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ARCHIVES DIVISION
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NOTICE OF PROPOSED RULEMAKING
INCLUDING STATEMENT OF NEED & FISCAL IMPACT

CHAPTER 150
DEPARTMENT OF REVENUE

FILED

10/19/2017 7:16 AM
ARCHIVES DIVISION
SECRETARY OF STATE

FILING CAPTION: Marijuana Tax: product categories and taxpayer identification number

LAST DAY AND TIME TO OFFER COMMENT TO AGENCY: 11/28/2017 5:00 PM

The Agency requests public comment on whether other options should be considered for achieving the rule's substantive goals while reducing negative economic impact of the rule on business.

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Salem, OR 97301

Filed By:
Shannon Ball
Rules Coordinator

HEARING(S)

Auxiliary aids for persons with disabilities are available upon advance request. Notify the contact listed above.

DATE: 11/28/2017

TIME: 9:00 AM - 11:00 AM

OFFICER: Staff

ADDRESS: Oregon Department of
Revenue

955 Center St NE
Salem, OR 97301

NEED FOR THE RULE(S):

150-475-2030 – Remove the requirement for the department to issue a business identification number to each marijuana retailer. Instead, require marijuana retailers to use department assigned identification number or Oregon Liquor Control commission number.

150-475-2100 – To codify the tax categorization of various products sold by marijuana retailers.

DOCUMENTS RELIED UPON, AND WHERE THEY ARE AVAILABLE:

ORS 475B: https://www.oregonlegislature.gov/bills_laws/ors/ors475B.html

OLCC categorization guide: <http://www.oregon.gov/olcc/marijuana/Documents/CTS/TaxCategorizationGuide.pdf>

FISCAL AND ECONOMIC IMPACT:

There is no fiscal or economic impact due to these rule changes.

COST OF COMPLIANCE:

(1) Identify any state agencies, units of local government, and members of the public likely to be economically affected by the

rule(s). (2) *Effect on Small Businesses:* (a) *Estimate the number and type of small businesses subject to the rule(s);* (b) *Describe the expected reporting, recordkeeping and administrative activities and cost required to comply with the rule(s);* (c) *Estimate the cost of professional services, equipment supplies, labor and increased administration required to comply with the rule(s).*

(1) There is no impact to state agencies and a de minimis impact to units of local government and the public. The rule changes are intended to be clarifying or interpretive in nature and do not affect the cost to comply.

(2)(a) Approximately 500 marijuana businesses will be subject to the proposed rules.

(2)(b) There is a de minimis effect on those small businesses subject to the rules as these changes are intended to be clarifying or interpretive in nature and do not affect projected reporting, recordkeeping, or other administrative costs.

(2)(c) No equipment, supplies, labor, or increased administration is required for compliance with these rules.

DESCRIBE HOW SMALL BUSINESSES WERE INVOLVED IN THE DEVELOPMENT OF THESE RULE(S):

The department contacted industry representatives through its marijuana tax list serve; which includes small marijuana businesses, to obtain their input into how these rules will impact them. No comments were received.

WAS AN ADMINISTRATIVE RULE ADVISORY COMMITTEE CONSULTED? NO IF NOT, WHY NOT?

The Department of Revenue did not use a formal Advisory Committee for these rules; however, we did seek and receive input from industry representatives as well as from other taxpayer groups on these rule changes. No Administrative Rule Advisory Committee was consulted because the above groups were contacted and they have the interest and expertise necessary to provide adequate feedback on the proposed rules; therefore, a committee is unlikely to provide further benefit.
