

January 31, 2023

House Committee on Revenue
900 Court Street
Salem, OR 97301

RE: Opposition to HB 2576 as Introduced

Chair Nathanson, Vice-Chairs Reschke and Walters, Members of the Committee:

We, the undersigned organizations, write to you in opposition of HB 2576 as introduced. We believe the intent of the bill is to transfer jurisdiction for judicial appeals from circuit courts to the Tax Court. However, the language in the introduced text raises the following concerns.

- **Abolishing Local Administrative Appeals Process.** The language as written appears too broad and could be interpreted to remove any administrative authority by local governments. Most income tax appeals for the City and County (and likely Metro as their tax matures) are rather easily and cheaply handled at the administrative level by a volunteer, tax-experienced tax appeals board. Very few of those are ever further appealed to the circuit court
- **Increases Costs to those Challenging Income Tax.** By abolishing local administrative appeals authority, HB 2576 as introduced could make it more expensive for the taxpayer, if the taxpayer now must file a fee to go to tax court, get on the docket, possibly hire an attorney, get things scheduled potentially months and months later.
- **Limits Appeals Pathway.** The language in the bill as introduced appears to prevent appeals of Tax Court decisions on local income taxes to the Oregon Supreme Court by using the language “final judicial authority.” Currently, disputes go to local appeals boards, then to the circuit court, then to the Oregon Court of Appeals, and then to the Oregon Supreme Court.

The general concept of having tax appeals move through the Tax Court instead of circuit courts makes sense, because the Tax Court having specialized knowledge and expertise. We are willing to work on amendment language that makes HB 2576 workable for local jurisdictions who have an income tax.

Sincerely,

