

REVENUE IMPACT OF PROPOSED LEGISLATION

74th Oregon Legislative Assembly

2008 Special Session

Legislative Revenue Office

Bill Number:	SB 1081
Area:	Income Taxes
Economist:	Chris Allanach
Date:	2-6-2008

Measure Description:

Updates Oregon's date of connection to federal income tax laws from December 31, 2006 to December 31, 2007. Examples of this change include updating Oregon law to recent changes made to the definition of charitable organizations, federal Adjusted Gross Income for the purposes of Oregon's Elderly Rental Assistance and Senior Deferral programs, rules for S-corporation representation before magistrate, the Department of Revenue, and the Oregon Tax Court.

Revenue Impact:

Minimal

Impact Explanation:

Due to Oregon's permanent tie to the federal definition of taxable income, many changes at the federal level automatically flow through to Oregon. However, a few of the updates could have a slightly positive or negative revenue impact. For example, under the 2007 Small Business Tax Act, a married couple that files a joint tax return and operates an unincorporated business can elect to not be treated as a partnership for federal tax purposes. Instead they would each file a Schedule C to report their business income. This bill would ensure that they could file the same way for Oregon purposes.