

Public Hearing B 2445 H3 2446 HB 2447 HB 2457  
Tapes 1-2 A  
HOUSE COMMITTEE ON  
REVENUE AND SCHOOL FINANCE  
SMALL BUSINESS SUBCOMMITTEE

-  
JANUARY 26, 1993 10:30 AM HEARING  
ROOM A STATE CAPITOL BUILDING

Members Present: Representative Greg Walden, Chair  
Representative Ron Adams,  
Representative Margaret Carter  
Representative Delna Jones

Witnesses Present: Joe Gilliam, National Federation of  
Independent Business

Staff: James Scherzinger, Legislative Revenue Officer  
Steve Bender, Legislative Revenue Office  
Dick Yates, Legislative Revenue Office  
Paula McBride, Committee Assistant

TAPE 1 SIDE A

008 CHAIR WALDEN called the meeting to order at 10:39.

013 DICK YATES described four bills: HB 2445 (capital reserve accounts), HB 2446 (founder's stock), HB 2447 (health insurance), and HB 2457 (education expense). All affect taxable income on Oregon's income taxes. He described each bill individually,

Questions and discussion concerning HB 2445

125 DICK YATES reviewed HB 2446, which relates to founder's stock. The issue is one of creating equity capital and of encouraging in-state investment. The bill would encourage business to reinvest the gains in specific ways.

195 DICK YATES analyzed HB 2447, which changes the amount that can be subtracted from income tax for health insurance costs paid by self-employed persons for themselves or family (100% of the costs).

205 DICK YATES described HB 2457, which allows employers to  
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qualify for tax credits if they provide expenses for educational or improvement programs for employees. The amendments in Sections 9 and 10 add to definition of official business tax credits.

Questions and discussion

334 STEVE MEYER explained HB 2443, which deals with personal property and allows assessors to cancel personal property taxes if the value of personal property in a county is less than \$10,000. The previous amount in the law was \$2000.

Questions and discussion

TAPE 2 SIDE A

002 Questions and discussion continued concerning HB 2443.

010 CHAIR WALDEN opened the Public Hearing on HB 2446.

018 JERRY FISCHER encouraged members to pass HB 2446 forward to the full Committee. He said HB 2446 would encourage small businesses to keep their profits in Oregon by either reinvesting or donating profits on founder's stock.

Discussion

049 JOE GILLIAM supported HB 2446 because investment would expand the revenue base in the state. He gave an example of a business that had reinvested and the positive results for Oregon.

Questions and discussion interspersed

108 CHAIR WALDEN closed the Public Hearing on HB 2446.

111 CHAIR WALDEN opened the Public Hearing on HB 2445.

113 CHAIR WALDEN said HB 2445 was a bill that would allow an income tax deduction for deposits into a capital reserve account by small business.

115 JOE GILLIAM reviewed the problems small businesses have in reinvesting in equipment or other capital expenses, and how HB 2445 would encourage this reinvestment. He asked the members to consider a change in HB 2445 (page 2, lines 22-25, relating to types of buildings and vehicles business might use.

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Questions and discussion concerning the definition of "small business."

230 JOE GILLIAM discussed the differences between what HB 2445 would provide and now depreciation is used by small businesses.

Discussion

265 CHAIR WALDEN adjourned the meeting at 11:26.

Paula K. McBride, Committee Assistant  
Kimberly Taylor, Office Manager  
No Exhibits

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.