

House Joint Resolution 46

Sponsored by Representative BARNHART

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 Legislative Assembly to limit duration of tax expenditures. Permits Legislative Assembly to extend period during which tax expenditures apply.

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; and

(b) Does not include any federal law relating to the definition of taxable income that is incorporated by reference into state law.

(2) The Legislative Assembly may not enact a tax expenditure or modify a previously enacted tax expenditure on or after June 15, 2006, unless the tax expenditure applies for a period of limited duration that does not exceed six years.

(3) No more than two years preceding the date on which a tax expenditure ceases to apply under subsection (2) of this section or other law, the Legislative Assembly may extend the period during which the tax expenditure applies, but the period during which the extension of the tax expenditure applies may not exceed six years.

(4) The period of applicability of a tax expenditure may be extended successively.

(5) The Legislative Assembly shall vote to reauthorize each tax expenditure that is in effect on June 15, 2006. If the Legislative Assembly fails to reauthorize a tax expenditure, the tax expenditure shall cease to apply for tax years beginning in the 2008 calendar year.

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

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.