

Work Session: HB 2029
HB 2413
Tapes 38-39 A/B
HOUSE COMMITTEE ON
REVENUE AND SCHOOL FINANCE

-
FEBRUARY 15, 1993 9:00 AM HEARING ROOM A STATE
CAPITOL BUILDING

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

Witnesses Present: Jim Manary, Department of Revenue
Staff: James Scherzinger, Legislative Revenue Officer
Richard Yates, Legislative Revenue Office
Paula McBride, Committee Assistant

TAPE 38 SIDE A

001 CHAIR JONES called the meeting to order at 9:09.

013 CHAIR JONES proposed legislation, as follows: LC 2229-1 (at request of Dental Association), LC 2949 (at request of Speaker), LC 2950-1 (at request of Speaker), and LC 2951-2 (at request of Speaker). She reiterated that introduction of bills through the Committee does not imply support by the Committee.

035 MOTION REP. SCHOON moved introduction of
LC 2229-1, LC 2949, LC 2950-1, and
LC 2951-2.

V

038 ORDER There being no objection, CHAIR JONES
so ordered the introduction of the
LC's.

039 CHAIR JONES opened the Work Session on HB 2029. She clarified the process of a bill coming from a subcommittee to the full Committee.

These minutes paraphrase and/or summarize statements made during this meeting. Text enclosed in quotation marks reports the speaker's exact words. For complete context of proceedings, please refer to the tape recording.

House Committee

on

Revenue and School Finance February 15, 1993 Page 2

057 REP. SCHOON related that HB 2029 received a unanimous vote in the Income Tax Subcommittee, with a do-pass recommendation, and that there would be an amendment.

070 DICK YATES talked about the amendments (HB 2029-1), the Revenue Analysis, and the Fiscal Analysis for HB 2029. He explained Sections 1 and 2 of HB 2029, which deal with garnishment of property in a safe deposit box. Exhibits 5, 6, and 7.

095 DICK YATES related that Sections 3 of HB 2029 dealt with the payment of delinquent taxes with a bank card and amends a law already in place. Section 4 allows the department of Revenue (DOR) to establish an administrative rule for the purpose of giving taxpayer paying regular taxes

(not delinquent) to pay with a bank card.

Questions and
discussion

117 JIM MANARY stated the DOR had not yet developed a method of notifying taxpayers of charges on bank card payments of taxes. The information would either be on the form or in the tax information packet.

Questions and
discussion

138 DICK YATES explained that Section 5 of HB 2029 ties the DOR to the Federal date employers are required to make their withholding tax annual report.

Discussio
n

156 DICK YATES discussed Section 6 of HB 2029 and informed the Committee that the Subcommittee on Income Tax had amended this Section (HB 2029-1, lines 28, 29 and 42, page 5, deleting language). The amendments make it clear that "joint" or "several" liability in HB 2029 refers to more than one officer or employee of a corporation.

179 REP. SCHOON further explained HB 2029-1 amendments, stating it was the DOR's recommendation to take out all reference to partnerships.

199 DICK YATES discussed Sections 7 and 8 of HB 2029, relating to joint liability with divorced couples.

Questions and discussion

These minutes paraphrase and/or summarize statements made during this meeting. Text enclosed in quotation marks reports the speaker's exact words. For complete context of proceedings, please refer to the tape recording.

House Committee on

Revenue and School Finance February 15, 1993 Page 3

262 JIM MANARY explained that the "in discretion" language in Section 8, related to the DOR, is in HB 2029 as a legal precaution.

Questions and discussion

342 JIM MANARY explained what it means when the Legislature grants "discretion" to other agencies. He reiterated that the language in HB 2029, Section 8 was fairly standard.

372 REP. SCHOON emphasized that the Subcommittee had supported the use of "in discretion" in Section 8 of HB 2029, believing it was very favorable to the tax payer.

427 DICK YATES explained that Section 9 of HB 2029 contained the application date for various parts of the bill.

TAPE 39 SIDE A

007 MOTION REP. SCHOON moved to adopt the
amendments HB 2029-1 to HB 2029.

009 ORDER There being no objection, CHAIR JONES
so ordered.

010 MOTION REP. SCHOON moved to pass HB 2029 as
amended to the House Floor with a do-pass
recommendation.

DISCUSSION

034 VOTE The motion passed. The vote was: 11
ayes REPS. BRIAN, BURTON, CARTER,
FEDERICI, GIROD, SHIBLEY, WALDEN,
WHITTY, ADAMS, SCHOON, and JONES) and
0 nays. (**See meter 156, Tape 39,
Side A below.) HB 2029 will be carried
by REP. FEDERICI.

040 CHAIR JONES closed the Work Session on HB 2029 and opened the Work Session on HB 2413.

. . .
041 REP. SCHOON explained that HB 2413 moved tax credits in various parts of ORS into ORS 315, and he related the reason the bill was requested. Nothing substantive was changed concerning tax

These minutes paraphrase and/or summarize statements made during this meeting. Text enclosed in quotation marks reports the speaker's exact words. For complete context of proceedings, please refer to the tape recording.

House Committee on
Revenue and School Finance
February 15, 1993 Page 4

credits. One amendment was added by the Income Tax Subcommittee to cover a small item that was overlooked in the original bill.

Questions and discussion

059 DICK YATES introduced amendments HB 2413-1, the Revenue Analysis, and the Fiscal Analysis of HB 2413. He explained that HB 2413 moves all business tax credits into the new ORS section, and it also has a up-to-date reconnect date with Federal law.

087 DICK YATES said Section 5 deals with S corporations, and Section 6 deals with conforming to the Corporate Income Tax. Sections 7 and 8 relate to the Reforestation Credit, moving language about this credit from elsewhere in the statutes to ORS 315. The amendment HB 2314-1 changes line 35, page 17, and relates to the Child Development Credit.

Questions and discussion

125 MOTION REP. SCHOON moved adoption of the amendments HB 2413-1 to HB 2413.

125 ORDER There being no objection, CHAIR JONES so ordered the adoption of the amendments HB 2413-1 to HB 2413.

127 MOTION REP. SCHOON moved HB 2413 as amended to the House Floor with a do-pass recommendation.

NO DISCUSSION

131 VOTE The motion passed. The vote was:
11 ayes (REPS. CARTER, FEDERICI, GIROD, SHIBLEY, WALDEN, WHITTY, ADAMS, BRIAN, BURTON, SCHOON, and JONES) and 0 nays. REP. ADAMS will carry the bill.

**156 MOTION REP. WHITTY moved to allow REP. BRIAN to cast his vote for HB 2029.

157 ORDER There being no objection, CHAIR

JONES

so ordered.

160 REP. BRIAN cast an aye vote for HB 2029.

These minutes paraphrase and/or summarize statements made during this meeting. Text enclosed in quotation marks reports the speaker's exact words. For complete context of proceedings, please refer to the tape recording.

House Committee on
Revenue and School Finance February 15, 1993 Page 5

165 REP. SCHOON returned to a discussion of HB 2029, stating he believed bank cards could be used only to pay delinquent taxes.

Discussion

174 CHAIR JONES closed the Work Session on HB 2413 and Reopened the Work Session on HB 2029.

177 DICK YATES reiterated that Section 3, page 3, continues to allow taxpayers to pay delinquent taxes, but would now require them to pass additional costs for doing so. Section 4 has new authority that would allow the DOR to accept payment by credit card for any tax.

188 JIM MANARY supported DICK YATES's interpretation of HB 2029, Section 4.
Questions and discussion

206 CHAIR JONES closed the Work Session on HB 2029.

207 CHAIR JONES reviewed the Committee's schedule for the week.

Questions and discussion

221 CHAIR JONES explained the purpose of the visit to the Willamette Egg Farm by the members of the Property Tax Subcommittee, related to the issue of real property versus personal property. Prior to changes in the DOR's rules, the equipment in the production of eggs at the egg farm was not taxed as real property.

Questions and discussion

260 CHAIR JONES adjourned the meeting at 9:58.

Paula K.McBride, Committee Assistant
Kimberly Taylor, Office Manager

These minutes paraphrase and/or summarize statements made during this meeting. Text enclosed in quotation marks reports the speaker's exact words. For complete context of proceedings, please refer to the tape recording.

House Committee on
Revenue and School Finance

February 15, 1993

Page 6

EXHIBIT SUMMARY

1. LC 2229-1.
2. LC 2949.
3. LC 2950-1.
4. LC 2951-2.
5. HB 2029-1 amendments to HB 2029, Dick Yates, Legislative Revenue Office.
6. Revenue Analysis, HB 2029, Dick Yates, Legislative Revenue Office.
7. Fiscal Analysis of HB 2029, Roz Shirack, Legislative Fiscal Office.
8. HB 2413-1 amendments to HB 2413, Dick Yates, Legislative Revenue Office.
9. Revenue Analysis of HB 2413, Dick Yates, Legislative Revenue Office.
10. Fiscal Analysis of HB 2413, Legislative Fiscal Office.

These minutes paraphrase and/or summarize statements made during this meeting. Text enclosed in quotation marks reports the speaker's exact words. For complete context of proceedings, please refer to the tape recording.