

Tapes 1 (A), 2(A) CONFERENCE COMMITTEE ON HB 2164 June 27, 1991 5:30 am
Hearing Room D State Capitol Building

Members Present: Senator John Brennehan Senator Shirley Gold
Representative Mike Burton Representative Delna Jones Senator Joan Dukes
Chair John Schoon Witnesses: Jim Brown, Department of Revenue Mike
Taylor, Legal Ass't. to Rep. McTeague Ellen Lowe, Ecumenical Ministries
of Ore. Staff: Dick Yates, Legislative Revenue Office Kimberly
Taylor, Committee Assistant TAPE 1, SIDE A 005 CHAIR JOHN SCHOON called
the meeting to order at 6:56 pm. 001 DICK YATES summarized the
differences between the House and Senate versions of HB 2164. Exhibit 1
013 JIM BROWN explained after the bill had passed the House Revenue
Committee the Department of Revenue responded to concerns within the
industry by urging S corporation shareholders have the ability to apply
for nonrecognition of gain on asset conversion. The Senate made that
amendment. 058 DICK YATES clarified the amendment would apply only to
Oregon residents. YATES then continued his review of differences between
the House and Senate versions of HB 2164 focusing on a policy statement
added by the Senate Revenue Committee calling for review and restructure
of personal income taxation. 078 SEN. GOLD explained her interest in
the income tax review/restructure. Discussion followed 114 REP. JONES
expressed concern that the new language conflicted with the intent of
the bill, making it less a flat 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 June 27,, 1991 Page 2 142 SEN. GOLD noted some working
changes that may be made in subsection 4, page 2. 187 SEN. GOLD
responded to questions that language change was in no way an agenda to
impede a sales tax. 209 SEN. BRENNEMAN clarified his vote against the
bill because he was opposed to language added by the Senate. 227 REP.
JONES noted an announcement by leadership to put together an interim
committee to focus on restructuring the tax system. JONES saw that
committee as a place for reexamination and restructuring. Discussion
followed 261 DICK YATES continued his summary of the differences
between the Senate and House versions of HB 2162 in new Section 7h
relating to interest and penalty for underpayment of estimated tax.
Exhibit 1 308 DICK YATES continued his summary of the difference
between the Senate and House versions of HB 2162 in new Section 23a
relating to payroll tax. Exhibit 1 352 MIKE TAYLOR explained taxation
of wages of ministers as selfemployment by Tri-Met. TAPE 2 SIDE A 004
ELLEN LOWE explained the issue really dealt with separation of church
and state. The federal government allowed some clergy to pay social
security for purposes of retirement who then pay mass transit taxes to
Tri-met. However, the clergy who does not pay social security then pays
no Tri-met taxes. Questions and discussion 056 DICK YATES continued his
review of policy statements included in the Senate version in including
deferred compensation as wages subject to mass transit payroll tax.
Exhibit 1 068 JIM BROWN explained the only way the DOR would be able to
get some idea of the wages deferred would be in an audit. Questions and
discussion 123 SEN. DUKES recollected at the time the amendment was
included in the Senate version parties were in agreement. 134 JIM BROWN
interjected the DOR had no interest in the issue other than getting
direction. 145 CHAIR SCHOON recessed and reconvened the meeting at
6:33.

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160 JIM SCHERZINGER clarified the billing for mass transit was on the gross amount before deferred compensation for those employees taking deferred compensation. 162 CHAIR SCHOON recessed the meeting at 6:35 at the call of the chair. 163 CHAIR SCHOON adjourned the meeting at 8:10.

Kimberly Taylor, Office Manager Exhibit Summary: 1. Issues of HB 2164B Concurrence - HB 216 4

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