



## Oregon Society of Certified Public Accountants

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### Oregon Legislative Assembly – 2019 Regular Session Hearing SB 212A House Committee on Revenue Opposition

**DATE:** May 13, 2019

Good morning Chair Representative Nathanson, Vice-Chair Representative Findley, Vice-Chair Representative Marsh and Members of the House Committee on Revenue.

For the record, my name is Katie Powell. I am a member of the Taxation Committee of the Oregon Society of Certified Public Accountants (OSCPA). I am a Certified Public Accountant and shareholder with a local firm in Portland, Oregon. I appreciate the opportunity to participate in today's hearing.

**POSITION:**

On behalf of the nearly 4,400 members of the OSCPAs, I respectfully testify in **opposition to Senate Bill 212A**.

**BACKGROUND:**

The overarching issue and concern related to Senate Bill 212A is not limited to the specific subject matter indicated. Rather, from a more important perspective, the bill advances the concept that disconnecting from federal tax statute and provisions is a simple course of action with little consequence.

**Why would the lack of conformity between state and federal tax code be a concern?**

Disconnecting from federal statute and provisions increases state tax complexity.

- Complexity negatively impacts taxpayers and ultimately, tax advisors.
- Complexity can also have potential impact for the Oregon Department of Revenue as the more complex the process of understanding the differences between state and federal statutes and provisions, the higher the risk of unintended noncompliance by taxpayers. Not all taxpayers utilize the expertise of tax advisors.
- Supporting conformity, and not disconnecting from various federal statutes and provisions, is in the best interest of taxpayers. This helps taxpayers to understand that the decisions made for federal purposes also impacts their Oregon tax obligation and compliance.
- From a big picture perspective, more than a year after passage of the Tax Cuts and Jobs Act, taxpayers and tax advisors alike are continuing to work through the significant layers of the federal legislation. And, without "reconnect," as new guidance continues to be issued by Treasury and the IRS related to some provisions, the impact of Oregon non-conformity with federal could necessitate the need for additional future modifications on a state level. It is also important to note that based on the timing of the Oregon legislative sessions related to non-standardized Treasury and IRS pronouncements, the complexity has the potential to be compounded.

**RECOMMENDATION:**

On behalf of Oregon Society of CPAs, I respectfully encourage you to **oppose SB 212A** and remain connected to federal tax code and provisions.

Thank you for the opportunity to share our concerns with you today.

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