

House Bill 2758

Sponsored by Representative ANDERSON; Representatives BOONE, BUTLER, CAMERON, GILMAN, RICHARDSON, ROBLAN

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**.

Directs Department of Revenue to establish general tax amnesty program of limited duration.
Waives penalties for taxpayers who pay outstanding taxes.
Takes effect on 91st day following adjournment sine die.

A BILL FOR AN ACT

1
2 Relating to tax compliance; and prescribing an effective date.

3 **Be It Enacted by the People of the State of Oregon:**

4 **SECTION 1. Sections 2 to 4 of this 2005 Act may be cited as the Oregon Tax Amnesty**
5 **Act.**

6 **SECTION 2. (1) The Department of Revenue shall develop and administer a tax amnesty**
7 **program for personal income taxpayers and corporate income and excise taxpayers.**

8 **(2) The tax amnesty program shall be conducted during the period beginning January 1,**
9 **2006, and ending April 15, 2006.**

10 **(3) The tax amnesty program applies to tax liabilities due and payable for tax years be-**
11 **ginning before January 1, 2005.**

12 **(4) The department shall publicize the tax amnesty program so as to maximize public**
13 **awareness of and participation in the program.**

14 **(5) The department may prescribe forms, issue instructions, conduct public meetings and**
15 **undertake any other action necessary to maximize public participation in and compliance**
16 **with the tax amnesty program and the collection of tax liabilities to which the program ap-**
17 **plies.**

18 **SECTION 3. (1) A personal income taxpayer or a corporate income or excise taxpayer**
19 **who meets all of the following requirements during the period beginning January 1, 2006, and**
20 **ending April 15, 2006, may participate in the tax amnesty program:**

21 **(a) The taxpayer was required to file a tax return under ORS chapter 314, 316, 317 or 318,**
22 **or pay a tax imposed under ORS chapter 316, 317 or 318, for a tax year for which the De-**
23 **partment of Revenue may issue a notice of deficiency and that begins before January 1, 2005;**

24 **(b) The taxpayer files a completed amnesty application with the department, signed under**
25 **penalty of perjury, to participate in the tax amnesty program; and**

26 **(c) Within 60 days after the conclusion of the tax amnesty program, the taxpayer does**
27 **all of the following:**

28 **(A) Files a completed tax return for all tax years described in paragraph (a) of this sub-**
29 **section for which the taxpayer had not previously filed a completed tax return;**

30 **(B) Files a completed amended tax return for all tax years described in paragraph (a) of**

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 this subsection for which the taxpayer underreported or underpaid the tax liability of the
 2 taxpayer; and

3 (C) Pays in full the taxes and interest due for all tax years described in paragraph (a) of
 4 this subsection or applies for an installment payment agreement under subsection (3) of this
 5 section that applies to the taxes and interest due for all tax years described in paragraph (a)
 6 of this subsection for which taxes remain unpaid.

7 (2) In addition to the other requirements in subsection (1) of this section, a taxpayer who
 8 has filed a petition for bankruptcy protection under Title 11 of the United States Code may
 9 participate in the tax amnesty program if the taxpayer submits an order from a United
 10 States Bankruptcy Court allowing the taxpayer to participate in the tax amnesty program.

11 (3)(a) A taxpayer may apply for an installment payment agreement for the payment of
 12 taxes reported and due under subsection (1) of this section. The application shall be made
 13 on a form prescribed by the department and shall be due at the time the taxpayer applies for
 14 amnesty under subsection (1) of this section.

15 (b) The department shall enter into an installment payment agreement with a taxpayer
 16 who has applied under paragraph (a) of this subsection and shall establish a payment sched-
 17 ular if the department concludes that the agreement will facilitate the efficient collection of
 18 the outstanding tax liability.

19 (c) Any amount that remains unpaid under an installment payment agreement shall bear
 20 interest at the rate established under ORS 305.220 for each month, or fraction of a month,
 21 for which the amount remains unpaid.

22 (d) Under any installment payment agreement entered into under this subsection, all
 23 outstanding taxes and interest must be paid on or before December 31, 2011.

24 SECTION 4. (1) The Department of Revenue shall waive all applicable penalties that
 25 would otherwise apply to the taxes being reported and paid under section 3 of this 2005 Act
 26 for any taxpayer that fully complies with the tax amnesty program described in section 3 of
 27 this 2005 Act.

28 (2)(a) If the department has entered into an installment payment agreement with the
 29 taxpayer, the failure of the taxpayer to fully comply with the terms of the installment pay-
 30 ment agreement shall render the waiver of penalties under subsection (1) of this section and
 31 the installment payment agreement void. The total amount of tax, interest and all applicable
 32 penalties shall become immediately due and payable.

33 (b) This subsection does not apply if the department determines that the failure to fully
 34 comply with the terms of the installment payment agreement is due to reasonable causes.

35 SECTION 5. Sections 2 to 4 of this 2005 Act are repealed on January 2, 2012.

36 SECTION 6. Sections 2 to 4 of this 2005 Act are added to and made a part of ORS chapter
 37 314.

38 SECTION 7. This 2005 Act takes effect on the 91st day after the date on which the reg-
 39 ular session of the Seventy-third Legislative Assembly adjourns sine die.