

Tapes 18-19(A/B)
Work Session: HB 2352,
HB 2528, HB 2750,
HB 2420, HB 3059 Public Hearing:
HB 2420, HB 3059

HOUSE COMMITTEE ON REVENUE AND SCHOOL FINANCE
SUBCOMMITTEE ON INCOME TAXATION

April 9, 1991 8:00 am Hearing Room A State Capitol Building

Members Present: Representative John Schoon, Chair
Representative Mike Burton
Representative Bev Clarno
Representative Mike Nelson
Members Excused: Representative Delna Jones
Witnesses: Representative Ted Calouri, Representative District
#7
Jerry Fisher, Hewl its-Packard Company
Lynn Youngbar, Oregon Economic Development Department
John Lobdell, Oregon City
David Efurd, Price Waterhouse CPA ' s
Staff: Dick Yates, Legislative Revenue Of f ice
Marlene Stickley, Committee Assistant

TAPE 18. SIDE A

006 CHAIR SCHOON called the meeting to order at 8:08 as a subcommittee until a quorum was reached at 8:14.

WORK SESSION HB 2352, HB 2528, HB 2750

014 CHAIR SCHOON clarified that information is still being accumulated regarding these bills and closed the work session due to no new information

PUBLIC HEARING HB 2420 AND HB 3059

047 DICK YATES explained HB 2420 is directed towards small business corporations and provides an exclusion for gain on a sale of founder's stock.

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 April 9, 1991 Page 2

073 DICK YATES explained three exclusions in HB 2420.

090 REP. CALOURI testified in support of HB 2420 and discussed encouraging businesses to start and remain in Oregon.

142 Questions and discussion regarding HB 2420.

258 DICK YATES explained the distribution of gains from a sale of founder's stock.

281 REP. CALOURI described other investments and the tax treatment of each.

313 Discussion followed regarding affects on state revenue which lead to questions and discussion regarding treatment of capital gains.

TAPE 19, SIDE A

001 Questions and discussion continued regarding treatment of capital gains.

PUBLIC HEARING HB 3059

043 REP. CALOURI testified in support of HB 3059 increasing the limit for qualified research expenses.

087 Questions and discussion regarding HB 3059.

098 DICK YATES explained the computation of Oregon sales in relation to the throwback rule.
116 DICK YATES discussed two separate and distinct tax credits for research and development.
144 JERRY FISHER read prepared testimony supporting HB 3059. Exhibit 1
230 Questions and discussion regarding economic development.
308 LYNN YOUNGBAR voiced her support of HB 3059 noting the tax credit encourages businesses to consider an Oregon location.
350 DICK YATES explained the tax credit threshold in relation to HB 3059.
430 Questions and discussion followed regarding HB 3059.
TAPE 18. SIDE B
001 Questions and discussion regarding HB 3059 continued.
015 JOHN LOBDELL testified in favor of HB 3059.

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PUBLIC HEARING HB 2420

049 DAVID EFURD testified in support of HB 2420 overiewing Founder's Stock. Exhibit 2
112 DAVID EFURD discussed limitations in relation to founder's stock.
147 DAVID EFURD commented on the loss of businesses in Oregon and providing incentives to make Oregon more appealing.
171 DAVID EFURD expressed concerns regarding economic development.
196 Questions and discussion comparing Oregon and Washington.
318 CHAIR SCHOON mentioned the possibility of an interim study to encourage the retention of businesses.
345 DAVID EFURD voiced concern regarding a study and felt action should be taken now.
360 Questions and discussion regarding economic development.
TAPE 19. SIDE B
001 Questions and discussion continued regarding economic development.
005 CHAIR SCHOON conducted administrative business and adjourned the meeting at 9:31.

Marlene Stickley, Committee Assistant

Kimberly Taylor, Office Manager

EXHIBIT SUMMARY

1. Testimony, Jerry Fisher, 4/9/91 - HB 3059
2. Founder's Stock, David Efurd, 4/5/91 - HB 2420
3. Fiscal Analysis, LFO, 4/8/91 - HB 2750
4. Fiscal Analysis, LFO, 3/11/91 - HB 2352
5. Analysis, LRO, 4/3/91 - HB 2528
6. Fiscal Analysis, LFO, 3/11/91 - HB 2528
7. Impact Notice, LRO, 3/7/91 - HB 3059
8. Fiscal Analysis, LFO, 3/26/91 - HB 3059
9. Fiscal Analysis, LFO, 4/9/91 - HB 2420
10. Oregon Laws, LRO, 4/9/91 - -HB 2420

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