

Senate Bill 1573

Sponsored by Senator OLSEN; Senators ATKINSON, BOQUIST, FERRIOLI, GIROD, KRUSE, NELSON, TELFER, WHITSETT, WINTERS, Representatives JOHNSON, KRIEGER, OLSON, PARRISH, SHEEHAN, WHISNANT (Presession filed.)

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**.

Decreases corporate minimum tax imposed on certain C corporations by establishing corporate minimum tax of \$150 for all corporations. Decreases corporate excise tax rates.

Applies to tax years beginning on or after January 1, 2013.

A BILL FOR AN ACT

1
2 Relating to corporate excise taxation; creating new provisions; and amending ORS 317.061 and
3 317.090.

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

5 **SECTION 1.** ORS 317.090 is amended to read:

6 317.090. (1) **Each corporation or affiliated group of corporations filing a return under ORS**
7 **317.710 shall pay annually to the state, for the privilege of carrying on or doing business by**
8 **it within this state, a minimum tax of \$150.** [As used in this section.]

9 [(a) "Oregon sales" means:]

10 [(A) *If the corporation apportions business income under ORS 314.650 to 314.665 for Oregon tax*
11 *purposes, the total sales of the taxpayer in this state during the tax year, as determined for purposes*
12 *of ORS 314.665;*]

13 [(B) *If the corporation does not apportion business income for Oregon tax purposes, the total sales*
14 *in this state that the taxpayer would have had, as determined for purposes of ORS 314.665, if the tax-*
15 *payer were required to apportion business income for Oregon tax purposes; or]*

16 [(C) *If the corporation apportions business income using a method different from the method pre-*
17 *scribed by ORS 314.650 to 314.665, Oregon sales as defined by the Department of Revenue by rule.]*

18 [(b) *If the corporation is an agricultural cooperative that is a cooperative organization described*
19 *in section 1381 of the Internal Revenue Code, "Oregon sales" does not include sales representing*
20 *business done with or for members of the agricultural cooperative.]*

21 [(2) *Each corporation or affiliated group of corporations filing a return under ORS 317.710 shall*
22 *pay annually to the state, for the privilege of carrying on or doing business by it within this state, a*
23 *minimum tax as follows:]*

24 [(a) *If Oregon sales properly reported on a return are:]*

25 [(A) *Less than \$500,000, the minimum tax is \$150.]*

26 [(B) *\$500,000 or more, but less than \$1 million, the minimum tax is \$500.]*

27 [(C) *\$1 million or more, but less than \$2 million, the minimum tax is \$1,000.]*

28 [(D) *\$2 million or more, but less than \$3 million, the minimum tax is \$1,500.]*

29 [(E) *\$3 million or more, but less than \$5 million, the minimum tax is \$2,000.]*

30 [(F) *\$5 million or more, but less than \$7 million, the minimum tax is \$4,000.]*

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 [(G) \$7 million or more, but less than \$10 million, the minimum tax is \$7,500.]

2 [(H) \$10 million or more, but less than \$25 million, the minimum tax is \$15,000.]

3 [(I) \$25 million or more, but less than \$50 million, the minimum tax is \$30,000.]

4 [(J) \$50 million or more, but less than \$75 million, the minimum tax is \$50,000.]

5 [(K) \$75 million or more, but less than \$100 million, the minimum tax is \$75,000.]

6 [(L) \$100 million or more, the minimum tax is \$100,000.]

7 [(b) If a corporation is an S corporation, the minimum tax is \$150.]

8 [(3)] (2) The minimum tax is not apportionable (except in the case of a change of accounting
9 periods), and is payable in full for any part of the year during which a corporation is subject to tax.

10 **SECTION 2.** ORS 317.061, as amended by section 9, chapter 745, Oregon Laws 2009, is amended
11 to read:

12 317.061. The rate of the tax imposed by and computed under this chapter is:

13 [(1) Six and six-tenths percent of the first \$10 million of taxable income, or fraction thereof; and]

14 [(2) Seven and six-tenths percent of any amount of taxable income in excess of \$10 million.]

15 (1) **Five and one-half percent of the first \$5 million of taxable income, or fraction thereof;**

16 (2) **Six and one-quarter percent of any amount of taxable income in excess of \$5 million
17 but not more than \$10 million; and**

18 (3) **Seven percent of any amount of taxable income in excess of \$10 million.**

19 **SECTION 3.** The amendments to ORS 317.061 and 317.090 by sections 1 and 2 of this 2012
20 Act apply to tax years beginning on or after January 1, 2013.

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