

# House Joint Resolution 37

Sponsored by COMMITTEE ON REVENUE

## 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 require calculation of standard deviation in percentage terms for difference between General Fund revenues received by General Fund for biennium and amount estimated to be received for biennium.

Provides that revenues received that exceed estimate by two standard deviations or fewer are deposited in Oregon Rainy Day Fund. Provides that revenues received that exceed estimate by more than two standard deviations are returned to taxpayers.

Specifies that revenues that would be deposited in Oregon Rainy Day Fund are returned to taxpayers if amount in Oregon Rainy Day Fund equals at least 20 percent of amount of General Fund revenues collected during prior biennium.

Refers proposed amendment to people for their approval or rejection at next regular general election.

## JOINT RESOLUTION

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

3 **PARAGRAPH 1.** The Constitution of the State of Oregon is amended by creating a new section  
4 14a to be added to and made a part of Article IX, and by amending section 14, Article IX, such  
5 sections to read:

6 **Sec. 14.** (1) As soon as is practicable after adjournment sine die of an odd-numbered year reg-  
7 ular session of the Legislative Assembly, the Governor shall cause an estimate to be prepared of  
8 revenues that will be received by the General Fund for the biennium beginning July 1. The esti-  
9 mated revenues from corporate income and excise taxes shall be separately stated from the esti-  
10 mated revenues from other General Fund sources.

11 (2) As soon as is practicable after the end of the biennium, the Governor shall cause actual  
12 collections of revenues received by the General Fund for that biennium to be determined. The re-  
13 venues received from corporate income and excise taxes shall be determined separately from the  
14 revenues received from other General Fund sources.

15 (3)(a) **As soon as is practicable after the end of the biennium, the Governor shall cause**  
16 **to be calculated a standard deviation in percentage terms for the difference between reven-**  
17 **ues received by the General Fund from corporate income and excise taxes during the**  
18 **biennium and the amount estimated to be received from corporate income and excise taxes**  
19 **for the biennium. The calculation shall be based on amounts received and amounts estimated**  
20 **to be received for the 10 most recent biennia.**

21 (b) **As soon as is practicable after the end of the biennium, the Governor shall cause to**  
22 **be calculated a standard deviation in percentage terms for the difference between revenues**  
23 **received by the General Fund from General Fund revenue sources, exclusive of corporate**  
24 **income and excise taxes, during the biennium and the amount estimated to be received from**  
25 **General Fund revenue sources, exclusive of corporate income and excise taxes, for the**  
26 **biennium. The calculation shall be based on amounts received and amounts estimated to be**

**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 received for the 10 most recent biennia.

2 (4)(a) If the revenues received by the General Fund from corporate income and excise  
3 taxes during the biennium exceed the amount estimated to be received from corporate in-  
4 come and excise taxes for the biennium, to the extent that the excess does not exceed two  
5 standard deviations, the excess shall be transferred to an Oregon Rainy Day Fund established  
6 by law.

7 [(3)] (b) If the revenues received by the General Fund from corporate income and excise taxes  
8 during the biennium exceed the amount estimated to be received from corporate income and excise  
9 taxes for the biennium, *[by two percent or more, the total amount of the excess shall be returned to*  
10 *corporate income and excise taxpayers]* **by more than two standard deviations, the total amount**  
11 **of the excess above two standard deviations shall be returned to corporate income and excise**  
12 **taxpayers.**

13 (c) If the moneys in an Oregon Rainy Day Fund just prior to the time of a transfer  
14 scheduled under this subsection equal at least 20 percent of the amount of General Fund  
15 revenues collected during the prior biennium, moneys that would otherwise be transferred  
16 to an Oregon Rainy Day Fund shall be returned to corporate income and excise taxpayers.

17 (d) If the moneys in an Oregon Rainy Day Fund just prior to the time of a transfer  
18 scheduled under this subsection do not equal at least 20 percent of the amount of General  
19 Fund revenues collected during the prior biennium, the transfer to an Oregon Rainy Day  
20 Fund shall be made regardless of whether that transfer increases the amount in an Oregon  
21 Rainy Day Fund to at least 20 percent of the amount of General Fund revenues collected  
22 during the prior biennium.

23 (5)(a) If the revenues received by the General Fund from revenue sources, exclusive of  
24 those described in subsection (4) of this section, during the biennium exceed the amount es-  
25 timated to be received from such sources for the biennium, to the extent that the excess  
26 does not exceed two standard deviations, the excess shall be transferred to an Oregon Rainy  
27 Day Fund.

28 [(4)] (b) If the revenues received from General Fund revenue sources, exclusive of those de-  
29 scribed in subsection [(3)] (4) of this section, during the biennium exceed the amount estimated to  
30 be received from such sources for the biennium, *[by two percent or more, the total amount of the ex-*  
31 *cess shall be returned to personal income taxpayers]* **by more than two standard deviations, the**  
32 **total amount of the excess above two standard deviations shall be returned to personal in-**  
33 **come taxpayers.**

34 (c) If the moneys in an Oregon Rainy Day Fund just prior to the time of a transfer  
35 scheduled under this subsection equal at least 20 percent of the amount of General Fund  
36 revenues collected during the prior biennium, moneys that would otherwise be transferred  
37 to an Oregon Rainy Day Fund shall be returned to personal income taxpayers.

38 (d) If the moneys in an Oregon Rainy Day Fund just prior to the time of a transfer  
39 scheduled under this subsection do not equal at least 20 percent of the amount of General  
40 Fund revenues collected during the prior biennium, the transfer to an Oregon Rainy Day  
41 Fund shall be made regardless of whether that transfer increases the amount in an Oregon  
42 Rainy Day Fund to at least 20 percent of the amount of General Fund revenues collected  
43 during the prior biennium.

44 [(5)] (6) The Legislative Assembly may enact laws:

45 (a) Establishing a tax credit, refund payment or other mechanism by which the excess revenues

1 are returned to taxpayers, and establishing administrative procedures connected therewith.

2 (b) Allowing the excess revenues to be reduced by administrative costs associated with return-  
3 ing the excess revenues.

4 (c) Permitting a taxpayer's share of the excess revenues not to be returned to the taxpayer if  
5 the taxpayer's share is less than a de minimis amount identified by the Legislative Assembly.

6 (d) Permitting a taxpayer's share of excess revenues to be offset by any liability of the taxpayer  
7 for which the state is authorized to undertake collection efforts.

8 [(6)(a)] (7)(a) Prior to the close of a biennium for which an estimate described in subsection (1)  
9 of this section has been made, the Legislative Assembly, by a two-thirds majority vote of all mem-  
10 bers elected to each House, may enact legislation declaring an emergency and increasing the  
11 amount of the estimate prepared pursuant to subsection (1) of this section.

12 (b) The prohibition against declaring an emergency in an act regulating taxation or exemption  
13 in section 1a, Article IX of this Constitution, does not apply to legislation enacted pursuant to this  
14 subsection.

15 [(7)] (8) This section does not apply:

16 (a) If, for a biennium or any portion of a biennium, a state tax is not imposed on or measured  
17 by the income of individuals.

18 (b) To revenues derived from any minimum tax imposed on corporations for the privilege of  
19 carrying on or doing business in this state that is imposed as a fixed amount and that is nonappor-  
20 tioned (except for changes of accounting periods).

21 (c) To biennia beginning before July 1, 2001.

22 **SECTION 14a. (1) The amendment to section 14 of this Article by \_\_\_\_\_ Joint Resol-**  
23 **ution \_\_\_\_\_ (2011) applies to biennia beginning on or after July 1, 2011.**

24 **(2) This section is repealed on June 30, 2015.**

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26 **PARAGRAPH 2. The amendment proposed by this resolution shall be submitted to the**  
27 **people for their approval or rejection at the next regular general election held throughout**  
28 **this state.**

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