

# House Bill 2119

Ordered printed by the Speaker pursuant to House Rule 12.00A (5). Presession filed (at the request of Governor Theodore R. Kulongoski)

## 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. Transfers net revenues from corporate minimum tax to Oregon Rainy Day Fund. Applies to tax years beginning on or after January 1, 2009.

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 apportions 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 apportions 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 2009 Act apply to tax**  
7 **years beginning on or after January 1, 2009.**

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 Oregon Rainy Day Fund established under ORS 293.144;**  
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 fiscal  
19 year exceed the sum of \$500,000.

20 **SECTION 4. This 2009 Act takes effect on the 91st day after the date on which the reg-**  
21 **ular session of the Seventy-fifth Legislative Assembly adjourns sine die.**

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