

House Bill 2480

Sponsored by COMMITTEE ON REVENUE (at the request of Senate Commission on Educational Excellence)

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 **as introduced**.

Increases corporate minimum tax that applies to C corporations. Applies to tax years beginning on or after January 1, 2007.

Transfers net revenues from corporate minimum tax to School Improvement Fund for periods beginning on or after July 1, 2008.

Takes effect on 91st day following adjournment sine die.

A BILL FOR AN ACT

1
2 Relating to corporate minimum taxes; creating new provisions; amending ORS 317.090 and 317.850;
3 prescribing an effective date; and providing for revenue raising that requires approval by a
4 three-fifths majority.

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

6 **SECTION 1.** ORS 317.090 is amended to read:

7 317.090. (1) Each taxpayer named in ORS 317.056 or 317.070 shall pay annually to the state, for
8 the privilege of carrying on or doing business by it within this state, a minimum tax *[of \$10.]* **as**
9 **follows:**

10 (a) **If the corporation is an S corporation as defined in ORS 314.730, \$10 in lieu of any**
11 **amount that would otherwise be due under paragraphs (b) to (g) of this subsection.**

12 (b) **If the corporation has Oregon sales for the tax year of less than \$50,000, \$25.**

13 (c) **If the corporation has Oregon sales for the tax year of \$50,000 or more, but less than**
14 **\$100,000, \$100.**

15 (d) **If the corporation has Oregon sales for the tax year of \$100,000 or more, but less than**
16 **\$250,000, \$500.**

17 (e) **If the corporation has Oregon sales for the tax year of \$250,000 or more, but less than**
18 **\$500,000, \$1,000.**

19 (f) **If the corporation has Oregon sales for the tax year of \$500,000 or more, but less than**
20 **\$1 million, \$1,500.**

21 (g) **If the corporation has Oregon sales for the tax year of \$1 million or more, \$5,000.**

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

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

26 (b) **If the corporation does not apportion business income for Oregon tax purposes, the**
27 **total sales in this state that the taxpayer would have had, as determined for purposes of ORS**
28 **314.665, if the taxpayer were required to apportion business income for Oregon tax purposes;**
29 **or**

30 (c) **If the corporation apports business income using a method different from the**

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 **method prescribed by ORS 314.650 to 314.665, Oregon sales as defined by the Department of**
2 **Revenue by rule.**

3 (3) The minimum tax [*shall not be*] **is not** apportionable (except in the case of a change of ac-
4 counting periods), [*but shall be*] **and is** payable in full for any part of the year during which a cor-
5 poration is subject to tax.

6 **SECTION 2. The amendments to ORS 317.090 by section 1 of this 2007 Act apply to tax**
7 **years beginning on or after January 1, 2007.**

8 **SECTION 3.** ORS 317.850 is amended to read:

9 317.850. (1) The net revenue from the tax imposed by this chapter, after deduction of refunds,
10 shall be paid over to the State Treasurer and:

11 (a) **The net revenue attributable to the corporate minimum tax imposed under ORS**
12 **317.090 shall be transferred to the School Improvement Fund established under ORS 327.294;**
13 **and**

14 (b) **The remaining balance of net revenue shall be** held in the General Fund as miscellaneous
15 receipts available generally to meet any expense or obligation of the State of Oregon lawfully in-
16 curred.

17 (2) A working balance of unreceipted revenue from the tax imposed by this chapter may be re-
18 tained for the payment of refunds, but [*such*] **the** working balance [*shall not*] at the close of any
19 fiscal year **may not** exceed the sum of \$500,000.

20 **SECTION 4. The amendments to ORS 317.850 by section 3 of this 2007 Act become oper-**
21 **ative July 1, 2008.**

22 **SECTION 5. This 2007 Act takes effect on the 91st day after the date on which the reg-**
23 **ular session of the Seventy-fourth Legislative Assembly adjourns sine die.**

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