

HOUSE COMMITTEE ON REVENUE AND SCHOOL FINANCE SUBCOMMITTEE ON INCOME TAXATION May 7, 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) Paul Romain, Oregon Beer and Wine Distributors Association Staff: Dick Yates, Legislative Revenue Office Kimberly Taylor, Committee Assistant TAPE 50. SIDE A 010 CHAIR SCHOON called the meeting to order at 8:15. WORR SESSION - HB 200 2 014 DICK YATES noted HB 2002 and HB 2003 as companion bills. Ex plained the intent of the hand engrossed version of HB 2002 was to move tax credits for child development and teenage parent program reference from HB 2003 to HB 2002, allowing HB 2002 to stand alone. Exhibit 1 065 DICK YATES directed members attention to proposed amendments HB 2002-1 for further language reference. Exhibit 2 Discussion interspersed. 090 DICK YATES noted for committee deliberation purposes HB 2002 contains no sunset language and the credit is refundable. Conceptual amendments are discussed. 126 REP. NELSON expressed concern that not all parents in the program are "teenage".

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 May 7, 1991 Page 2 136 DICK YATES read language in HB 2003 defining "teenage parent" program as an educational program that conforms to standards approved by the State Board of Education. 143 CHAIR SCHOON suggested using the phrase "student parent" program. Discussion followed. 180 CONSENSUS Chair Schoon noted consensus of the committee to replace "teenage" with "student-parent". 195 CHAIR SCHOON questioned members feelings regarding sunset in HB 2002. Discussion on timing of sunset. 280 CONSENSUS Chair Schoon noted consensus of the committee to have a four-year sunset. 285 DICK YATES requested direction regarding the \$50,000 limit for both noncorporate and corporate business contribution. Discussion followed. 290 CONSENSUS Chair Schoon noted consensus of the committee to apply the \$50,000 limit to both corporate and noncorporate business contribution. 295 DICK YATES questioned if the intent of the committee is to have the limit as a business tax credit rather than for an individual. Discussion regarding the business tax credit and business qualifications. 375 CHAIR SCHOON clarified a business tax credit. 380 MOTION Chair Schoon moved HB 2002-1 amendments including: -replacing "teenage parent" with "student-parent" -include language "not more than 30" for the number of students -add a sunset of December 31 for tax year ending 1994 -add language "the lesser of the tax liability of the taxpayer or" to line 6 and 28 of HB 2002 -page 1, line 14 of HB 2002 add language "the amount of the credit shall not exceed \$50,000". Discussion TAPE 51 SIDE A Discussion continued

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objection, Chair Schoon so ordered. 022 MOTION Rep. Burton moved HB 2002 as amended to the full committee with a do pass recommendation. 030 VOTE In a roll call vote, the motion passed 4-0. Rep. Jones excused. WORK SESSION - HB 2166 038 DICK YATES explained HB 2166 pertains to DOR requests to simplify their procedure regarding debt collection. 061 JIM BROWN briefly overviewed DOR procedures for determining uncollectable accounts. 089 DICK YATES discussed language in HB 2166 pertaining to frivolous appeal. 100 DICK YATES explained the amusement device stamp and application date in HB 2166. 121 MOTION Chair Schoon moved HB 2166 to the full committee with do pass recommendation. 125 VOTE In a roll call vote, the motion passed 4-0. Rep. Jones excused. 130 CHAIR SCHOON recessed the meeting at 8:50 and reconvened at 9:20. WORK SESSION - HB 2441 135 STEVE BENDER explained HB 2441 provides exemptions from beer and wine tax from any instate distributor who imports wine for sacramental purposes. Directed members attention to HB 2441 fact sheet and suggested language that would sanction what OLCC is currently doing. Exhibit 3 203 STEVE BENDER referred to HB 2441-2 proposed amendments dealing with brewery and brew pub licenses and raises the production level from 25,000 to 60,000 barrels per year. Exhibit 4 232 PAUL ROMAIN mentioned HB 2441 was opposed in its original form and explained his organization requests the OLCC be directed to collect the tax to "level the playing field". Noted no opposition to the brew pub language and encouraged the threshold change to 60,000 barrels. Questions and discussion

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339 MOTION Rep. Burton moved to amend HB 2441 on line 2, after ORS, insert 471.253 and 471.220, delete existing language on lines 4-22 and insert the HB 2441-2 proposed amendments language starting on line 3, with the exception of changing Section 2 to 1. Noted intent to replace HB 2441 with HB 2441-2 amendments. 357 MOTION Chair Schoon restated Rep. Burton's motion: RESTATED -delete ORS "473.050" on line 2 and insert "471.220 and 471.253" -replace language following line 3 with HB 2441-2 amendments. 375 VOTE In a roll call vote, the motion passed 4-0. Rep. Jones excused. 384 REP. BURTON requested a letter be composed directing OLCC to enforce current law regarding the collection of taxes. 390 MOTION Rep. Burton moved HB 2441 as amended to full committee with a do pass recommendation. 398 VOTE In a roll call vote, the motion passed 4-0. Rep. Jones excused. 400 CHAIR SCHOON adjourned the meeting at 9:40.

Transcribed by: Marlene Stickley

Kimberly Taylor, Office Manager

EXHIBIT SUMMARY 1. Hand Engrossed HB 2002, 5/7/91 - HB 2002  
2. Proposed Amendments HB 2002-1, 4/24/91 - HB 2002 3. HB 2441 (What It Does), LRO, (See Exhibit 3 from 4/30/91 Income Meeting) - HB 2441  
4. Proposed Amendments HB 2441-2, 5/1/91 - HB 2441

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