

**SB 156 A STAFF MEASURE SUMMARY**

**Carrier:** Sen. Boquist

**Senate Committee On Finance and Revenue**

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**Action Date:** 05/31/17

**Action:** Do pass with amendments. (Printed A-Eng.)

**Vote:** 5-0-0-0

**Yeas:** 5 - Baertschiger Jr, Boquist, Hass, Riley, Taylor

**Fiscal:** No fiscal impact

**Revenue:** Revenue impact issued

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**WHAT THE MEASURE DOES:**

Determine quarterly amount of corporate minimum tax revenue attributable to Oregon sales of motor vehicle fuel and to pay amount over to State Treasurer for deposit in State Highway Fund.

**ISSUES DISCUSSED:**

- Measure 97 work.
- Different interpretations of the constitutional restrictions.
- Perceived contraindications with other constitutional articles.
- Where the intersection of business might happen.

**EFFECT OF AMENDMENT:**

The amendment defines motor fuel and requires businesses who file a under corporate minimum to report on the sales of fuel. Directs DOR to transfer the apportioned amounts to the highway fund. Allows employees of ODOT to inspect returns. Makes the bill applicable after 1/1/2018.

**BACKGROUND:**

The issue was highlighted during the discussions around Measure-97 of 2016. Legislative Counsel issued an opinion that corporate minimum taxes that are based on the sales of fuel need to go to the Highway Fund. The Attorney general also issued an opinion on the subject. The committee decided to avoid the risk of having these tax revenues are going to wrong fund by identifying and transferring the revenue to the highway fund. LRO expectations about the amount of this tax revenue approaches 5 to 10 % of the total corporate minimum payments.