

Tapes 15-16 A/B  
ORGANIZATIONAL MEETING and RULE ADOPTION  
ORIENTATION HIGHWAY TAXES

EXCISE TAXES

HOUSE COMMITTEE ON  
REVENUE AND SCHOOL FINANCE

JANUARY 20, 1993 8:AM HEARING ROOM A STATE CAPITOL BUILDING

Members Present: Representative Delna Jones, Chair  
Representative John Schoon, Vice Chair Representative Tom Brian  
Representative Mike Burton  
Representative Tony Federici  
Representative Fred Girod  
Representative Gail Shibley  
Representative Greg Walden Representative Jim Whitty

Members Excused: Representative Margaret Carter  
Staff: James Scherzinger, Legislative Revenue Officer  
Steve Bender, Legislative Revenue Office  
Terry Drake, Legislative Revenue Office  
Paula McBride, Committee Assistant

TAPE 15, SIDE A

001 CHAIR JONES calls the meeting to order at 8:06.  
005 JAMES SCHERZINGER: Explains the amendments to the Rules for House  
Revenue and School Finance Committee (EXHIBIT A).  
-Rule 15 had the order of the sentences changed.  
-Rule 13 the words "48 hours" was deleted.  
-Note added regarding the fact that a 2/3 vote can suspend the rules.

028 MOTION: REP. BRIAN: Moves to ADOPT the Rules for the  
House Committee on Revenue and School Finance  
AS AMENDED.

044 VOTE: In a roll call vote, REP. JONES, BRIAN,  
BURTON, FEDERICI, WALDEN, and WHITTY vote AYE.  
REP.\*SHIBLEY, SCHOON, GIROD, and CARTER are  
EXCUSED.

058 MOTION: CHAIR JONES: Moves the unanimous consent of  
the committee to allow Rep. Girod to vote on  
the adoption of the rules.

House Committee on  
Revenue and School  
Finance

January 20, 1993 Page 2

059 VOTE: CHAIR JONES: Hearing no objection, the motion  
CARRIES. REP. SHIBLEY, SCHOON, and CARTER are  
EXCUSED. REP. GIROD votes AYE, making the  
total 9 AYE - 0 NO.

061 CHAIR JONES: Calls for a recess at 8:10 a.m. The meeting reconvenes at  
10:07 a.m.

074 MOTION: CHAIR JONES: Moves the unanimous consent of  
the committee to allow Rep. Shibley and Schoon  
to vote on the adoption of the rules.

078 VOTE: CHAIR JONES: Hearing no objection, the motion  
CARRIES. REP. SHIBLEY and SCHOON vote AYE,  
making the total 11 AYE - 0 NO.

079 STEVE BENDER: Presents discussion on excise tax (EXHIBIT B). Also known  
as a "specific sales tax," the largest of which is a gasoline tax in the  
state of Oregon.

-Gives an historical perspective on these taxes and how they are used and  
collected.

NOTE: Bender continues presentation of excise taxes with questions and  
discussion of the committee.

TAPE 16, SIDE A

1

006 BENDER: Discusses the liquor, beer and wine taxes.

-Oregon, like 18 other states, is considered a "control state" in that the  
Oregon Liquor Control Commission (OLCC) has a monopoly on all liquors that  
have an alcohol content of more than 21%.

-Oregon does not impose an excise tax on beer and/or wine. Discusses liquor  
taxes in other parts of the country.

-Microbreweries do not have exemptions, but some small wineries producing  
less than 40,000 gallons per year may qualify for an exemption. HB 2182

would expend this exemption to producers outside of the United States.

-Discusses beer and wine tax collections over a variety of years. The rates have been fairly constant since the inception of the excise taxes, as has the growth of the industry (EXHIBIT B).

NOTE: Questions and discussion of the committee are interspersed throughout Bender's presentation of Exhibit B.

TAPE 15, SIDE

B

012 BENDER: Explains the graphs in EXHIBIT B.

House Committee on

Revenue and School Finance

January 20, 1993 Page 3

-Mark-ups on liquors have increased since January 1991 due to the fact that the OLCC has the right to increase rates at its discretion.

-Discusses the allotment of funds from excise taxes.

-Beer and wine taxes are split into gross revenue and dedicated funds.

Dedicated funds are primarily alcohol and drug abuse programs through the Mental Health division of the Oregon Health Department (page 4).

-The money given to counties from the beer and wine tax is based on the population of the county. Money to local sources is based on the need of the approved programs.

-The OLCC distributes the gross revenue after paying their operating expenses (page 4).

-Consumption of liquor is decreasing while the prices are increasing (page 5).

380 TERRY DRAKE: Discusses the history of highway taxes, referring to his orientation material (EXHIBIT C). There are three separate tax components to the Oregon Highway Tax System; licensing and registration fees, fuel taxes, and a weight/mile tax on heavy vehicles.

TAPE 16, SIDE B

010 DRAKE: Continues his explanation of Oregon Highway Taxes, specifically the weight/mile tax.

-Reviews EXHIBIT C, pointing out the revenue sources, the distribution formula, and the taxes on fuel.

-Oregon is paying retail fuel prices that are at a 30year low.

199 CHAIR JONES: Conducts committee business and adjourns the meeting at 11:42 a.m.

Submitted by:      Reviewed by:  
Katy Yetter      Kimberly Taylor  
Committee Clerk      Office Manager

EXHIBIT LOG:

A - House Committee Rules for Revenue and School Finance 2 pages

B - Excise Tax Collections and OLCC Revenues - 5 pages

C - Highway Taxes - 3  
pages