

House Bill 2164

Introduced and printed pursuant to House Rule 12.00. Pre-session filed (at the request of House Interim Committee on Revenue)

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**.

Makes permanent pilot project that requires certain licensees to demonstrate and maintain tax compliance as condition of issuance or renewal of license. Phases in program requirements, based on size of board and type of tax program, until requirements apply to all state agencies, boards or commissions that issue occupational licenses or licenses for privilege of engaging in occupation or profession.

Directs Department of Revenue to establish automated method for tax compliance certification not later than January 1, 2016.

Takes effect on 91st day following adjournment sine die.

A BILL FOR AN ACT

1
2 Relating to tax compliance; creating new provisions; amending section 2, chapter 576, Oregon Laws
3 2009; repealing section 4, chapter 576, Oregon Laws 2009; and prescribing an effective date.

4 **Be It Enacted by the People of the State of Oregon:**

5 **SECTION 1. Sections 2 and 3 of this 2015 Act are added to and made a part of ORS**
6 **chapter 305.**

7 **SECTION 2. (1) As used in this section, "tax" has the meaning given that term in ORS**
8 **305.380.**

9 **(2) The Department of Revenue shall establish an automated method for certifying tax**
10 **compliance via an Internet website. Automated tax compliance certification shall constitute**
11 **proof of tax compliance if required for issuance or renewal of an occupational license or a**
12 **license for the privilege of engaging in an occupation or profession within this state. A per-**
13 **son may not obtain certification as provided under this section if, as of the date of issuance**
14 **or renewal, information readily accessible to department personnel indicates that the person**
15 **is not in compliance with section 2 (4), chapter 576, Oregon Laws 2009.**

16 **(3) The department shall adopt rules establishing procedures by which a taxpayer may**
17 **apply for and obtain automated tax compliance certification under this section. The proce-**
18 **dures must maintain the confidentiality of taxpayer information and ensure that only the**
19 **taxpayer named in the certification or an authorized representative of the taxpayer is able**
20 **to access information in the certification.**

21 **(4) The department shall make the Internet website described in subsection (2) of this**
22 **section fully accessible by the public not later than January 1, 2016.**

23 **SECTION 3. (1) Not later than January 1, 2016, the Department of Revenue shall develop**
24 **and implement a communication plan for providing notification of the automated tax com-**
25 **pliance certification system established pursuant to section 2 of this 2015 Act and the re-**
26 **quirements of section 2, chapter 576, Oregon Laws 2009, to:**

27 **(a) State agencies, boards or commissions that issue occupational licenses or licenses for**

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.

1 **the privilege of engaging in an occupation or profession within this state;**

2 **(b) Licensees; and**

3 **(c) Individuals and corporations likely to seek issuance or renewal of a license.**

4 **(2) Compliance with section 2, chapter 576, Oregon Laws 2009, is required for licenses**
 5 **issued:**

6 **(a) On or after January 2, 2016, by state agencies, boards or commissions with 5,000 or**
 7 **fewer licensees and with respect to taxes imposed under ORS chapter 316, other than the**
 8 **withholding provisions in ORS 316.162 to 316.221.**

9 **(b) On or after January 2, 2017, by state agencies, boards or commissions with 25,000 or**
 10 **fewer licensees and with respect to taxes imposed under ORS chapter 316, other than the**
 11 **withholding provisions in ORS 316.162 to 316.221.**

12 **(c) By all state agencies, boards or commissions:**

13 **(A) On or after January 2, 2018, with respect to taxes imposed under ORS chapter 316,**
 14 **other than the withholding provisions in ORS 316.162 to 316.221.**

15 **(B) On or after January 2, 2019, with respect to taxes imposed under ORS chapter 316,**
 16 **other than the withholding provisions in ORS 316.162 to 316.221, or ORS chapter 317.**

17 **(C) On or after January 2, 2020, with respect to taxes imposed under ORS chapter 316**
 18 **or 317 or under the provisions of ORS 323.005 to 323.482 or 323.500 to 323.645.**

19 **SECTION 4.** Section 2, chapter 576, Oregon Laws 2009, is amended to read:

20 **Sec. 2.** (1) The Department of Revenue *[may]* **shall**, in conjunction with state agencies, boards
 21 or commissions that issue occupational licenses or licenses for the privilege of engaging in an oc-
 22 cupation or profession within this state, *[develop and implement a pilot project that requires]* **require**
 23 **licensees**, as a condition of issuance or renewal of a license, *[licensees]* to demonstrate compliance
 24 with the following, as *[applicable]* **provided in the schedule set forth in section 3 of this 2015**
 25 **Act:**

26 (a) The personal income tax laws of this state¹, *[including the withholding laws in ORS 316.162*
 27 *to 316.221]*.

28 (b) The corporate excise or income tax laws of this state.

29 (c) The provisions of ORS 323.005 to 323.482 or 323.500 to 323.645.

30 **(d) The personal income tax withholding provisions of ORS 316.162 to 316.221.**

31 (2) *[Any]* **A** state agency, board or commission *[that participates in the pilot project authorized*
 32 *under subsection (1) of this section may]* **shall** suspend, revoke or refuse to issue or renew a license
 33 if the department determines that the licensee has failed to demonstrate or maintain tax compliance
 34 as provided in this section.

35 (3) Notwithstanding ORS 314.835 and 314.840, the department may disclose to a state agency,
 36 board or commission *[that requires tax compliance as a condition of issuance or renewal of a license*
 37 *under subsection (1) of this section]* whether an individual or corporation **seeking issuance or re-**
 38 **newal of a license** is in compliance **as described in subsection (1) of this section.**

39 (4) In determining compliance for purposes of this section, the department *[may]* **shall** consider
 40 whether the individual or corporation:

41 (a) Has not filed required returns or reports with respect to taxes imposed by ORS chapter 316
 42 or 317, whichever is applicable, for any of the three tax years immediately preceding a year for
 43 which a tax return or report was required to be filed;

44 (b) Has not filed required reports with respect to taxes imposed under ORS 323.005 to 323.482
 45 or 323.500 to 323.645 for any of the three calendar years immediately preceding a year in which a

1 report was required to be filed;

2 (c) After all appeal rights, if any, have expired, has failed to:

3 (A) Pay any tax within 30 days after the date of the assessment and is still delinquent on any
4 payments due;

5 (B) Enter into an approved payment plan within 60 days after the date of the assessment of the
6 tax; or

7 (C) Follow the terms of an approved payment plan and is still delinquent on any payments due;
8 or

9 (d) Has been convicted of a criminal offense related to the personal income tax laws of this
10 state, the corporate excise and income tax laws of this state or the provisions of ORS 323.005 to
11 323.482 or 323.500 to 323.645, whichever are applicable.

12 (5) The department may enter into agreements with any state agency, board or commission [*that*
13 *participates in the pilot project under subsection (1) of this section*] in order to assist in the adminis-
14 tration of the tax compliance requirement.

15 [(6) *Participation in the pilot project authorized under subsection (1) of this section is limited to*
16 *three state agencies, boards or commissions.*]

17 **(6) Before issuing or renewing a license described in this section, a state agency, board**
18 **or commission may require the individual or corporation seeking issuance or renewal of the**
19 **license to present an automated tax compliance certification described in section 2 of this**
20 **2015 Act or other proof of tax compliance from the Department of Revenue.**

21 **SECTION 5. Section 4, chapter 576, Oregon Laws 2009, is repealed.**

22 **SECTION 6. This 2015 Act takes effect on the 91st day after the date on which the 2015**
23 **regular session of the Seventy-eighth Legislative Assembly adjourns sine die.**

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