

# House Joint Resolution 18

Sponsored by Representative J SMITH

## SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure **as introduced**.

Proposes amendment to Oregon Constitution to limit amount of personal income tax expenditures and corporate income tax expenditures to 33 percent of estimated General Fund revenue that would be raised in absence of any tax expenditures. Provides remedies if allowed tax expenditures exceed allowable tax expenditures.

Refers proposed amendment to people for their approval or rejection at special election held on same date as next primary election.

## JOINT RESOLUTION

**Be It Resolved by the Legislative Assembly of the State of Oregon:**

**PARAGRAPH 1.** The Constitution of the State of Oregon is amended by creating a new section 34 to be added to and made a part of Article IV, such section to read:

**SECTION 34. (1) As used in this section, "tax expenditure":**

**(a) Means any law enacted by this state that exempts, in whole or in part, certain persons, income, goods, services or property from the impact of an established state tax imposed on or measured by income, including but not limited to a tax deduction, tax exclusion, tax subtraction, tax exemption, tax deferral, preferential tax rate or tax credit.**

**(b) Does not include any federal law related to the definition of taxable income that is incorporated by reference in state law, or any law related to a tax imposed primarily for the benefit of a local government.**

**(2) The Legislative Assembly may not enact or allow the continued operation of tax expenditures that cumulatively exceed, for tax years beginning in or after the calendar year 2013, 33 percent of the General Fund revenues estimated to be received during the biennium, absent any tax expenditures.**

**(3) If, for tax years beginning in a calendar year, the cumulative amount of allowed tax expenditures exceeds the amount allowable under subsection (2) of this section:**

**(a) For tax years beginning in the two calendar years that follow the adjournment sine die of the next regular session of the Legislative Assembly:**

**(A) To the extent the allowed tax expenditures are against personal income taxes, the rate of personal income tax shall be temporarily increased in order to recover amounts forgone as a result of excess tax expenditures; and**

**(B) To the extent the allowed tax expenditures are against corporate taxes imposed on or measured by income, the rate of corporate tax imposed on or measured by income shall be temporarily increased in order to recover amounts forgone as a result of excess tax expenditures; or**

**(b) The amounts forgone due to excess tax expenditures shall be recovered using a method prescribed by the Legislative Assembly at the regular session referenced in para-**

**NOTE:** Matter in **boldfaced** type in an amended section is new; matter *[italic and bracketed]* is existing law to be omitted. New sections are in **boldfaced** type.

1 **graph (a) of this subsection.**

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3 **PARAGRAPH 2. The amendment proposed by this resolution shall be submitted to the**  
4 **people for their approval or rejection at a special election held throughout this state on the**  
5 **same date as the next primary election.**

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