

74TH OREGON LEGISLATIVE ASSEMBLY
STAFF MEASURE SUMMARY
SENATE FINANCE & REVENUE COMMITTEE

MEASURE: SB 180-A
CARRIER: Sen. Monroe

REVENUE: Revenue statement issued

FISCAL: No Fiscal Impact

Action: Do pass with amendments; be printed engrossed.

Vote: 4-0-1

Yeas: G. George, Monroe, Starr, Deckert

Nays:

Exc.: Burdick

Prepared By: Chris Allanach, Economist

Meeting Dates: 3/27, 4/23

WHAT THE BILL DOES: Adopts a uniform definition of a financial organization and replaces the two definitions currently in statute. Excludes credit unions from the definition of "financial organization". Effective for tax years beginning on or after January 1, 2007.

ISSUES DISCUSSED:

- Businesses filing a federal consolidated return that do not meet the definition of a financial organization under Oregon law.

EFFECT OF COMMITTEE AMENDMENTS: Modifies the definition of "financial organization" to specifically exclude credit unions. Limits the definition change to tax years beginning on or after January 1, 2007.

BACKGROUND: Under current law, each corporation included in a consolidated return must determine its taxable income in the same manner. In the case of financial organizations, each affiliate must be considered a financial organization to be included in a consolidated return. However, some businesses, such as mortgage bankers or mortgage brokers, are not considered financial organizations for the purposes of apportionment. Consequently, they may not be part of a consolidated group (i.e. they must file a distinct tax return).

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This summary has not been adopted or officially endorsed by action of the committee.