and LEONARD POWERS) explained the
OSCPA's views and introduced Exhibit 2, An Analysis of Changes Resulting
from the: Comprehensive National Energy Policy Act of 1992, Unemployment
Compensation Amendment of 1992, and Public Laws 102-2, 102-164, 102-227,
and 102-224.
134 JIM BUCHOLZ distributed Exhibit 3, Summary of HB 2058, prepared by DOR.
143 CHAIR SCHOON opened the public hearing on HB 2058.
Discussion and comments continue.

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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200 MARK SKOGLUND began to explain the OSCPAs booklet, Analysis of Changes
Resulting from the: Comprehensive National Energy, Unemployment
Compensation Amendments of 1992, Public Laws 102-2, 102-164, 102-227, and
102-244, Exhibit 2. He pointed out page ii, Standard Recommendations, that
he will refer to throughout his testimony.

TAPE 2 SIDE

A

331 Discussion continued on Exhibit 2.

007 JIM BUCHOLZ provided a brief overview of Exhibit 3.
Discussion and questions.

033 LEONARD POWERS responded to a question by CHAIR SCHOON by giving an
explanation of "reconnect."

Discussion and question regarding Exhibit 2.

091 MARK SKOGLUND began his testimony with Act Section 1911, Code Section

132 1, Excludable Employer-Provided Benefits. OSCPA's recommendation is A from page ii, dealing with parking and being reimbursed for parking. Discussion on this topic.

185 LEONARD POWERS lead discussion on parking issue. Discussion on parking exemptions.

360 LEONARD POWERS discussed the retroactive application to beginning of 1993.

TAPE 1 SIDE B

001 Discussion on retroactivity continues.

051 MARK SKOGLUND moved to page 2, Act Section 1912, of Exhibit 2, Excludable Energy Conservation Subsidies, recommendation A.

071 MARK SKOGLUND read from page 2, Act Section 1913, Treatment of Clean Fuel Vehicles and lead a discussion on electric vehicles. Recommendation is A.

Discussion and questions.

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193 JIM BUCHOLZ clarified DOR's views with regard to clean fuel tax credits.

Discussion on this topic continued.

244 LEONARD POWERS responded to a question by CHAIR SCHOON by quoting ORS 317 .267. There is section where "basis" is different between state and federal. At a later date, he asked that the legislature should clean up the vague language.

Discussion on clean fuels.

346 MARK SKOGLUND read Act Section 1914, Credit for Electricity Produced from Certain Renewable Sources, with recommendation of B, from page ii, Standard Recommendations.

Discussion and comments on topic.

TAPE 2 SIDE B

001 MARK SKOGLUND presented Action Section 1915, Repeal of Certain Minimum Tax Preferences, page 4, Exhibit 2. His recommendation is B.

Discussion continued.

030 MARK SKOGLUND went on to read Act Section 1916, Permanent Extension of Solar and Geothermal Credits, and Act Section 1917, Nuclear Decommissioning Funds. Recommendation for both is B.

Discussion and questions.

055 MARK SKOGLUND read page 5, Exhibit 2, Act Section 1918, Credit for Certain Facilities, recommendation B.

067 MARK SKOGLUND read Act Section 1919, Certain Electricity Transmitted Outside Local Area, and recommended G. Some recommendations will cross over (like this one G is like B in some areas); however, they try to be consistent in most cases.

Discussion and questions.

111 MARK SKOGLUND read Act Section 1920, page 5, Alcohol Fuels, and they recommend G from page ii, Exhibit 2.

Discussion and comments.

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171 LEONARD POWERS responded to a question by REP. ADAMS by pointing out, Act Section 1914, page 3, which is a credit for electricity produced from renewable sources.

Discussion continued on fuels.

196 MARK SKOGLUND read page 6, Act Section 1921, Certain Tax Exempt Financing. Recommendation G.

Discussion and comments.

213 MARK SKOGLUND read page 6, Act Section 1922, Trans-Alaska Pipeline Liability Fund Credit. Recommendation B.

235 MARK SKOGLUND read Act Sections 1931 and 1932 Tax on Ozone Depleting Chemicals. Recommendation G.

247 MARK SKOGLUND presented Act Section 1933, Reporting for Seller Provided Financing. Recommendation G.

Discussion on topic.

290 LEONARD POWERS made a statement on penalties for under reporting of income.

Discussion and comments.

340 MARK SKOGLUND read Act Section 1934, Back-up Withholding on Gambling Winnings, page 7. Recommendation D.

Discussion and comments.

TAPE 3 SIDE A

001 Discussion continues on withholding for gambling winnings.

020 MARK SKOGLUND read page 8, Act Section 1935, Back-up Withholding on Interest and Dividends, etc. Recommendation is D, page ii, Exhibit 2.

038 MARK SKOGLUND read Act Section 1936, Consistent Treatment of Stock or Debt, recommending A.

Discussion and comments.

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078 MARK SKOGLUND went on with Act Section 1937, page 9, Exhibit 2, Built-in Gain on Property Contributed to Partnership Taxable to Contributing Partner. Recommendation A, conform to federal.

Discussion and comments.

208 MARK SKOGLUND read Act Section 1938, page 10, Exhibit 2, Deduction for Expenses Away from Home. Recommendation A.

Discussion and questions.

269 MARK SKOGLUND read Act Section 1939, page 10, Reporting for Real Estate Transactions. Recommendation G.

Discussion and comments.

297 CHAIR SCHOON conducted administrative business.

337 CHAIR SCHOON adjourned the meeting at 10:18.

Mary Gottlieb, Committee Assistant

Kimberly Taylor, Office
Manager

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EXHIBIT SUMMARY

1. HB 2058, Dick Yates, Legislative Revenue Office.
2. Analysis of Changes Resulting from the: Comprehensive National Energy Policy Act of 1992, Unemployment Compensation Amendments of 1992, Public Laws 102-2, 102-164, 102-227, and 102-244; State and Local Taxation Committee, Oregon Society of Certified Public Accountants.
3. HB 2058, Department of Revenue Summary, distributed by Jim Bucholz, Oregon Department of Revenue.

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