

Tax Credit Criteria
Tapes 54-55 A/B

SENATE COMMITTEE ON
REVENUE AND SCHOOL FINANCE
FEBRUARY 24, 1993 1:00 AN HEARING ROOM A STATE CAPITOL BUILDING

Members Present: Senator Shirley Gold, Chair
Senator Brady Adams
Senator Ron Cease (~1:20 arrival)
Senator Rod Johnson (departure 2:30)
Senator Peg Jolin (departure 1:30)
Senator Paul Phillips (departure 1:30)
Senator Tricia Smith (arrival 2:00, absent 2:05-2:35)
Witnesses Present: Representative Delna Jones
Staff: James Scherzinger, Legislative Revenue Officer
Richard Yates, Legislative Revenue Office
Jennifer Belkle, Committee Assistant
TAPE 54 SIDE A

004 CHAIR GOLD called the meeting to order at 1:15 p.m.

008 JIM SCHERZINGER testified regarding Tax Credit Criteria. Exhibits 1-7.
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065 REP. JONES spoke to the Committee about working in concert with one another. She stated that the House has discussed the issue of tax credits in the income tax subcommittee and tax exemptions in the property tax subcommittee. They have developed a set of questions for making decisions regarding exemptions and credits in order to determine what she termed "solid and beneficial public policy".

112 REP. JONES discussed the possibility of rescinding some current tax credits and using the gained revenue to replace funding for other credits or exemptions.

Questions and discussion.

125 REP. JONES said that eliminations of some exemptions and credits will commence in the near future. She stated that in some cases the bills will be allowed to sunset.

145 JIM SCHERZINGER resumed testimony regarding the list of questions that should be addressed as each credit or exemption is considered by this Committee. Exhibit 1.

Questions and discussion.

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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380 JIM SCHERZINGER discussed the three courses of action that this Committee could take in response to this issue: 1) look at specific credits and exemptions and make recommendations 2) make a statement of policy about the criteria that should be followed and/or 3) develop a process for

periodically reviewing these credits and exemptions.
Questions and discussion.

TAPE 55 SIDE A

001 JIM SCHERZINGER continued with his discussion on the possibility of making the analysis of credits and exemptions a legislative priority in future sessions.

Questions and discussion.

053 JIM SCHERZINGER explained that if some exemptions were terminated it would increase the number of dollars available to that local school district and would reduce the amount of obligation of the State.

Questions and discussion.

122 SEN. ADAMS questioned whether or not it was an efficient use of this Committee's time to address exemptions and credits of "insignificant" dollar amounts.

130 JIM SCHERZINGER responded that there is value in looking at these issues. He stated that some exemptions are growing rapidly and do not yet show the true amount in question.

Questions and discussion.

162 SEN. ADAMS questioned again the insignificant amounts of some of these exemptions. He stated that if the focus was financial impact and not housekeeping, the list could be significantly reduced.

185 JIM SCHERZINGER stated that the House has considered using the cost of the credit or exemption as a criteria.

225 SEN. ADAMS reiterated his feeling that perhaps this issue should be more focused on financial impact.

245 JIM SCHERZINGER resumed his discussion of Tax Expenditure Reports and Budgets. Exhibit 2.

Questions and discussion.

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382 JIM SCHERZINGER drew members' attention to the list of property tax exemptions. Exhibit 3.

TAPE 54 SIDE B

001 JIM SCHERZINGER discussed the issue of tax credits. Exhibits 4 & 5.
Questions and discussion.

035 DICK YATES gave the status of the House Committee's progress of looking at the list of tax credits.

045 JIM SCHERZINGER went over the list of Tax Credit and Exemption Bills. Exhibit 6.

143 JIM SCHERZINGER summarized the status of the House Committee's progress on the bills they have been assigned.

170 JIM SCHERZINGER reported that the general feeling in the House was not to pass out any new exemptions or credits.

200 JIM SCHERZINGER discussed some exemptions that are currently up for sunset.

215 JIM SCHERZINGER predicted that there would not be many bills coming over from the House Revenue Committee.

250 JIM SCHERZINGER reiterated the three courses of action available to this Committee on these issues.

Questions and discussion.

356 CHAIR GOLD adjourned the meeting at 2:40 p.m.

Jennifer Bel , Committee Assistant

Kimberly Taylor, Office Manager

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Exhibit Summary

1. Scherzinger, Tax Credit and Exemption Questions
2. Scherzinger, Tax Expenditures Reports and Budgets
3. Scherzinger, Property Tax Exemption Summary, 2-24-93
4. Scherzinger, Oregon Tax Credits
5. Scherzinger, Summary of Personal and Corporate Income Tax Credits, 2-24-93
6. Schersinger, Tax Credit and Exemption Bills, 2-24-93
7. Scherzinger, Tables on Adjustments to Income: IRA and KEOGH Retirement Adjustments, 3-24-92

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meeting. Text enclosed in quotation marks reports the speakers exact words. For complete context of proceedings, please refer to the tape recording.