REVENUE: Issued

FISCAL: Issued

Action: Vote:

> Yeas: Nays: Exc.:

Prepared By: Mazen Malik, Economist Meeting Dates: 04/03, 04/04

WHAT THE BILL DOES: Extends sunset date for emergency communications tax from January 1, 2014 to January 1, 2022.

ISSUES DISCUSSED:

- The background of the tax and what functions it funds.
- Different ways and difficulties of the 911 Response Centers.
- Collections and the different methods of paying the tax.
- Incidence of the tax, who collects and equity.
- The level of compliance and the ability to do it and enforce it.

EFFECT OF COMMITTEE AMENDMENTS: The "-5" Amendments adds enforcement language for DOR to administer the tax emphasizing the providers of prepaid wireless and VOIP. Introduces reporting requirements and schedules, and allocates additional 0.25% of revenue collected to DOR for enforcement and administration.

BACKGROUND:

There is presently a 75 cent per month tax on every subscriber who has telecommunication services with access to the 9-1-1 emergency reporting system. This tax is collected by the service provider from the subscriber. The program collects about \$39 million a year, but is set to expire on January 1, 2014. This measure extends the tax till 2022.

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