

SENATE INTERIM COMMITTEE ON FINANCE & REVENUE

December 12, 2012
8:00 AM

Hearing Room A
ID# 8974

MEMBERS PRESENT: Sen. Ginny Burdick, Chair
Sen., Chris Telfer Vice-Chair
Sen. Betsy Close
Sen. Mark Hass

STAFF PRESENT: Paul Warner, Legislative Revenue Officer
Mazen Malik, Sr. Economist
Christine Broniak, Economist
Corinne Gavette, Office Manager

ISSUES HEARD: DOR – Core System Replacement project update
DOR – 2013-15 Tax Expenditure report
Property Tax Reform – work group
Oregon’s Corporate Income Tax Apportionment Policy
Committee Bill Introduction

WITNESSES Jim Bucholz, Dir Dept of Revenue
Eric H. Smith, DOR
Michelle McCown, DOR
Kyle Easton, DOR
Chris Fick, League of Oregon Cities
Mayor Craig Fentiman, City of Sweet Home
Morgan Allan, School Board Association
Maureen Wolf, Tigard-Tualatin School District
Karen Cunningham, School Board Association
David Williams, Portland Public Schools
Ken Ross, Dept of Revenue
Jeff Henderson, Dept of Revenue

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12/12/2012 8:05:51 AM

8:05:54 AM Meeting Called to Order by
8:06:17 AM Meeting Called to Order by Chair Senator Burdick
8:06:32 AM Senator Close
8:06:41 AM Chair Burdick
8:07:06 AM 8:00 to 8:20: Core System Replacement: Project Update
8:07:13 AM Paul Warner, LRO

8:07:32 AM Jim Bucholz, Director Dept of Revenue
8:07:35 AM {Exhibit} A: DOR Core Systems proj update
8:07:39 AM {Exhibit} B: DOR Core Systems replacement update
8:07:40 AM {Exhibit} C: DOR letter about core systems update
8:10:35 AM Eric H. Smith, Dept of Revenue
8:16:38 AM Vice-Chair Telfer
8:17:06 AM Eric H. Smith
8:17:09 AM Vice-Chair Telfer
8:17:14 AM Eric H. Smith
8:17:59 AM Sen. Close
8:18:18 AM Eric H. Smith
8:18:42 AM Chair Burdick
8:19:08 AM 8:20 to 9:00: 2013-15 Tax Expenditure Report
8:21:04 AM Michelle McCown, DOR
8:22:56 AM {Exhibit} D: Tax Expenditure report presentation - DOR
8:35:05 AM Chair Burdick
8:35:13 AM Kyle Easton, DOR
8:48:10 AM Chair Burdick
8:48:55 AM Vice-Chair Telfer
8:49:26 AM Kyle Easton
8:49:58 AM Vice-Chair Telfer
8:51:09 AM Chair Burdick
8:51:31 AM Warner
8:51:50 AM Chair Burdick
8:52:43 AM Christine Broniak, LRO
8:52:45 AM 9:00 to 10:00: Property Tax Reform: Issues and Options
8:57:59 AM Vice-Chair Telfer
8:58:02 AM Chris Fick, League of Oregon Cities
8:59:21 AM {Exhibit} E: LRO - Property Tax Reform handout
9:08:33 AM Vice-Chair Telfer
9:08:52 AM Mayor Craig Fentiman, City of Sweet Home
9:12:43 AM Vice-Chair Telfer
9:12:47 AM Sen. Close
9:13:11 AM Mayor Craig Fentiman
9:13:14 AM Sen. Close
9:13:18 AM Mayor Craig Fentiman
9:14:34 AM Vice-Chair Telfer
9:15:00 AM Chris Fick
9:19:32 AM Vice-Chair Telfer
9:20:16 AM Vice-Chair Telfer
9:20:22 AM Morgan Allan, School Board Assn
9:23:34 AM Maureen Wolf, Tigard-Tualatin School District
9:28:58 AM Vice-Chair Telfer
9:29:03 AM Sen. Close
9:29:10 AM Vice-Chair Telfer
9:29:40 AM Karen Cunningham, School Board Association

9:34:40 AM Vice-Chair Telfer
9:34:52 AM David Williams, Portland Public Schools
9:36:17 AM Vice-Chair Telfer
9:37:27 AM Meeting recessed
9:37:31 AM Recording Paused
10:05:52 AM Recording Resumed
10:05:55 AM Meeting reconvened
10:06:14 AM House Interim Revenue Members have joined the meeting
10:06:16 AM Chair Burdick
10:06:17 AM 10:00 to 10:45: Oregon's Corporate Income Tax Apportionment Policy:
10:06:24 AM Paul Warner
10:07:17 AM {Exhibit} F: LRO - Taxation and Oregon's Interstate Competitiveness (RR #6-12)
10:08:20 AM {Exhibit} G: Single Sales Factor Apportionment handout - LRO
10:22:21 AM Rep. Eyre-Brewer
10:22:38 AM Paul Warner
10:30:41 AM Chair Burdick
10:31:03 AM Warner
10:33:03 AM Sen. Hass
10:33:20 AM Warner
10:33:47 AM Sen. Hass
10:34:33 AM Chair Burdick
10:34:37 AM Warner
10:44:08 AM Chair Burdick
10:44:27 AM Ken Ross, Dept of Revenue
10:44:29 AM {Exhibit} H: Revenue Loss by Policy - DOR
10:45:15 AM Jeff Henderson
10:45:54 AM Chair Burdick
10:46:02 AM Jeff Henderson
10:46:42 AM Chair Burdick
10:47:01 AM Jeff Henderson
10:47:27 AM Chair Burdick
10:47:30 AM Jeff Henderson
10:47:32 AM Chair Burdick
10:47:41 AM Warner
10:48:31 AM Rep. Barnhart
10:49:12 AM Jeff Henderson
10:49:28 AM Rep. Barnhart
10:50:00 AM Jeff Henderson
10:50:24 AM Rep. Barnhart
10:50:38 AM Chair Burdick
10:50:43 AM Jeff Henderson
10:51:06 AM Chair Burdick
10:51:11 AM Jeff Henderson
10:51:23 AM Rep. Barnhart
10:51:42 AM Jeff Henderson

10:52:09 AM Rep. Barnhart
10:52:14 AM Vice-Chair Telfer
10:53:14 AM Chair Burdick
10:53:27 AM Rep. Eyre-Brewer
10:54:30 AM Ken Ross
10:54:53 AM Chair Burdick
10:55:35 AM Meeting recessed
10:56:04 AM Meeting reconvened
10:56:12 AM Chair Burdick
10:56:30 AM Work Session to introduce Committee LC Drafts
10:56:42 AM House Members have departed
10:56:54 AM Malik
10:57:02 AM Vice-Chair Telfer
10:57:04 AM MOTION:
10:58:43 AM Chair Burdick
10:58:46 AM VOTE:
10:58:51 AM Chair Burdick
10:59:01 AM Meeting Adjourned

EXHIBITS

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