

2009 Legislature Saw Huge Taxes

below are some of the worst

REVENUE IMPACT OF PROPOSED LEGISLATION

75th Oregon Legislative Assembly
2009 Regular Session
Legislative Revenue Office

Bill Number: HB 2116 - C
Revenue Area: Health Care
Economist: Dae Baek
Date: June 1, 2009

Measure Description: Establishes the Health System Fund (HSF). Creates 1% assessment on specified health insurance premiums to be administered by the Department of Consumer and Business Services. Directs the assessment to be paid into the HSF. Creates 1% assessment on capitation payments to a Medicaid managed care organization to be administered by the Department of Human Services (DHS). Directs the assessment to be deposited in the HSF. Modifies Oregon Laws related to the hospital assessment imposed on the net revenue. Directs the DHS Director to consult hospital representatives in setting the hospital assessment rate. Directs any moneys in the Medical Care Quality Assurance Fund on or after October 1, 2009, to be transferred to the HSF.

Revenue Impact* (in \$Millions):

Source	Fiscal Year		Biennium		
	2009-10	2010-11	2009-11	2011-2013	2013-2015
Health System Fund	\$84.6	\$78.1	\$115.4	\$169.7	\$45.0
Insurance Premium	\$29.4	\$60.5	\$89.8	\$129.5	\$34.6
Medicaid managed care	\$7.9	\$17.7	\$25.6	\$40.1	\$10.4
Other**	\$47.3				
Hospital Assessment***	\$102.2	\$204.5	\$306.7	\$449.9	\$112.5

*DCBS and DHS provided crucial input to this revenue impact analysis. **Estimated balance in the Medical Care Quality Assurance Fund. ***Subject to change: see Impact Explanation.

Impact Explanation: All assessments in this bill apply from October 1, 2009. They sunset on September 30, 2013. While the assessment rates are fixed at 1% on health insurance premiums and Medicaid managed care capitation payments, the assessment rate on hospital net revenue is set by the DHS Director in consultation with hospital representatives. The rate will be set to achieve various policy objectives in relation to healthcare for qualified individuals. Policy decisions on the scope of programs and hospital reimbursement rates on different services will have an impact on the rate.

Vote History of HB 2116

HB 2116 Ordered printed by the Speaker pursuant to House Rule 12.00A (5). Pre-session filed. (at the request of Governor Theodore R. Kulongoski) -- Relating to health care assessment; appropriating money; prescribing an effective date; and providing for revenue raising that requires approval by a three-fifths majority.

1-15(H) First reading. Referred to Speaker's desk.

1-22 Referred to Health Care with subsequent referral to Revenue, then Ways and Means.

4-6 Public Hearing held.

4-17 Work Session held.

4-27 Recommendation: Do pass with amendments, be printed A-Engrossed, and be referred to Revenue by prior reference, then be referred to Ways and Means by prior reference.

Referred to Revenue by prior reference.

5-28 Public Hearing and Work Session held.

Recommendation: Do pass with amendments, be printed B-Engrossed, and be referred to Ways and Means by prior reference.

Referred to Ways and Means by prior reference.

5-29 Assigned to Subcommittee On Human Services.

Public Hearing and Work Session held.

Returned to Full Committee.

Work Session held.

6-1 Recommendation: Do pass with amendments and be printed C-Engrossed.

6-3 Second reading.

6-4 Rules suspended. Made a Special Order of Business on June 8, 2009 Calendar.

6-8 Third reading. Carried by Nolan. Passed.

Ayes, 36; Nays, 24--Bentz, Berger, Bruun, Cameron, Esquivel, Freeman, Garrard, Gilliam, Gilman, Hanna, Huffman, Jenson, Kennemer, Krieger, Maurer, Olson, Richardson, Smith G., Sprenger, Thatcher, Thompson, Weidner, Whisnant, Wingard.

6-9(S) First reading. Referred to Ways and Means.

6-10 Recommendation: Do pass the C-Eng. bill.

Second reading.

6-11 Made a Special Order of Business by voice vote.

Third reading. Carried by Bates, Johnson. Passed.

Ayes, 20; nays, 9--Boquist, Ferrioli, George, Girod, Kruse, Morse, Starr, Telfer, Whitsett; absent, 1--Atkinson.

6-25(H) Speaker signed.

6-26(S) President signed.

8-4(H) Governor signed.

Chapter 867, (2009 Laws): Effective date September 28, 2009.

**REVENUE IMPACT OF
PROPOSED LEGISLATION**
75th Oregon Legislative Assembly
2009 Regular Session
Legislative Revenue Office

Bill Number: HB 2649 A
Revenue Area: Personal Income Taxes
Economist: Chris Allanach
Date: 6-4-09

Measure Description: Creates a 10.8% tax bracket for joint filers with taxable income between \$250,000 and \$500,000 (between \$125,000 and \$250,000 if single) and creates an 11% tax bracket for joint filers with income above \$500,000 (above \$250,000 if single). These rates apply to tax years 2009 through 2011. For tax years after 2011, the top rate is reduced to 9.9% for joint filers with income above \$250,000 (above \$125,000 if single). Phases out the federal tax subtraction for joint filers with adjusted gross income above \$250,000 (above \$125,000 if single). Excludes up to \$2,400 of unemployment compensation for tax year 2009.

Revenue Impact (\$Millions):

	Fiscal Year		Biennium		
	2009-10	2010-11	2009-11	2011-2013	2013-2015
General Fund	\$230	\$242	\$472	\$375	\$379

Most of the revenue impact comes from the higher marginal tax rates – about 92 percent. The remaining eight percent is due to the phase-out of the federal tax subtraction. The leveling of the revenue impact in the latter two biennia is due to the reduction in the top rate to 9.9% beginning with the 2012 tax year. The 2009-11 impact includes a revenue reduction of roughly \$32 million due to the exclusion of unemployment compensation.

VOTE HISTORY OF HB 2649

HB 2649 By COMMITTEE ON REVENUE -- Relating to taxation; prescribing an effective date; and providing for revenue raising that requires approval by a three-fifths majority.

2-12(H) First reading. Referred to Speaker's desk.

2-17 Referred to Revenue.

2-27 Public Hearing held.

5-27 Public Hearing and Work Session held.

5-28 Work Session held.

6-2 Public Hearing and Work Session held.

6-4 Work Session held.

Recommendation: Do pass with amendments, be printed A-Engrossed, and be referred to Ways and Means.

Referred to Ways and Means by order of Speaker.

6-5 Assigned to Subcommittee On Education.

Work Session held.

Returned to Full Committee.

Work Session held.

Recommendation: Do pass.

6-8 Second reading.

Rules suspended. Made a Special Order of Business on June 9, 2009 Calendar.

6-9 Third reading. Carried by Barnhart. Passed.

Ayes, 37; Nays, 23--Bentz, Berger, Bruun, Cameron, Esquivel, Freeman, Garrard, Gilliam, Gilman, Hanna, Huffman, Kennemer, Krieger, Maurer, Olson, Richardson, Schaufler, Sprenger, Thatcher, Thompson, Weidner, Whisnant, Wingard.

6-10(S) First reading. Referred to President's desk.

Referred to Ways and Means.

Recommendation: Do pass the A-Eng. bill.

Rules suspended. Second reading.

Rules suspended. Motion to lay on the table carried.

Ayes, 24; nays, 5--Boquist, George, Girod, Kruse, Telfer; absent, 1--Atkinson.

6-11 Motion to take from table carried.

Ayes, 19; nays, 10--Boquist, Ferrioli, George, Girod, Kruse, Morse, Starr, Telfer, Whitsett, Winters; absent, 1--Atkinson.

Motion to reconsider carried.

Ayes, 19; nays, 10--Boquist, Ferrioli, George, Girod, Kruse, Morse, Starr, Telfer, Whitsett, Winters; absent, 1--Atkinson.

Third reading. Carried by Burdick. Passed.

Ayes, 18; nays, 11--Boquist, Ferrioli, George, Girod, Kruse, Morse, Nelson, Starr, Telfer, Whitsett, Winters; absent, 1--Atkinson.

6-25(H) Speaker signed.

6-26(S) President signed.

7-20(H) Governor signed.

Chapter 746, (2009 Laws): Effective date September 28, 2009.

**REVENUE IMPACT OF
PROPOSED LEGISLATION**
75th Oregon Legislative Assembly
2009 Regular Session
Legislative Revenue Office

Bill Number: HB 3405 A
Revenue Area: Corporate Taxes
Economist: Chris Allanach
Date: 6-4-09

Measure Description: Increases the C-corporation minimum tax from \$10 to an amount that ranges from \$150 for corporations with less than \$500,000 in Oregon sales to \$100,000 for corporations with Oregon sales of more than \$100 million. Increases the minimum tax on S-corporations from \$10 to \$150. Imposes a \$150 entity tax on entities filing a partnership return. Increases the Secretary of State filing from \$50 to \$100 for domestic corporations and to \$275 for foreign corporations. Creates a second marginal corporate tax rate of 7.9% that is applied to taxable income greater than \$250,000 for tax years 2009 and 2010; reduces the rate to 7.6% for tax years 2011 and 2012. For tax years after 2012 the top tax rate of 7.6% applies to net income greater than \$10 million. Other changes are applicable beginning with tax year 2009. Becomes effective 91 days following sine die.

Revenue Impact (\$Millions):

	Fiscal Year		Biennium		
	2009-10	2010-11	2009-11	2011-2013	2013-2015
General Fund	\$52	\$209	\$261	\$270	\$231

Most of the revenue impact is from the new minimum tax and new marginal tax rate for C-corporations. The minimum tax raises roughly \$93 million in the 2009-11 biennium and decreases slightly in the subsequent two biennia as the trend toward fewer C-corporations continues and the economy improves. The new marginal tax rate results in approximately \$108 million in revenue in the 2009-11 biennium. The higher minimum tax on S-corporations is expected to increase revenue by approximately \$18 million per biennium. The entity tax on those filing a partnership return is expected to raise roughly \$18 million per biennium. The increased Secretary of State filing fees are estimated to increase revenue by \$30 million per biennium. The relatively slow growth in revenue for 2011-13 is the net impact the lower top tax rate and the expected rebound in corporate profits. The lower revenue in 2013-15 is driven by the smaller applicability of the top marginal tax rate.

VOTE History of HB 3405

HB 3405 By COMMITTEE ON REVENUE -- Relating to state finance; prescribing an effective date; and providing for revenue raising that requires approval by a three-fifths majority.

- 3-12(H) First reading. Referred to Speaker's desk.
- 3-13 Referred to Revenue with subsequent referral to Ways and Means.
- 4-23 Public Hearing held.
- 5-22 Public Hearing and Work Session held.
- 5-26 Public Hearing and Work Session held.
- 6-2 Public Hearing and Work Session held.
- 6-3 Work Session held.
- 6-4 Work Session held.

Recommendation: Do pass with amendments, be printed A-Engrossed, and be referred to Ways and Means by prior reference.

Referred to Ways and Means by prior reference.

6-5 Assigned to Subcommittee On Education.

Work Session held.

Returned to Full Committee.

Work Session held.

Recommendation: Do pass.

6-8 Second reading.

Rules suspended. Made a Special Order of Business on June 9, 2009 Calendar.

6-9 Third reading. Carried by Barnhart. Passed.

Ayes, 36; Nays, 24--Bentz, Berger, Bruun, Cameron, Esquivel, Freeman, Garrard, Gilliam, Gilman, Hanna, Huffman, Kennemer, Krieger, Maurer, Olson, Richardson, Schaufler, Smith G., Sprenger, Thatcher, Thompson, Weidner, Whisnant, Wingard.

6-10(S) First reading. Referred to President's desk.

Referred to Ways and Means.

Recommendation: Do pass the A-Eng. bill.

Rules suspended. Second reading.

Made a Special Order of Business by voice vote.

Rules suspended. Third reading. Carried by Burdick. Failed.

Ayes, 16; nays, 13--Boquist, Devlin, Ferrioli, George, Girod, Hass, Kruse, Morse, Nelson, Starr, Telfer, Whitsett, Winters; absent, 1--Atkinson.

Motion to reconsider carried.

Ayes, 23; nays, 6--Boquist, George, Girod, Kruse, Starr, Whitsett; absent, 1--Atkinson.

Motion to lay on the table carried.

Ayes, 28; nays, 1--Girod; absent, 1--Atkinson.

6-11 Motion to take from table carried.

Ayes, 22; nays, 7--Boquist, Ferrioli, George, Girod, Kruse, Morse, Starr; absent, 1--Atkinson.

Bill read. Carried by Burdick. Passed.

Ayes, 18; nays, 11--Boquist, Ferrioli, George, Girod, Kruse, Morse, Nelson, Starr, Telfer, Whitsett, Winters; absent, 1--Atkinson.

Motion to lay on the table carried.

Ayes, 20; nays, 7--Boquist, Ferrioli, George, Girod, Kruse, Morse, Starr; absent, 1--Atkinson.

6-25(H) Speaker signed.

6-26(S) President signed.

7-20(H) Governor signed.

Chapter 745, (2009 Laws): Effective date September 28, 2009.

HB 3406 By COMMITTEE ON REVENUE -- Relating to cigarette taxes; appropriating money; prescribing an effective date; providing for revenue raising that requires approval by a three-fifths majority.

3-11(H) First reading. Referred to Speaker's desk.

3-13 Referred to Revenue.

6-29 In committee upon adjournment.

**REVENUE IMPACT OF
PROPOSED LEGISLATION**
75th Oregon Legislative Assembly
2009 Regular Session
Legislative Revenue Office

Bill Number: HB 2001 B
Area: Transportation
Economist: Mazen Malik
Date: 5/22/2009

Measure Description:

Authorizes issuance of \$100 million in lottery bonds to be deposited into the Multimodal Transportation Fund for grants and loans for non-highway transportation projects, including five rural airports and to each of 5 transportation regions. Defines "medium speed electric vehicle," and requires department to adopt minimum safety standards for medium speed electric vehicles and low speed vehicles. Directs Oregon Transportation Commission to determine the amount of federal transportation funds usable for non-highway projects and to annually reserve \$24 million of such funds. Permits counties to enact vehicle registration fees without submitting ordinance to voters. Allows the building of weight restricted bridges over the Willamette River. Imposes moratorium on passage and enforcement of local motor vehicle fuel taxes until January 2, 2014. Increases vehicle title fees, vehicle registration fees, on 10/1/09. Motor fuel taxes, weight-mile taxes, flat fees, Road Use Assessment Fee. Heavy vehicle registration fees, trip permit fees, replacement registration plate fees and customized registration plate fees, and ID cards fees.

Revenue Impact: (impacts in millions)

	2009-10	2010-11	2009-11 Biennium	2011-13 Biennium	2013-15 Biennium
Highway Fund	\$ 79.541	\$ 210.9	\$290.48	\$ 601.3	\$625.97
Local Government	\$ 30.3	\$ 91.97	\$ 122.24	\$ 273.64	\$ 285.98
State Other Funds:	\$ 49.3	\$ 118.97	\$ 168.24	\$ 327.64	\$ 339,985
ID cards (ED Transit)	\$0.569	\$ 0.847	\$ 0.416	\$ 1.70	\$ 1.77
Custom Plates (Rail)	\$ 1.589	\$ 2.45	\$ 4.032	\$ 5.12	\$ 5.37
Lottery Bonds (connect)	\$112.8				

Impact Explanation:

Increase details of the different fees and taxes:

Effective October 2009: Passenger vehicles registration fees to \$43, mopeds and motorcycles to \$24. Title fees to \$77, Salvage titles to \$27, Permit fee for vehicles to \$30, and 10 day permit to \$15. ID fees and Custom Plates are also increased.

January/1/ 2010 Heavy vehicle registrations tables go into effect with an increase of 103%, but only ½ the increase for farm vehicles and no increase for charitable organizations. That will create tax expenditure for these tow classes for a total of \$1.13 million a year. Temporary permits for heavy go to \$43.

Weight mile tables A and B are increased 24.5% starting October 1, 2010. Fuel tax increases 6 cents on 1/1/2011.

The \$100 million for connect Oregon program will specify airports and other transportation hub activities.

HB 2001 Vote

HB 2001 By Representatives BEYER, BERGER, Senators METSGER, STARR; Representatives BENTZ, D EDWARDS, HUNT, Senators COURTNEY, JOHNSON, MORRISETTE (at the request of Governor Theodore R. Kulongoski) -- Relating to transportation; appropriating money; prescribing an effective date; and providing for revenue raising that requires approval by a three-fifths majority.

4-15(H) First reading. Referred to Speaker's desk.

Referred to Transportation with subsequent referral to Revenue, then Ways and Means.

4-20 Public Hearing held.

4-22 Public Hearing held.

4-23 Public Hearing held.

4-24 Public Hearing held.

4-27 Work Session held.

4-28 Work Session held.

5-4 Without recommendation as to passage, with amendments, be printed A-Engrossed, and be referred to Revenue, then Ways and Means both by prior reference.

Referred to Revenue then to Ways and Means both by prior reference.

5-19 Public Hearing and Work Session held.

Without recommendation as to passage, subsequent referral to Ways and Means be rescinded, and be referred to Special Joint Committee On Transportation.

Subsequent referral to Ways and Means rescinded by order of Speaker.

Referred to Special Joint Committee On Transportation by order of Speaker.

5-21 Public Hearing held.

5-22 Work Session held.

Recommendation: Do pass with amendments and be printed B-Engrossed.

5-26 Rules suspended. Second reading.

Rules suspended. Made a Special Order of Business on May 27, 2009 Calendar.

5-27 Third reading. Carried by Beyer, Berger. Passed.

Ayes, 38; Nays, 22--Cameron, Cannon, Clem, Freeman, Garrard, Gilliam, Hanna, Harker, Huffman, Kennemer, Krieger, Maurer, Nolan, Olson, Richardson, Smith J., Sprenger, Thatcher, Thompson, Weidner, Whisnant, Wingard.

Potential conflict(s) of interest declared by Bailey, Freeman, Smith G., Thatcher.

Vote explanation(s) filed by Thatcher, Weidner.

5-28(S) First reading. Referred to President's desk.

Referred to Special Joint Committee On Transportation.

5-29 Recommendation: Do pass the B-Eng. bill.

Second reading.

Made a Special Order of Business immediately by unanimous consent.

Rules suspended. Third reading. Carried by Metsger, Starr. Passed.

Ayes, 24; nays, 6--Atkinson, Boquist, Ferrioli, Girod, Kruse, Whitsett.

Johnson, Morse, Starr declared potential conflict of interest.

6-25(H) Speaker signed.

6-26(S) President signed.

7-29(H) Governor signed.

Chapter 865, (2009 Laws): Effective date September 28, 2009.