

2024 REGULAR SESSION LEGISLATIVE SUMMARY



May 2024

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Land Recognition

We would like to acknowledge the many tribes and bands who call Oregon their ancestral territory, including: Burns Paiute, Confederated Tribes of Coos, Lower Umpqua and Siuslaw, Confederated Tribes of Cow Creek Lower Band of Umpqua, Confederated Tribes of Grand Ronde, Confederated Tribes of Siletz Indians, Confederated Tribes of Warm Springs, Confederated Tribes of Umatilla Indian Reservation, Coquille Tribe, and Klamath Tribes; and honor the ongoing relationship between the land, plants, animals, and people indigenous to this place we now call Oregon. We recognize the continued sovereignty of the nine federally recognized tribes who have ties to this place and thank them for continuing to teach us how we might all be here together, and we continue to strive to work on a government-to-government basis with the nine federally recognized tribes.

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INTRODUCTION

Department of Revenue at the Capitol

During legislative sessions, the Department of Revenue reviews legislation, amendments, and policy proposals with the intent to provide feedback about administrative issues that may impact taxpayers, customers, and the department. Many proposals do not affect department operations or taxpayer communications, but some may require amendments or clarification on the record.

The department administers more than 60 revenue streams that support government programs, and we are committed to bringing in the revenue Oregon counts on.

Four primary divisions in the department review legislative proposals and amendments that impact some of the following topics:

- Business Division - Corporate Activity Tax, estate tax, marijuana and tobacco issues
- Collection Division - Collections and garnishments on tax debts or other agency accounts
- Personal Tax and Compliance Division - Kicker payments, new and existing tax credits
- Property Tax Division - Exemptions, definitions, bills impacting local budget meetings and law

In 2024, during the 32-day legislative session, 291 bills were introduced for consideration. The department monitored about one quarter of those bills for their potential impact to Revenue programs. Many legislative conversations were focused on a spectrum of housing issues or modifications to implementation of Ballot Measure 110, and did not require department participation.

Department staff generally initiated contact about bills, amendments, and meetings via email, and were able to resolve issues productively. A variety of program staff attended committee meetings to describe the administrative impact of proposals and offer department observations and suggestions on the record. Weblinks to staff testimony and written materials are available in this publication.

Some bills that were ultimately approved may have a greater impact on customers of the department. Of particular note, Senate Bill 1595 increases protections for debtors against garnishment action and unlawful debt collection practices, and reflects a continuation of active conversation with interest groups about House Bill 2008 during the 2023 session.

Senate Bill 1520 allows a personal income tax subtraction against income due to a settlement or judgment of a civil action arising from wildfires. The subtraction applies to settlements or judgments received after January 1, 2018 arising from specific wildfires and emergencies declared between tax years 2018 and 2025.

House Bill 4056 requires the department to facilitate a conversation of interested stakeholders to develop recommendations for legislation related to surplus proceeds resulting from county tax foreclosures.

Finally, budget bill Senate Bill 5701, included funding and position authority for some programs that were approved during the 2023 session and the department was directed to make the requests in 2024.

About the 2024 Summary of Legislation

Finally, budget bill Senate Bill 5701, included funding and position authority for some programs that were approved during the 2023 session and the department was directed to make the requests in 2024.

The Department of Revenue Summary of Legislation:

- Serves as a quick reference for some legislation that may impact external partners, the public, and department staff
- Documents legislative conversations between the department and committees
- Identifies notable bills that passed
- Identifies notable bills or amendments that were considered, but did not pass

For each bill, we provide a brief summary of the bill, effective/operative date (if applicable), and a link to bill information on the legislative website. The legislative website includes bill text, amendments, analysis, testimony, and votes. A summary is included for one budget bill that authorized additional positions and appropriations for legislation approved in 2023 and 2024.

Finally, department leadership and staff presented testimony in 5 different committees during 15 meetings on 13 different bills and issues. At the end of this publication, we have provided links to committee agendas, testimony, and written materials presented by the department.

What's Next – 2024 Interim and Beyond

The department will work to implement recent legislation. Some changes will require a robust plan for customer communications, changes to forms or administrative rules, and technology enhancements. Other bills may require minor updates to forms and process. To prepare for the 2025 legislative session, the department will engage with the Governor's Office, DAS, legislators, and external partners to develop new legislation and prepare for policy discussions on unresolved topics or new ones.

Bill Information – Effective Dates, Applicability

Effective Dates

The effective date of a bill establishes when new provisions of law will be in effect. "Except as otherwise provided in the Act, an Act of the Legislative Assembly takes effect on January 1 of the year after passage of the Act." (ORS 171.022) Some bills contain a clause that specify a particular effective date; others may have emergency, sunset, or referendum clauses attached.

Applicability

While an effective date or emergency clause may determine when new provisions of law are in effect, the department must also be aware of the tax year a bill may apply to. Depending on the legislation, a taxpayer may be able to file an amended return to experience the effect of the law.

NOTABLE BILLS - PASSED

[HB 4002](#) – Measure 110 Substance Use Treatment and Drug Laws Reform, Business Division

OR Laws 2024, Chapter 70

Effective Date: April 1, 2024

HB 4002 makes changes to laws put in place by voters with [Measure 110](#) (2020) related to possession of controlled substances. The bill establishes programs and policies to improve access to substance use treatment. Distributions from the Criminal Fine Account to the Drug Treatment and Recovery Services Fund, are repealed. Criminal Fine Account distributions will resume as established before Measure 110.

[HB 4010](#) – Healthcare Omnibus Bill, Personal Tax and Compliance Division

OR Laws 2024, Chapter 73

Effective Date: June 6, 2024

HB 4010 makes various policy and technical changes to healthcare provisions. A related change updates the professional title from “Physician Assistant” to “Physician Associate” referred in various statutes, including the statute allowing qualified Physician Associate’s to claim the Rural Health Practitioners Tax Credit. The professional title change in the tax credit does not change department policy.

The department also monitored the proposal to eliminate requirements for optometrists to be associated with a hospital located in rural areas to qualify for the Rural Health Practitioners Tax Credit, however that provision was not included in the final bill.

[HB 4034](#) – Updates Connection to Federal Tax Law, Business Division and Personal Tax and Compliance Division

OR Laws 2024, Chapter 75

Effective Date: June 6, 2024

HB 4034 updates the connection to federal tax law provisions in effect as of December 31, 2023.

Oregon is automatically connected to the federal definition of “taxable income”. Other federal laws must be reconnected each legislative session to update the expiration date of the connection.

HB 4056 – Property Tax Foreclosure Surplus, Property Tax Division

OR Laws 2024, Chapter 77

Effective Date: June 6, 2024

HB 4056 requires the department to convene a workgroup of interested stakeholders to develop recommendations for legislation about the processes counties would use to: determine amounts of surplus proceeds resulting from tax foreclosures, notify parties concerning the surpluses, determine rights to proceeds, and hold surpluses in interest-bearing accounts until ready to distribute the proceeds. A report on recommendations is due to the legislature by September 15, 2024.

HB 4111 – Farm Machinery and Equipment Exemption, Property Tax Division

OR Laws 2024, Chapter 83

Effective Date: June 6, 2024

HB 4111 extends the existing exemption for personal property (mobile) farm machinery and equipment to also include such farm-use machinery and equipment that is real property (immobile), and it allows farm machinery being held for farm use to qualify for exemption. These changes are applicable starting with the 2025-26 tax year.

SB 1517 – Urban Flood Safety and Water Quality District Assessments, Property Tax Division

OR Laws 2024, Chapter 49

Effective Date: June 6, 2024

SB 1517 allows the Urban Flood Safety and Water Quality District in the Portland area to impose an assessment on lands within the managed floodplain for costs of operating and maintaining district works and imposing a fee on cities and counties for the cost of operating the district. New assessments for services will be included on property tax statements.

SB 1520 – Subtraction for Wildfire Litigation, Personal Tax and Compliance Division

OR Laws 2024, Chapter 50

Effective Date: June 6, 2024

SB 1520 allows a personal income tax subtraction against income due to a settlement or judgment of a civil action arising from wildfires. The settlement of civil action must arise from a wildfire that is declared by the Governor through a state of emergency, occurs in an area invoking the Emergency Conflagration Act, or is a federally declared disaster located within Oregon or elsewhere. The subtraction applies to settlements or judgements received after January 1, 2018 arising from wildfires declared between tax years 2018 and 2025.

Additionally, SB 1520 allows a separate tax subtraction for legal fees incurred by a plaintiff seeking losses or damages through a wildfire-related litigation. To qualify for the subtraction, legal fees must be incurred after January 1, 2018 arising from wildfires declared between tax years 2018 to 2025. The statute of limitations to claim a refund for tax years 2018 to 2020 have been extended to May 15, 2025 for taxpayers reporting these subtractions. Provisions of [HB 4007](#) were included in this bill.

SB 1526 – Omnibus Bill for Changes to Certain Oregon Tax Laws, Personal Tax and Compliance Division and Property Tax Division

OR Laws 2024, Chapter 52

Effective Date: June 6, 2024

SB 1526 makes various changes to property tax and business and personal income taxes. Applicability dates were updated for the Short-Line Railroad Tax Credit, Pass-Through Entity Elective Tax program, and the Retention of Publicly Supported Housing Tax Credit resulting from 2023 legislation.

The Oregon surplus tax credit, known as the “kicker,” is a way for state government to return taxes to taxpayers when revenues are more than predicted. When a kicker is determined, Oregon Office of Economic Analysis must notify the department of the kicker percentage. SB 1526 extends the notification time to November 1 and November 15, instead of October 1 and October 15, to provide information on the percentage and calculation of kicker credit.

SB 1526 also modifies the following: expanded the e-commerce enterprise zone exemption benefits to include semiconductor-related development businesses, created a property tax exemption for a new solar project on federal land in trust for an Indian tribe, repealed obsolete statutes related to cemetery land exemption and the special assessment deferral program, and modified the affordable housing covenant property tax exemption. An amendment for a property tax credit was considered but was not appended to the bill.

Early versions of SB 1526 included trusts as members of the Pass-Through Entity Elective Tax program (PTE-E). The policy change to allow trust as members would have expanded participation in the PTE-E program, however this provision was not included in the final bill.

SB 1527 – First-Time Home Buyer Savings Accounts, Personal Tax and Compliance Division

OR Laws 2024, Chapter 53

Effective Date: June 6, 2024

SB 1527 modifies provisions for first-time home buyer savings accounts by eliminating the requirements for financial institutions to provide an annual certificate and account information to account holders. Beginning in tax year 2025, individuals may either designate any savings account as their first-time home buyers account or designate a beneficiary to the account. The department will provide outreach and develop administrative rules for individuals designating savings accounts and beneficiaries.

SB 1537 – Housing Development, Property Tax Division

OR Laws 2024, Chapter 110

Effective Date: June 6, 2024

SB 1537 includes changes to housing development policies and adds a new property tax exemption for new housing that received development grants from a revolving loan program. The completed housing becomes liable to repay the grants through fees charged to the property on the tax rolls.

SB 1545 – 2020 Wildfire Rebuild Special Assessment, Property Tax Division

OR Laws 2024, Chapter 94

Effective Date: June 6, 2024

SB 1545 allows counties to adopt an optional special assessment program to limit rebuilt home values and thereby reduce property taxes for homeowners that rebuilt after their home was destroyed in the 2020 wildfires.

SB 1595 – Protections from Debt Collection, Collection Division

OR Laws 2024, Chapter 100

Effective Date: April 4, 2024

SB 1595 increases protections for debtors against garnishment action and unlawful debt collection practices. The bill increases the value of assets and amount of wages that are exempt from garnishment and by adding a new exemption from garnishment.

Increases – Beginning January 1, 2025, the minimum amount of take-home wages that a person must earn before the wages may be garnished for non-tax debt will increase from \$254 per week to \$305 per week. These amounts will increase each year based on inflation. The homestead exemption will increase from \$40,000 to \$150,000 for a home owned by a single owner and \$50,000 to \$300,000 for jointly owned homes. The vehicle exemption will increase from \$3,000 to \$10,000.

New requirements – The bill creates a new \$2,500 minimum bank account balance exemption. Beginning January 1, 2025, a person must have at least \$2,500 in their bank account before the funds can be garnished. Certain garnishment exemptions will be subject to adjustments every year on July 1, depending on the rate of inflation. Garnishments issued for child and spousal support and money award judgements that include restitution will be subject to existing exemptions amounts and will not qualify for the new \$2,500 minimum bank account balance.

Budget Bill

SB 5701 – Omnibus Bill for State Financial Administration

OR Laws 2024, Chapter 114

Effective Date: April 17, 2024

SB 5701 is a comprehensive budget bill that addresses many agency requests or fiscal impacts of legislative proposals. Several sections impact the department, and the measure includes several budget and position requests to address previously approved legislation or growing program workload. First, new positions were added to establish a fraud unit to monitor new claims for the Oregon Kids Credit. Second, new positions were granted to address the growing workload associated with issuing certificates of tax compliance. Third, are positions to support the operations and maintenance of the Electronic Valuation Information System (ELVIS). The measure also authorizes positions for programs that were approved or modified during the 2023 session including the Pass-Through Entity Elective tax and support for the 9-8-8 Crisis System Program.



NOTABLE BILLS - NOT PASSED

[HB 4072](#) – Relating to Governmental Payments, Property Tax Division

HB 4072 would have created an occupancy privilege tax through which the City of Salem or other cities could invoice the Department of Administrative Services for providing emergency services to otherwise exempt state-owned property.

[HB 4133](#) – Relating to Wildfire, Property Tax Division

HB 4133 would have increased the Forest Products Harvest Tax (FPHT) rate component for fire protection and indexed it to inflation starting in 2025, and would have changed amounts of Oregon Department of Forestry (ODF) assessments billed on forestland property tax statements.

[HB 4141](#) – Relating to Property Tax Interest, Property Tax Division

HB 4141 would have pegged the property tax delinquent interest rate to the U.S. federal funds rate, plus an additional percentage. This bill resulted in discussion leading to an interim legislative workgroup that will consider options for funding of assessment and taxation functions.

[HJR 201 and HB 4075](#) – Relating to State Property Tax , Property Tax Division

HJR 201 and HB 4075 would have created a statewide property tax that was not limited by Measure 5 (1991) or Measure 50 (1997). The tax would have been to fund emergency services.

[SB 1542](#) – Relating to Corporate Activity Tax, Business Division

The bill would have increased the filing threshold for Corporate Activity Tax from \$1 million to \$5 million. A new exemption would have applied to amounts received as reimbursement from publicly funded benefits for health care services.

[SB 1549](#) – Relating to Taxable Income Exemptions for Military Taxpayers , Personal Tax and Compliance Division

SB 1549 would have allowed taxpayers 62 years of age or younger receiving retirement pay or pension for service in Armed Forces of the United States to exempt up to \$17,500 in retirement pay or pension received from the Armed Forces from income taxes.

SB 1593 – Relating to Timber Taxation, Property Tax Division

SB 1593 would have replaced the Forest Products Harvest Tax with a timber tax based on harvested timber sales value. A budget note to SB 5701 requires the Oregon Department of Forestry and the Oregon State Fire Marshal to convene a workgroup to study and report on funding options.

SJR 201 – Requirements for Redetermining Maximum Assessed Value of Property Granted Exemption or Credit, Property Tax Division

SJR 201 would have asked voters in November to amend the constitution to eliminate recalculation of maximum assessed value (MAV) when a property enters or exits an assessed-value exemption.



Committee Testimony Index - Chronological Order

Bill Number or Issue	Committee	Agenda	DOR Witness(es) and Video	DOR Material
2024 Agency Budget Requests	Gen. Govt. Sub. W/M	1/10	Betsy Imholt	DOR Requests/ CFO/LFO
SB 1526 – Omnibus changes to certain OR tax laws	Senate Finance & Revenue	2/6	Marjorie Taylor and Ben Gille	Testimony
SB 1527 – First time home buyers savings accounts	Senate Finance & Revenue	2/6	Marjorie Taylor and Ben Gille	Testimony
SB 1595 – Protections from debt collection	Senate Labor & Business	2/7	Marjorie Taylor and Steven Ito	Testimony
HB 4111 – Farm machinery & equipment	House Revenue	2/8	Seiji Shiratori	Testimony
HB 4141 – Property tax interest	House Revenue	2/8	Seiji Shiratori	Testimony
SB 1520 – Tax treatment of wildfire litigation	Senate Finance & Revenue	2/8	Marjorie Taylor and Ben Gille	Testimony
SB 1549 – Taxable income exemptions for military taxpayers	Senate Finance & Revenue	2/8	Marjorie Taylor and Ben Gille	Testimony
SJR 201 – Redetermining max. assessed value	Senate Finance & Revenue	2/12		Testimony
SB 1542 – Corporate Activity Tax	Senate Finance & Revenue	2/12	Xann Culver	Testimony
SB 1595 – Protections from debt collection	Senate Labor & Business	2/12		Testimony
SB 1577 – Voter registrations	Senate Vets etc.	2/13	Marjorie Taylor	Testimony
SB 1544 – Specially assessed value for senior residences	Senate Finance & Revenue	2/15		Testimony
SB 1526 - Omnibus changes to certain OR tax laws	Senate Finance & Revenue	2/21	Marjorie Taylor	
SB 1545 – Assessment of rebuilt homesteads	House Revenue	3/5	Greg Kramer	



Legislative Website Links and Relating Clauses or Subjects Index

- [HB 4002](#) – Addiction crisis in this state
- [HB 4007](#) – Tax treatment of wildfire litigation
- [HB 4010](#) – Health care
- [HB 4034](#) – Connection to federal tax law
- [HB 4056](#) – Property tax foreclosure surplus
- [HB 4072](#) – Governmental payments
- [HB 4075](#) – Funding public safety
- [HB 4111](#) – Farm machinery and equipment
- [HB 4133](#) – Wildfire
- [HB 4141](#) – Property tax interest
- [HJR 201](#) – State property tax
- [SB 1517](#) – Urban flood safety and water quality district
- [SB 1520](#) – Income tax subtraction for amounts received in wildfire litigation
- [SB 1526](#) – Changes to certain Oregon tax laws
- [SB 1527](#) – First-time home buyer savings accounts
- [SB 1537](#) – Housing
- [SB 1539](#) – Sports
- [SB 1542](#) – Corporate activity tax
- [SB 1544](#) – Specially assessed value for the residences of seniors
- [SB 1545](#) – Assessment of rebuilt homesteads
- [SB 1549](#) – Taxable income exemption for military taxpayers
- [SB 1577](#) – Voter registration
- [SB 1593](#) – Timber taxation
- [SB 1595](#) – Protections from debt collection
- [SB 5701](#) – State financial administration
- [SJR 201](#) – Requirements for redetermining maximum assessed value of property granted exemption or credit



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