

# B-Engrossed House Bill 2031

Ordered by the House March 8  
Including House Amendments dated March 6 and March 8

Ordered printed by the Speaker pursuant to House Rule 12.00A (5). Pre-session filed (at the request of House Interim Committee on Revenue for Oregon Association of County Tax Collectors)

## 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.

*[Provides that first \$2 million of adjusted taxable estate is exempt from inheritance tax and that inheritance tax return is not required unless value of gross estate is more than \$2 million.]*

*[Establishes graduated minimum tax schedule for C corporations based on amount of Oregon sales. Provides tax credit to certain C corporations with Oregon sales of less than \$5 million for tax year that begins on or after January 1, 2007, and before January 1, 2008.]*

**Allows tax credit against corporate taxes otherwise due to C corporation taxpayer with Oregon sales of less than \$5 million for tax year beginning on or after January 1, 2007, and before January 1, 2008.**

**Becomes operative only if C-engrossed House Bill 2707 relating to Oregon Rainy Day Fund passes both houses of Legislative Assembly and is signed by Governor on or before March 16, 2007.**

Takes effect on 91st day following adjournment sine die.

## A BILL FOR AN ACT

Relating to taxation; and prescribing an effective date.

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

**SECTION 1. (1) For a tax year that begins on or after January 1, 2007, and before January 1, 2008, a taxpayer that is a C corporation as defined in ORS 314.730 and that has Oregon sales for the tax year of less than \$5 million shall be allowed a credit against taxes that would otherwise be due under ORS chapter 317 or 318 equal to 67 percent of those taxes.**

**(2) As used in this section, "Oregon sales" means:**

**(a) If the taxpayer apportions business income under ORS 314.650 to 314.665 for Oregon income tax purposes, the total sales of the taxpayer in this state during the tax year, as determined for purposes of ORS 314.665;**

**(b) If the taxpayer does not apportion business income for Oregon income tax purposes, the total sales in this state during the tax year that the taxpayer would have had, as determined for purposes of ORS 314.665, if the taxpayer were required to apportion business income for Oregon income tax purposes; or**

**(c) If the taxpayer apportions business income using a method different from that prescribed by ORS 314.650 to 314.665, Oregon sales as defined by the Department of Revenue by rule.**

**SECTION 2. Section 1 of this 2007 Act is added to and made a part of ORS chapter 317.**

**SECTION 3. Sections 1 and 2 of this 2007 Act do not become operative unless C-engrossed House Bill 2707 is passed by both houses of the Legislative Assembly and signed by the Governor on or before March 16, 2007.**

**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        **SECTION 4. This 2007 Act takes effect on the 91st day after the date on which the reg-**  
2        **ular session of the Seventy-fourth Legislative Assembly adjourns sine die.**  
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