

House Bill 3503

Sponsored by Representatives MACPHERSON, BARKER; Representatives ACKERMAN, BARNHART, BOONE, BUCKLEY, GALIZIO, HASS, HOLVEY, MARCH, NOLAN, TOMEI, WITT

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**.

Requires Public Utility Commission to file with Department of Revenue annual report providing information concerning amount of income taxes commission has estimated would be state taxes of utility. Requires utility to pay tax equal to difference between estimated tax and actual tax paid by utility under ORS chapters 317 and 318.

A BILL FOR AN ACT

1
2 Relating to public utilities; and providing for revenue raising that requires approval by a three-fifths
3 majority.

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

5 **SECTION 1. The Public Utility Commission shall report to the Department of Revenue,**
6 **for each public utility for which the commission authorizes rates, the amount of Oregon**
7 **corporate excise or income taxes that the commission has estimated would be the state taxes**
8 **of the public utility and that the commission has authorized the public utility to include in**
9 **the rates of the public utility. The commission shall report to the department annually, at**
10 **a time prescribed by the department.**

11 **SECTION 2. In addition to and not in lieu of any other tax, there is imposed on each**
12 **public utility in this state a tax equal to the difference between the amount of tax reported**
13 **by the Public Utility Commission under section 1 of this 2005 Act and the amount of the**
14 **public utility's actual tax liability under ORS chapters 317 and 318.**

15 **SECTION 3. (1) The tax imposed under section 2 of this 2005 Act shall be collected by the**
16 **Department of Revenue as if the tax were a tax imposed upon or measured by income, and**
17 **shall be reported and paid on or before the time the public utility's taxes under ORS chapter**
18 **317 or 318 are reported and paid.**

19 **(2) Unless the context requires otherwise, the provisions of ORS chapters 305, 314, 317**
20 **and 318 as to the audit and examination of reports and returns, determination of deficiencies,**
21 **assessments, claims for refunds, penalties, interest, jeopardy assessments, warrants, con-**
22 **ferences and appeals to the Oregon Tax Court, and procedures relating thereto, apply to the**
23 **tax imposed under section 2 of this 2005 Act the same as if the tax were a tax imposed upon**
24 **or measured by income.**

25 **(3) Revenues from the tax imposed under section 2 of this 2005 Act shall be distributed**
26 **as provided in ORS 317.850.**

27 **SECTION 4. As used in sections 1 to 3 of this 2005 Act, "public utility" means a regulated**
28 **investor-owned utility providing electric or natural gas service to an annual average of 50,000**
29 **or more customers in Oregon.**

30 **SECTION 5. Sections 2 and 3 of this 2005 Act apply to tax years beginning on or after**

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 **January 1, 2006.**

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