

HOUSE AMENDMENTS TO HOUSE BILL 2031

By COMMITTEE ON REVENUE

March 6

1 In line 2 of the printed bill, after the semicolon delete the rest of the line and insert “creating
2 new provisions; amending ORS 118.010, 118.160 and 317.090; prescribing an effective date; and pro-
3 viding for revenue raising that requires approval by a three-fifths majority.”.

4 Delete lines 4 through 16 and insert:

5 “**SECTION 1.** ORS 118.010 is amended to read:

6 “118.010. (1) A tax is imposed upon a transfer of property and any interest therein, within the
7 jurisdiction of the state, whether belonging to the inhabitants of this state or not, which passes to
8 or vests in any person or persons, or any body or bodies politic or corporate, in trust or otherwise,
9 or by reason whereof any person or body politic or corporate shall become beneficially entitled, in
10 possession or expectation, to any property or interest therein or income thereof.

11 “(2)(a) The tax imposed under this section shall equal the maximum amount of the state death
12 tax credit allowable against the federal estate tax under section 2011 of the Internal Revenue Code.

13 “(b) **Notwithstanding paragraph (a) of this subsection, the tax may not be imposed on the**
14 **first \$2 million of the adjusted taxable estate.**

15 “(3) In the case of a resident decedent owning property outside of the jurisdiction of this state
16 at the time of death, the tax imposed under this section shall be the amount determined under sub-
17 section (2) of this section multiplied by a ratio. The numerator of the ratio shall be the sum of the
18 appraised value of the decedent’s real property located in Oregon, tangible personal property located
19 in Oregon and intangible personal property located both in and outside of Oregon. The denominator
20 of the ratio shall be the total appraised value of the decedent’s gross estate.

21 “(4)(a) In the case of a nonresident decedent owning property within the jurisdiction of this state
22 at the time of death, the tax imposed under this section shall be the amount determined under sub-
23 section (2) of this section multiplied by a ratio. The numerator of the ratio shall be the sum of the
24 appraised value of the decedent’s real property located in Oregon, tangible personal property located
25 in Oregon and intangible personal property located in Oregon. The denominator shall be the total
26 appraised value of the decedent’s gross estate.

27 “(b) Intangible personal property of a nonresident decedent shall not be included in the numer-
28 ator of the ratio used to determine the tax under this subsection if a similar exemption is made by
29 the laws of the state or country of the decedent’s residence in favor of residents of this state.

30 “(5) In the case of decedents dying before January 1, 2003, if federal estate tax credits other
31 than the state death tax credit result in no federal estate tax, no tax shall be imposed under this
32 section.

33 “(6) Payment, in whole or in part, of inheritance and estate taxes from funds of an estate or
34 trust on any benefit subject to tax under ORS 118.005 to 118.840 is not to be considered as a further
35 taxable benefit, when such payment is directed by decedent’s will or by a trust agreement.

1 “(7) If the federal taxable estate is determined by making an election under section 2032 or 2056
2 of the Internal Revenue Code or another provision of the Internal Revenue Code, or if a federal
3 estate tax return is not required under the Internal Revenue Code, the Department of Revenue may
4 adopt rules providing for a separate election for state inheritance tax purposes.

5 “**SECTION 2.** ORS 118.160 is amended to read:

6 “118.160. (1) Except as provided in subsection (2) of this section:

7 “(a) An inheritance tax return is not required with respect to the estates of decedents dying on
8 or after January 1, 1987, and before January 1, 2003, unless a federal estate tax return is required
9 to be filed; and

10 “(b) An inheritance tax return is not required with respect to the estates of decedents dying on
11 or after:

12 “(A) January 1, 2003, and before January 1, 2004, unless the value of the gross estate is \$700,000
13 or more;

14 “(B) January 1, 2004, and before January 1, 2005, unless the value of the gross estate is \$850,000
15 or more;

16 “(C) January 1, 2005, and before January 1, 2006, unless the value of the gross estate is \$950,000
17 or more; [or]

18 “(D) January 1, 2006, **and before January 1, 2007**, unless the value of the gross estate is \$1
19 million or more[.]; **or**

20 “**(E) January 1, 2007, unless the value of the gross estate is more than \$2 million.**

21 “(2) In every estate, whether or not subject to administration and whether or not a federal es-
22 tate tax return is required to be filed, the executor shall at such times and in such manner as re-
23 quired by rules of the Department of Revenue, file with the department a return in a form provided
24 by the department setting forth a list and description of all transfers of property, in trust or other-
25 wise, made by the decedent in the lifetime of the decedent as a division or distribution of the estate
26 of the decedent made within the three-year period ending on the date of death or intended to take
27 effect at or after death and any further data that the department requires to determine inheritance
28 tax under this chapter.

29 “**SECTION 3. The amendments to ORS 118.010 and 118.160 by sections 1 and 2 of this 2007**
30 **Act apply to decedents who die on or after January 1, 2007.**

31 “**SECTION 4.** ORS 317.090 is amended to read:

32 “317.090. (1) Each taxpayer named in ORS 317.056 or 317.070 shall pay annually to the state, for
33 the privilege of carrying on or doing business by it within this state, a minimum tax of \$10[. *The*
34 *minimum tax shall not be apportionable (except in the case of a change of accounting periods), but shall*
35 *be payable in full for any part of the year during which a corporation is subject to tax.*], **except as**
36 **provided in subsection (2) of this section.**

37 “**(2) Each taxpayer that is subject to the provisions of subtitle A, chapter 1, subchapter**
38 **C of the Internal Revenue Code for the purposes of income taxation shall pay annually to the**
39 **state, for the privilege of doing business within this state, a minimum tax as follows:**

40 “**(a) If the taxpayer has Oregon sales for the tax year of less than \$50,000, \$25.**

41 “**(b) If the taxpayer has Oregon sales for the tax year of \$50,000 or more, but less than**
42 **\$100,000, \$75.**

43 “**(c) If the taxpayer has Oregon sales for the tax year of \$100,000 or more, but less than**
44 **\$250,000, \$250.**

45 “**(d) If the taxpayer has Oregon sales for the tax year of \$250,000 or more, but less than**

1 \$500,000, \$500.

2 “(e) If the taxpayer has Oregon sales for the tax year of \$500,000 or more, but less than
3 \$1 million, \$1,000.

4 “(f) If the taxpayer has Oregon sales for the tax year of \$1 million or more, but less than
5 \$5 million, \$2,500.

6 “(g) If the taxpayer has Oregon sales for the tax year of \$5 million or more, but less than
7 \$10 million, \$10,000.

8 “(h) If the taxpayer has Oregon sales for the tax year of \$10 million or more, but less
9 than \$25 million, \$25,000.

10 “(i) If the taxpayer has Oregon sales for the tax year of more than \$25 million, \$50,000.

11 “(3) As used in this section, ‘Oregon sales’ means:

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

15 “(b) If the taxpayer does not apportion business income for Oregon income tax purposes,
16 the total sales in this state during the tax year that the taxpayer would have had, as deter-
17 mined for purposes of ORS 314.665, if the taxpayer were required to apportion business in-
18 come for Oregon income tax purposes; or

19 “(c) If the taxpayer apportions business income using a method different from that pre-
20 scribed by ORS 314.650 to 314.665, Oregon sales as defined by the Department of Revenue by
21 rule.

22 “(4) The minimum tax is not apportionable, except in the case of a change of accounting
23 periods, but shall be payable in full for any part of the year during which a corporation is
24 subject to tax.

25 “SECTION 5. The amendments to ORS 317.090 by section 4 of this 2007 Act apply to tax
26 years beginning on or after January 1, 2007.

27 “SECTION 6. (1) For a tax year that begins on or after January 1, 2007, and before Jan-
28 uary 1, 2008, a taxpayer that is subject to the provisions of subtitle A, chapter 1, subchapter
29 C of the Internal Revenue Code for the purposes of income taxation as of the effective date
30 of this 2007 Act and that has Oregon sales for the tax year of less than \$5 million shall be
31 allowed a credit against taxes that would otherwise be due under ORS chapter 317 or 318
32 equal to 67 percent of those taxes.

33 “(2) As used in this section, ‘Oregon sales’ has the meaning given that term in ORS
34 317.090.

35 “SECTION 7. Section 6 of this 2007 Act is added to and made a part of ORS chapter 317.

36 “SECTION 8. This 2007 Act takes effect on the 91st day after the date on which the
37 regular session of the Seventy-fourth Legislative Assembly adjourns sine die.”.