

Tapes4041(A) Public Hearing:
HB 2166, HB 3274
HOUSE COMMITTEE ON REVENUE AND SCHOOL FINANCE
SUBCOMMITTEE ON INCOME TAXATION

April 29, 1991 8:00 am Hearing Room 357 State Capitol Building

Members Present: Representative John Schoon, Chair
Representative Mike Burton
Representative Bev Clarno
Representative Mike Nelson
Members Excused: Representative Delna Jones
Witnesses: Jim Brown, Department of Revenue (DOR)
Staff: Dick Yates, Legislative Revenue Office
Marlene Stickley, Committee Assistant

TAPE 40. SIDE A

004 CHAIR SCHOON called the meeting to order at 8:10 and conducted administrative business.

PUBLIC HEARING HB
216 6

012 JIM BROWN summarized HB 2166 as an administration bill for DOR and discussed Section 1, pages 1 and 2, of HB 2166.

028 JIM BROWN explained Sections 2 and 3 of HB 2166.

066 JIM BROWN began his explanation of Section 4 regarding the collection of taxes, fees and penalties.

094 JIM BROWN handed out DOR administrative rules that follow Oregon statutes in relation to penalties. Exhibit 1

100 Questions and discussion regarding administrative rules. Exhibit 1

133 JIM BROWN discussed the language changes in Sections 5-7 of HB 2166, noting "penalty" was added to create consistency with other programs administered by DOR.

170 Questions and discussion regarding amusement device tax and how it is administered.

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 29, 1991 Page 2

200 JIM BROWN commented that the DOR audit process focuses on businesses.

212 REP. BURTON discussed on-line videos and the relation to increased revenues.

226 CHAIR SCHOON felt that ownership of the machine would be a benefit.

240 REP. BURTON compared an on-line video to a lottery machine and ,explained that it would not pay the winnings in cash, but in games.

288 Discussion followed regarding amusement device proceeds being claimed for tax purposes.

300 JIM BROWN discussed current statute in relation to what is taxable and noted a need for change to verify that proceeds are being claimed.

315 Questions and discussion continued regarding amusement device proceeds and the taxation of those proceeds.

415 CHAIR SCHOON conducted administrative business relating to HB 2166.

TAPE 41. SIDE

A

001 CHAIR SCHOON continued conducting administrative business relating to HB 2166.

017 REP. BURTON questioned the process of taxing "winnings" from amusement devices.

024 JIM BROWN explained the correct way to report "winnings" is to claim them as income, noting this is not always done.

031 Questions and discussion followed regarding the distribution of amusement device proceeds.

051 JIM BROWN noted that Section 8, page 4 of HB 2166 deals with the effective date the taxes are due.

062 REP. NELSON questioned the "frivolous" language.

065 JIM BROWN referred to the administrative rules noting that ORS 316.992 deals with "frivolous". Exhibit 1

PUBLIC HEARING HB

327 4

080 CHAIR SCHOON explained HB 3274 allows a credit for home security systems and closed the public hearing due to no testimony.

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 29, 1991 Page 3

085 CHAIR SCHOON conducted administrative business and adjourned the meeting at 8:48.

Marlene Stickley, Committ ~ ssistant

Kimberly Taylor, Office Manager

EXHIBIT SUMMARY

1. Administrative Rules, DOR, 4/29/91 - HB 2166
2. Revenue Analysis, LRO, 3/18/91 - HB 3274

~ .: ,

-
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.