

Public Hearing HB 2921  
Tapes 33-34 A/B  
35 A

HOUSE COMMITTEE ON  
REVENUE AND SCHOOL FINANCE  
SUBCOMMITTEE ON INCOME  
TAXATION

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FEBRUARY 22, 1993 9:00 AM HEARING ROOM 343 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: Steve Lanning, Oregon AFL-CIO  
Staff: Richard Yates, Legislative Revenue Office Mary Gottlieb, Committee  
Assistant

TAPE 033 SIDE A

001 CHAIR SCHOON called the meeting to order at 9:10 a.m.

007 CHAIR SCHOON opened the public hearing on HB 2921 which eliminates  
political contribution income tax credits.

009 DICK YATES gave background information on the bill and introduced  
Exhibit 1, an example of the law being repealed.

Questions and discussion.

103 STEVE LANNING testified against HB 2921 because he believes that it  
discourages political participation from the very groups that need  
encouragement, that is small contributors and middle class. He stated that,  
in tax year 1990, just over \$3.5 million was claimed. Approximately, 57,000  
Oregonians claimed that credit, which is 4.9 percent.

Questions and discussion.

283 CHAIR SCHOON answered, in response to REP. SHIBLEY, that the bill would  
be heard again at a later date.

328 CHAIR SCHOON directed staff to develop figures for the committee with  
regard to this bill.

Discussion and comments.

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

February 22, 1993 Page 2

TAPE 034 SIDE A

001 Discussion continues.

017 DICK YATES introduced two tables showing the number of Oregonians that  
took political contribution deductions. Exhibit 2, Table for 1990 and  
Exhibit 3, Table for 1989.

Discussion and questions.

069 DICK YATES presented Exhibit 4, Allocating Other Credits for 1990, to  
further explain the different tax credits.

Discussion and comments.

160 CHAIR SCHOON closed the public hearing on HB 2921.

166 CHAIR SCHOON continued the discussion on tax credits.

Discussion and comments on corporate tax credits.

308 CHAIR SCHOON suggested that the committee go through the Summary of Personal and Corporate Income Tax Credits, Exhibit 4, February 10, to help them develop their own opinions.

Discussion and questions.

360 CHAIR SCHOON called a recess at 10 a.m. and reconvened at 10:22 a.m.

364 DICK YATES began the discussion on tax credits and handed the committee members Exhibit 5, Deductions, Credits, and the Tax Rate Structure.

Alternative tax credits react differently with the tax rate structure.

TAPE 033 SIDE B

001 DICK YATES continued with his explanation on present tax credits and deductions.

Questions and discussion.

186 DICK YATES continued with the Summary of Personal and Corporate Income Tax Credits, Exhibit 4, February 10.

Questions and discussion.

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House Committee on Revenue and School Finance

Subcommittee on Income Taxation February 22, 1993 Page 3

250 DICK YATES lead the discussion on pension income and tax credits associated with it.

Discussion and comments.

TAPE 034 SIDE B

001 DICK YATES continued with the summary, Exhibit 4, February 10.

Discussion and comments.

119 DICK YATES responded to a filing status question from REP. SHIBLEY by explaining that the savings from this change are supposed to be used for day care.

137 DICK YATES continued with Mutually Taxed Income for nonresidents. Exhibit 4, February 10, which prevents double taxation.

Questions and discussion.

243 DICK YATES moved to Sale of Personal Residence from Exhibit 4, February 10.

262 DICK YATES presented Rural Medical Practice, which encourages the continuation or establishment of medical practice in rural areas, from the same exhibit.

Questions and discussion.

330 DICK YATES continued with Alternative Energy Device, which encourages production of energy by non polluting or energy efficient devices.

Questions and discussion.

TAPE 035 SIDE A

001 Discussion continues with Alternative Energy Devices.

051 DICK YATES introduced Exhibit 6, Residential Tax Credit Finals, which shows different types of energy-saving devices and tax credits associated with them.

Questions and discussion.

097 CHAIR SCHOON adjourned the meeting at 11:28 a.m.

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House Committee on

Revenue and School Finance

Subcommittee on Income Taxation February 22, 1993 Page 4

Mary Gottlieb, Committee Assistant

Kimberly Taylor, Office Manager

EXHIBITS SUMMARY

1. ORS 316.102, Dick Yates, Legislative Revenue Office.
2. Table G2, 1990 Personal Income Tax Reports, Dick Yates, Legislative Revenue Office.
3. Table G2, 1989 Personal Income Tax Reports, Dick Yates, Legislative Revenue Office.
4. Allocating Other Credits for 1990, Dick Yates, Legislative Revenue Office.
5. Deductions, Credits and the Tax Rate Structure, Dick Yates, Legislative Revenue Office.
6. Residential Tax Credit Finals by System Type, January-December 1992, Dick Yates, Legislative Revenue Office.

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context of proceedings, please refer to the tape recording.