

REVENUE: May have revenue impact, statement not yet issued

FISCAL: May have fiscal impact, statement not yet issued

Action:	Do Pass as Amended and Be Printed Engrossed and Be Referred to the Committee on Revenue by prior reference
Vote:	6 - 3 - 0
Yeas:	Clem, Greenlick, Komp, Lim, Roblan, Buckley
Nays:	Dallum, Krummel, Whisnant
Exc.:	0
Prepared By:	Derrick Olsen, Administrator
Meeting Dates:	2/9, 2/21, 4/27

WHAT THE MEASURE DOES: Sets an undetermined corporate minimum tax. Applies to tax years beginning on or after January 1, 2007. Establishes Corporate Minimum Tax Fund for net revenues. Dedicates moneys in fund to the Department of Higher Education and the Department of Community Colleges and Workforce Development. Takes effect on 91st day following adjournment sine die.

ISSUES DISCUSSED:

- Programs to benefit from Corporate Minimum Tax Fund; other bills potentially involved (HB 2206 and SB 334)
- S corporation vs. C corporation
- Effect on small businesses; taxation of gross receipts vs. net receipts
- General Fund vs. Corporate Minimum Tax Fund
- Estimated revenue from corporate minimum tax if increased

EFFECT OF COMMITTEE AMENDMENT: The amendment deletes most of the text of HB 2217 and would: set the corporate minimum tax as \$__, instead of \$10, deleting the tax brackets and tax rates based on Oregon sales, leaving it for the Revenue Committee to determine the tax rate; and dedicate the Corporate Minimum Tax fund to the Department of Higher Education and the Department of Community Colleges and Workforce Development, rather than Head Start programs, the Oregon Opportunity Grant program, and workforce development programs.

BACKGROUND: The bill was pre-session filed by the Governor. HB 2217-A is designed to raise additional revenue through the corporate minimum tax and dedicate those additional resources to post-secondary education and workforce development.