

Date: April 5, 2021

To: Chair and Members of the House Committee on Revenue
From: Scott Bruun, OBI
RE: OBI Testimony in Support of HB 3373

Chair Nathanson and Members of the Revenue Committee:

Good afternoon. My name is Scott Bruun, and I am the Director of Tax and Fiscal Policy for Oregon Business and Industry. OBI is a member-led business trade association. We have approximately 1,600 members that employ more than 300,000 Oregonians.

Thank you for the opportunity to testify today in support of HB 3373.

The concept of a public taxpayer advocate office in Oregon has been around for a while. And we have seen at both the federal level through the IRS' advocate system, as well as advocate systems set up in numerous other states, just how necessary and vital a system like this can be.

Oregon's tax system is not simple. Our tax laws are complex and often arcane. Full compliance, even with the absolute best of intentions and efforts on the part of taxpayers, can be difficult. This is nobody's fault; this is just the nature of taxes.

We believe that an important part of good government is making sure that laws are as simple, logical, and as easy to follow as possible. Ignorance of the law is not an excuse for avoiding or misconstruing the law. Still, government should do its level best to make sure our laws are workable and understandable. Yet tax laws, by their very nature, create unique challenges in this regard. This is why a taxpayer advocate's office is so important.

The Oregon Taxpayer Advocate office would serve as an independent and confidential resource for Oregon taxpayers. The office would serve taxpayers by helping communicate policies, rules and procedures. It would help reduce misunderstandings and resolve compliance problems. And it would help give options when other remedies have been exhausted.

Done right, the office will work to create and build trust with Oregon taxpayers who are challenged by the complexities and the demands of our tax system. In short, it will work to help taxpayers resolve issues for the benefit of themselves and the state.

Madame Chair, Committee, we fully support HB 3373, it is an excellent first step in the right direction. There are, however, some things we would like to see added to make it even better. First, we believe that small business should be expressly named in the bill as a taxpaying entity entitled to use the Advocates office.

Second, similar to what a few other states do, we would like the new office to provide, based on the experiences gained by working with diverse Oregon taxpayers, recommendations on needed changes to Oregon's tax policies and procedures. It's one thing to help taxpayers negotiate challenges, it's quite another to actually help reduce or eliminate those challenges.

Toward this, the taxpayers' Advocate office would be in a uniquely advantageous position to offer recommendations for positive reform.

I'll conclude by simply noting the truism that the only things certain in life.. are death and taxes. And so is the anxiety that both can cause. HB 3373 is an important tool to make our tax system better by helping to actually reduce the anxieties that taxes can cause, and we urge your support.

Thank you, Madame Chair.

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