

SENATE AMENDMENTS TO SENATE BILL 39

By COMMITTEE ON FINANCE AND REVENUE

April 3

- 1 On page 1 of the printed bill, line 2, delete “, 314.415, 314.840 and” and insert “and 314.415”.
- 2 In line 3, delete “316.189”.
- 3 Delete lines 5 through 7.
- 4 In line 8, delete “16” and insert “13”.
- 5 Delete lines 13 through 22 and insert:
- 6 “(b) A transaction without economic substance in which an Oregon taxable corporation:
- 7 “(A) Transfers income-producing assets to a real estate investment trust owned directly or in-
- 8 directly by the corporation; and
- 9 “(B) With respect to dividends paid from the real estate investment trust, claims a dividend-
- 10 received deduction and the real estate investment trust claims a dividend-paid deduction.
- 11 “(c) A transaction without economic substance in which an Oregon taxable corporation:
- 12 “(A) Transfers income-producing assets to a regulated investment company owned directly or
- 13 indirectly by the corporation; and
- 14 “(B) With respect to dividends paid from the regulated investment company, claims a dividend-
- 15 received deduction and the regulated investment company claims a dividend-paid deduction.
- 16 “(2) ‘Oregon taxable corporation’ means a corporation:
- 17 “(a) That does business in Oregon, is organized in Oregon or has income from Oregon sources;
- 18 or
- 19 “(b) That is owned by an Oregon income or corporate excise taxpayer.”
- 20 On page 2, delete lines 1 through 9.
- 21 In line 10, delete “(2)” and insert “(3)”.
- 22 After line 13, insert:
- 23 “(4) ‘Transaction without economic substance’ means a transaction for which the taxpayer can-
- 24 not demonstrate a business purpose other than tax savings.”.
- 25 In line 15, delete “listed” and insert “reportable”.
- 26 In line 17, delete “listed” and insert “reportable”.
- 27 In line 21, delete “listed” and insert “reportable”.
- 28 In line 24, delete “listed” and insert “reportable”.
- 29 In line 26, delete “listed” and insert “reportable”.
- 30 Delete lines 28 through 45 and delete page 3.
- 31 On page 4, delete lines 1 and 2 and insert:
- 32 “**NOTE:** Sections 4 through 7 were deleted by amendment. Subsequent sections were not re-
- 33 numbered.”.
- 34 In line 5, delete “40” and insert “60”.
- 35 In line 6, after “section” insert “applies to listed transaction understatements discovered or re-

1 ported on or after January 1, 2008, and”.

2 Delete lines 20 through 45.

3 On page 5, delete lines 1 through 15 and insert:

4 **“SECTION 9. (1) If a taxpayer fails to report to the Department of Revenue a reportable**
5 **transaction as required by section 3 of this 2007 Act, there shall be added to the tax liability**
6 **of the taxpayer for the tax year a penalty as follows:**

7 **“(a) Individual taxpayers, \$3,300.**

8 **“(b) Corporation taxpayers, \$16,700.**

9 **“(2) If the reportable transaction is a listed transaction, in lieu of the penalty provided**
10 **in subsection (1) of this section, the penalty shall be as follows:**

11 **“(a) Individual taxpayers, \$33,000.**

12 **“(b) Corporation taxpayers, \$66,000.**

13 **“(3) This section applies to tax years beginning on or after January 1, 2007.”**

14 **“NOTE:** Sections 10 and 11 were deleted by amendment. Subsequent sections were not renum-
15 bered.”.

16 In line 29, delete “10 or”.

17 Delete lines 31 through 45.

18 On page 6, delete lines 1 through 35 and insert:

19 **“NOTE:** Sections 14 through 17 were deleted by amendment. Subsequent sections were not re-
20 numbered.”.

21 Delete lines 42 through 44 and insert:

22 **“(3) If the department finds that a return reports or reflects the use of a listed transaction, as**
23 **defined in section 2 of this 2007 Act, and that use of that listed transaction results in a deficiency**
24 **in tax paid, notice of that deficiency may be given at any time within nine years after the return**
25 **was filed.”.**

26 On page 8, delete lines 21 through 27 and insert:

27 **“NOTE:** Section 19 was deleted by amendment. Subsequent sections were not renumbered.”.

28 On page 10, line 44, delete “to 16” and insert “, 8, 12 and 13”.

29 Delete pages 11 through 17.

30 On page 18, delete lines 1 through 25 and insert:

31 **“NOTE:** Sections 22 through 31 were deleted by amendment. Subsequent sections were not re-
32 numbered.”.

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