

**REVENUE:** Revenue statement issued

**FISCAL:** No fiscal impact

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**Action:** Do pass

**Vote:** 5-0-0

**Yeas:** Burdick, G. George, Monroe, Starr, Deckert

**Nays:**

**Exc.:**

**Prepared By:** Mary Ayala, Economist

**Meeting Dates:** 5/16, 5/29

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**WHAT THE BILL DOES:** Reduces the interest that is paid on a property tax refund to an amount equal to the portion of the refund that is not attributable to inaccurate reports, statements or written information provided by the taxpayer. Takes effect 91 days after sine die.

**ISSUES DISCUSSED:**

- That refunds are made routinely on disputed assessments when settled prior to an appeal to the Tax Court. This bill pertains only to tax cases that are under appeal.
- Objections that the language about what constitutes taxpayer reporting errors is not defined and that the Department of Revenue determines what constitutes taxpayer error.
- That the Association of Oregon Counties has no objections to the bill.
- That the Department of Revenue's instructions for completing Oregon's tax forms identify certain reporting requirements that would be considered taxpayer errors if taxpayers failed to follow these instructions.

**EFFECT OF COMMITTEE AMENDMENTS:** NONE

**BACKGROUND:** Current law ORS 311.812 (1) states that interest shall not be paid on property tax refunds except in certain cases listed in ORS 311.812 (2). Typically, these cases pertain to appeals that are made by utilities, or owners of commercial property or industrial property who must file reports annually with either the county assessors or the Department of Revenue. Taxpayer errors may result in a larger refund than would otherwise have been warranted if the report had been submitted accurately.

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*This summary has not been adopted or officially endorsed by action of the committee.*