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January 28, 2025

Chair Nancy Nathanson
Vice-Chair E. Werner Reschke
Vice-Chair Jules Walters
House Revenue Committee
Oregon State Legislature
900 Court Street NE
Salem, OR 97301

Sent electronically

RE: Support for Granting Legal Standing to Associations in the Oregon Tax Court (HB 2119)

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

Thank you for the opportunity to submit written testimony in support of HB 2119, granting standing to chambers and trade associations in the Oregon Tax Court. While I normally engage the legislature as an advocate for businesses and associations, I am writing to share a perspective from a different role. Outside of the Capitol, I often consult with tax practitioners, lawyers, businesses, and associations about the policy context and motivation behind tax laws and regulations as they relate to a taxpayer's specific circumstances.

Chambers and associations play a crucial role in the development and implementation of state tax policy. They provide important real-world context to decision-makers crafting our laws and regulations. Yet, if a statute or rule is implemented in a way the association believes contradicts its plain language or legislative intent, they are prohibited from engaging the courts for resolution. To say it another way, the groups most informed about the intent of a tax policy are barred from seeking clarity from the Oregon Tax Court.

Oregon's current rules around standing only allow aggrieved taxpayers to petition the court for resolution after filing a return and exhausting their administrative appeals. This process often takes years to reach a resolution, creating immense uncertainty for taxpayers and their practitioners. Since associations are inherently tuned into legislative and regulatory activity, they are often first to learn of actions not conforming to a bill or rule's intent. Without legal standing, however, these groups must search for a perfectly situated taxpayer to file an administrative appeal and petition the court. More often than not, these issues sit on the back burner until the pot starts bubbling over and a taxpayer has the financial incentive to challenge a determination.

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In my consulting practice, I help associations identify the “right taxpayer.” I know firsthand how inefficient and *taxing* the process is for associations simply seeking answers for their members. The current process lacks transparency. If an association is working to reach a resolution through the legal system, they should be allowed to do so under their own name.

Granting legal standing to chambers and associations allows these groups to engage in a law’s full lifecycle, from its inception in the legislature to its real-world application. Again, since associations are often the first to learn of potential issues in the implementation of a law, they are the most suited to raise concerns and resolve disputes early in the process. If the legislature grants legal standing to associations in the Oregon Tax Court, the change will streamline the process for resolving disagreements and, ultimately, save the state and taxpayers money from a drawn-out and costly appeals process.

Thank you for your consideration of this measure. I ask for your support.

Sincerely,

Jeff Newgard
Principal & Owner
Peak Policy, LLC