75TH OREGON LEGISLATIVE ASSEMBLY 2009 Regular Session STAFF MEASURE SUMMARY HOUSE REVENUE COMMITTEE

REVENUE: Revenue Impact Issued

FISCAL: Minimal Fiscal Impact, no statement issued

Action: Do Pass Vote: 10-0-0

Yeas: Bailey, Bentz, Berger, Bruun, Gelser, Kahl, Read, Riley, Sprenger, Barnhart

MEASURE: SB 182 A

CARRIER: Rep. Riley

Phone: 503-986-1266

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Nays: 0 **Exc.:** 0

Prepared By: Chris Allanach, Economist

Meeting Dates: 5/14

WHAT THE BILL DOES: Adopts a uniform definition of a "financial institution" and replaces the two definitions currently in statute. Effective for tax years beginning on or after January 1, 2009. Applies to tax years that are subject to appeal, adjustment, audit, or refund for certain entities.

ISSUES DISCUSSED:

- Uniformity recommendations of the Multi-State Tax Commission
- Impact on apportionment of existing definitions

EFFECT OF COMMITTEE AMENDMENTS: None

BACKGROUND: Because of the two definitions currently in statute, there is the potential for different tax treatment for entities that may be functionally similar to each other but fit into the different definitions. This policy would treat certain corporations that are not considered financial institutions under current law (e.g. a credit card company) as financial institutions.

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LRO: 5/18/2009

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