

74th OREGON LEGISLATIVE ASSEMBLY – 2007 Regular Session
STAFF MEASURE SUMMARY
SENATE FINANCE & REVENUE COMMITTEE

MEASURE: SB 653
CARRIER: Sen. Monroe

REVENUE: Revenue statement issued

FISCAL: Fiscal statement issued

Action: Do pass.
Vote: 3-0-2
Yeas: G. George, Monroe, Starr
Nays:
Exc.: Burdick, Deckert
Prepared By: Mary Ayala, Economist
Meeting Dates: 3/12, 3/26

WHAT THE BILL DOES: Permits tax-exempt entities to claim exemption for property held under sublease from taxable owner.

ISSUES DISCUSSED:

- Testimony about the taxes imposed on a charitable organization because the property owners needed its lease agreements with tenants to be written as a subleases from a subsidiary corporation.

EFFECT OF COMMITTEE AMENDMENTS: None

BACKGROUND: Current law allows a tax-exempt entity to claim exemption if it has a lease or a lease-purchase agreement with a property owner that is subject to tax subject to conditions. First, the property must be used for purpose required by law; and second, the rent paid by the entity must reflect the savings that the exemption provides.

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