



Oregon Society of Certified Public Accountants

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2021 Oregon Legislative Assembly House Committee on Revenue Testimony related to HB 2457 – **Support**

Date: February 10, 2021

Good afternoon, Chair Representative Nathanson, Vice-Chair Representative Pham, Vice-Chair Representative Reschke and Members of the House Committee on Revenue.

On behalf of over 4,100 members of the OSCPA, we respectfully submit our **support** related to **HB 2457**.

BACKGROUND:

Reconnect is good for Oregonians. Reconnection between federal statute and provisions and state reduces exceptions thus state tax complexity. It also supports taxpayer planning opportunities.

- Rolling Reconnect supports Oregon's business and individual taxpayers and reduces complexity.
- Without conformity, Oregon must write and maintain its own tax code – a significant and complex undertaking. Additionally, this also means that taxpayers, both individuals and businesses alike, are having to attempt to follow two different sets of tax code – one at the national level and one at the state level. This would also require more time to maintain the tax code which would increase costs to Oregon.
- Complex tax law increases costs for taxpayers as tax advisors must spend more time on returns. Instead, many tax advisors would prefer to advise their clients on the important aspects of running and strengthening their businesses. This is particularly the case for small businesses that may have much need for support, versus the tax advisor and taxpayer needing to focus on overly complicated tax code.
- Complexity also has the potential to negatively impact the Oregon Department of Revenue (DOR). 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.
- More than three years 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.
- Supporting conformity, and not disconnecting from various federal statutes and provisions, is in the best interest of Oregon taxpayers. This helps taxpayers to understand that the decisions made for federal purposes also impacts their Oregon tax obligation and compliance.

RECOMMENDATION:

On behalf of Oregon Society of CPAs, we respectfully encourage you to **support House Bill 2457** and remain connected to federal tax code and provisions.

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

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