

HB 4016 A BUDGET REPORT and MEASURE SUMMARY

Joint Committee On Ways and Means

Prepared By: Russ Casler, Department of Administrative Services

Reviewed By: Emily Coates, Legislative Fiscal Office

**Department of Revenue
2025-27**

PRELIMINARY

Budget Summary*

	2025-27 Legislatively Approved Budget ⁽¹⁾	2026 Committee Recommendation	Committee Change from 2025-27 Leg. Approved	
			\$ Change	% Change
General Fund	\$ -	\$ 348,848	\$ 348,848	100.0%
Other Funds Limited	\$ -	\$ 74,705	\$ 74,705	100.0%
Total	\$ -	\$ 423,553	\$ 423,553	100.0%

Position Summary

Authorized Positions	0	5	5
Full-time Equivalent (FTE) positions	0.00	1.75	1.75

⁽¹⁾ Includes adjustments through January 2026

* Excludes Capital Construction expenditures

Summary of Revenue Changes

House Bill 4016 appropriates \$348,848 General Fund and increases Other Funds expenditure limitation by \$74,705 for the Department of Revenue (DOR) to implement the provisions of the bill. Other Funds expenditures are supported by the Department’s cost allocation methodology, which spreads direct and indirect costs across the 64 revenue programs the agency administers.

Summary of General Government Subcommittee Action

House Bill 4016 requires contracted goods and service providers and their owners to submit certificates issued by DOR stating that the provider or owner is not in violation of any tax laws described in ORS 305.380 prior to entering into contract agreements with state agencies, if the contract exceeds \$250,000. Based on state procurement data from the Department of Administrative Services, DOR expects approximately 1,600 contracts per year to meet the \$250,000 threshold. Combined with an estimated 2.5 owners per provider, the Department anticipates an annual increase of roughly 5,600 compliance checks resulting from this measure.

To meet increased workload demands, the subcommittee recommended appropriating \$348,848 General Fund and increasing Other Funds expenditure limitation by \$74,705 to establish five permanent, full-time positions (1.75 FTE) and position-related costs. The positions are distributed across three divisions as follows:

Personal Tax and Compliance Division

- Two Public Service Representative 4 positions (0.75 FTE)
- One Operations and Policy Analyst 2 position (0.38 FTE)

Business Division

- One Public Service Representative 4 position (0.38 FTE)

Collection Division

- One Operations and Policy Analyst 2 position (0.25 FTE)

PRELIMINARY

DETAIL OF JOINT COMMITTEE ON WAYS AND MEANS ACTION

Department of Revenue
 Russ Casler -- 503-302-8155

DESCRIPTION	GENERAL FUND	LOTTERY FUNDS	OTHER FUNDS		FEDERAL FUNDS		TOTAL ALL FUNDS	POS	FTE
			LIMITED	NONLIMITED	LIMITED	NONLIMITED			
SUBCOMMITTEE ADJUSTMENTS									
SCR 005 - Personal Tax and Compliance Division									
Personal Services	\$ 230,537	\$ -	\$ 5,584	\$ -	\$ -	\$ -	236,121	3	1.12
Services and Supplies	\$ 31,966	\$ -	\$ 774	\$ -	\$ -	\$ -	32,740		
SCR 006 - Business Division									
Personal Services	\$ 36,517	\$ -	\$ 37,124	\$ -	\$ -	\$ -	73,641	1	0.38
Services and Supplies	\$ 5,411	\$ -	\$ 5,502	\$ -	\$ -	\$ -	10,913		
SCR 007 - Collection Division									
Personal Services	\$ 37,506	\$ -	\$ 21,719	\$ -	\$ -	\$ -	59,225	1	0.25
Services and Supplies	\$ 6,911	\$ -	\$ 4,002	\$ -	\$ -	\$ -	10,913		
SUBCOMMITTEE RECOMMENDATION *	\$ 348,848	\$ -	\$ 74,705	\$ -	\$ -	\$ -	423,553	5	1.75
% Change from 2025-27 Leg. Approved Budget	100.0%	0.0%	100.0%	0.0%	0.0%	0.0%	100.0%	100.0%	100.0%

*Excludes Capital Construction Expenditures

