



Date: January 31, 2023

To: Chair and Members of the House Revenue Committee

From: Scott Bruun, OBI

RE: Testimony in support of HB 2575

Madame Chair, Committee

Thank you for the opportunity to testify in support of HB 2575 and let me start by especially thanking Vice Chair Reschke for sponsoring this important bill.

HB 2575 is a simple bill that would provide trade associations and other membership organizations, like OBI for example, standing in the Oregon Tax Court to bring a declaratory judgment action. This would allow an association standing where it is able to establish that its members or membership would be harmed by a specific Oregon tax provision, enabling the association on behalf of its members to seek a resolution.

HB 2575 would streamline the litigation process for taxpayers as well as the state because a constitutional or statutory challenge raised by an association likely would have broad impact on its members as Oregon taxpayers. So instead of multiple taxpayers being required to file challenge such a provision, an association would be able to bring a single challenge to determine whether the provision should stand.

Importantly, HB 2575 would not increase litigation in the Oregon Tax Court. The provision is limited to declaratory judgment actions, which are distinct legal proceedings that allow the court to make a specific legal determination. In other words, HB 2575 would allow an organization like OBI to bring a constitutional or statutory challenge to a newly enacted tax provision, of impact to its members; thereby allowing the court to determine the validity of that tax provision efficiently and judiciously.

Madame Chair and Committee, as you know as associations like ours and many others who advocate here at the Capitol do so to provide bandwidth, expertise and experience that individual members may not have. Simply put, we provide legislative advocacy for our members on issues of broad impact. This frees up our members to spend more time and energy focused on their core businesses.

The same concept applies to HB 2575. It simply allows associations to stand for its members on Oregon tax provisions of broad impact, allowing more of those members to focus on their core businesses, which in turn would also serve to streamline the overall tax litigation process.

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Thank you.

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