House Joint Resolution 26

Sponsored by Representative GREENLICK; Representative HOLVEY

SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure **as introduced.**

Proposes amendment to Oregon Constitution to require Legislative Assembly to authorize income tax credits, deductions, subtractions, exemptions and other tax expenditures every 10 years. Provides rules for determining when 10-year period of authorization begins.

Refers proposed amendment to people for their approval or rejection at next regular general election.

JOINT RESOLUTION

Be It Resolved by the Legislative Assembly of the State of Oregon:

PARAGRAPH 1. The Constitution of the State of Oregon is amended by creating a new section 15 to be added to and made a part of Article IX, such section to read:

SECTION 15. (1) As used in this section, "tax expenditure":

(a) Means any law of the federal government or of this state that exempts, in whole or in part, certain persons, transactions or income from the impact of a tax imposed on or measured by income, including but not limited to a tax deduction, tax exclusion, tax subtraction, tax exemption, tax deferral, preferential tax rate or tax credit; and

(b) Does not include any law that is required under the Constitution of the United States or federal law, any law that is required to avoid double or multiple incidents of taxation or any law that has the primary effect of reducing the taxes of a local taxing district.

(2) In the case of:

(a) A tax expenditure in which the taxpayer must obtain the approval of an agency or subdivision of this state in addition to filing a tax return on which the tax expenditure is claimed, the Legislative Assembly may not authorize the approving agency or subdivision to grant approval for a period of more than 10 years;

(b) A tax expenditure that is based on a transaction, investment or other event in which the taxpayer makes an initial claim on a tax return and then receives the benefit of the tax expenditure over a period of years beginning with the year for which the initial claim is made and ending in a subsequent year, the Legislative Assembly may not authorize the filing of the initial claim for a period of more than 10 years; or

(c) Any tax expenditure that is not described in paragraph (a) or (b) of this subsection, the Legislative Assembly may not authorize the tax expenditure for a period of more than 10 years.

(3) The Legislative Assembly may authorize tax expenditures that would otherwise be eliminated under subsection (2) of this section every 10 years or more frequently.

(4) This section applies first to tax expenditures in reporting periods for taxes imposed on or measured by income that begin on or after January 1, 2010. A taxpayer may not claim a tax expenditure that has not been authorized by the Legislative Assembly for a tax re-

NOTE: Matter in **boldfaced** type in an amended section is new; matter [*italic and bracketed*] is existing law to be omitted. New sections are in **boldfaced** type.

porting period that begins on or after January 1, 2020.

PARAGRAPH 2. The amendment proposed by this resolution shall be submitted to the people for their approval or rejection at the next regular general election held throughout this state.