



Date: January 31, 2023

To: Chair and Members of House Revenue Committee

From: Scott Bruun, OBI

RE: Testimony in support of HB 2576

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Madame Chair, Members of the Committee,

Thank you for the opportunity to testify in support of HB 2576, and thank you again to Rep Reschke for sponsoring this bill.

As you heard, HB 2576 would provide jurisdiction over local income tax matters with the Oregon Tax Court. And by local income tax, I mean income taxes imposed by local jurisdictions. HB 2576 is a practical bill, which we believe will streamline decisions in Oregon tax matters related to the growing number of locally imposed income taxes.

Notably, Oregon is one of only six states with a dedicated tax tribunal within the Judicial Branch, and the Oregon Tax Court is recognized nationally for its deep expertise in Oregon tax matters as well as an understanding of U.S. Constitutional restraints on state and local taxation, more broadly. Considering the significance of the Oregon Tax Court as a resource on state and local issues, it only makes sense that it should be the sole arbiter of all Oregon state and local tax controversies.

County courts, of course, are courts of general jurisdictions. County court judges are not expected to be experts in any specific legal area—especially tax. But as this committee knows very well, tax codes, rules and statutes are very complicated, and also a complicated area of law. Time and litigation involving local tax issues likely takes up time and resources that local judges could devote to other issues.

Lastly, let me just say that providing exclusive jurisdiction to the Oregon Tax Court over local matters is not likely to have a significant resource impact on the Oregon Tax Court since the Court has expertise in tax, meaning it is efficient, and the number of cases involving local tax issues are not that great to begin with.

you.

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