

Tapes12-13(A)  
Public Hearing: HB  
235 1,  
HB 2718, HB 3124, HB  
217 8

HOUSE COMMITTEE ON REVENUE AND SCHOOL FINANCE  
SUBCOMMITTEE ON INCOME TAXATION

March 26, 1991 8:00 am Hearing Room A State Capitol Building

Members Present: Representative John Schoon, Chair  
Representative Mike Burton  
Representative Bev Clarno  
Representative Delna Jones  
Representative Mike Nelson

Witnesses: Representative Lonnie Roberts  
Gary Carlson, Associated Oregon Industries (AOI)  
Terrie Heer, Administrator, Oregon Oil Heat  
Commission  
Lynn Frank, Five Stars International, Staff  
Services for Oregon Oil Heat Commission  
Jim Brown, Department of Revenue (DOR)  
Staff: Dick Yates, Legislative Revenue Office  
Marlene Stickley, Committee Assistant

TAPE 12. SIDE A

005 CHAIR SCHOON called the meeting to order at 8:14 as a subcommittee until a quorum was reached at 8:23 and conducted administrative business.

PUBLIC HEARING MB

312 4

009 REP. ROBERTS testified in support of HB 3124 which attempts to establish an adjusted flat rate income tax, noting fairness as the intention.

030 REP. CLARNO questioned if other states offer flat rate tax.

036 DICK YATES responded that at least two states currently do, noting federal government attempted to encourage states in this direction.

044 Questions and discussion regarding flat rate tax.

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 ~ School Finance Subcommittee on Income Taxation March 26, 1991 Page 2

070 GARY CARLSON overviewed prepared testimony regarding HB 2351, HB 2718 and HB 3124. Exhibit 1

PUBLIC HEARING HB

217 8

150 TERRIE HEER discussed excluding Oil Heat Commissions's environmental cleanup grants from the definition of taxable income. Exhibit 2, page 4

167 TERRIE HEER noted memo regarding grant revenues. Exhibit 2, page 14

174 LYNN FRANK mentioned HB 2178 was amended by House Business and Consumer Affairs committee.

185 DICK YATES clarified HB 2178 was referred to the Revenue and School Finance committee because of concern regarding exemption of income from Oregon taxation.

206 TERRIE HEER noted homeowners were liable for cleanup costs before the Oil Heat Commission was established.

233 TERRIE HEER explained a payment coupon based on gross revenue sales

requested by oil dealers.

252 REP. BURTON questioned liability of clean up.

260 TERRIE HEER clarified dealer negligence is not included in the cleanup program.

280 Questions and discussion regarding dealer charges.

290 LYNN FRANK discussed assessment endorsements regarding environmental cleanup.

300 Questions and discussion regarding A-engrossed HB 2178.

330 REP. SCHOON explained amendments to HB 2178 by previous committee.

345 REP. JONES questioned ability to pay.

352 LYNN FRANK explained the Oil Heat Commission would adopt guidelines (in relation to current rule making authority), clarifying the intent of providing an incentive to improve tanks created the amendments.

371 Questions and discussion regarding tanks.

389 LYNN FRANK interjected placing tanks underground is common practice of urban areas.

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407 REP. SCHOON encouraged the Oil Heat Commission to contact the Department of Environmental Quality (DEQ) regarding the possibility of cleanup being considered as a benefit to the state, which would solve the federal tax issue.

475 Questions and discussion regarding federal tax.

TAKE 13. SIDE

A

001 Questions and discussion continued regarding federal tax.

030 DICK YATES commented on criteria of taxable income and the replacement of a tank because of an oil problem.

036 REP. SCHOON questioned cleanup costs v. tank replacement costs in regards to the financial burden of the individual.

041 TERRIE HEER quoted cleanup and tank replacement costs, noting severities of cleanup costs.

051 REP. SCHOON explained how to avoid implications of an individual benefitting from the cleanup program.

059 LYNN FRANK discussed liability of an individual and the change in fundamental assignment, noting it might be useful to approach cleanup and tank replacement separately.

070 Questions and discussion regarding the liability of cleanup costs.

123 TERRIE HEER clarified the environmental protection program informs the homeowner they are not responsible for the tank.

127 LYNN FRANK explained the Oil Heat Commission is committed to DEQ cleanup standards.

136 Questions and discussion regarding tanks.

140 DICK YATES referred to the A-engrossed HB 2178 amendments and explained. Exhibit 3

156 Questions and discussion regarding amendments to HB 2178.

192 JIM BROWN explained deductions in relation to current federal tax.

210 Questions and discussion followed.

231 REP. SCHOON conducted administrative business and adjourned the meeting at 9:02.

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Marlene Stickley, Committee Assistant  
Kimberly Taylor, Office Manager

EXHIBIT SUMMARY

1. Testimony, Gary Carlson, 3/26/91 - HB 2351
2. Testimony, Terrie Heer, 3/26/91 - HB 2178
3. Proposed Amendments HB 2178, LRO, 3/25/91 - HB 2178
4. Testimony, Mrs. William Frazer, 3/19/91 - HB 2178

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