

House Bill 2712

Sponsored by Representative RILEY

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**.

Repeals income tax credit for gross premium tax paid by insurers on fire insurance policies.
Applies to tax years beginning on or after January 1, 2010.

A BILL FOR AN ACT

Relating to tax expenditures; creating new provisions; amending ORS 317.122; and providing for revenue raising that requires approval by a three-fifths majority.

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

SECTION 1. ORS 317.122 is amended to read:

317.122. *[(1) A credit against taxes imposed by this chapter shall be allowed insurers for the gross premium tax paid on fire insurance premiums in accordance with ORS 731.820.]*

[(2)] A credit against the taxes otherwise due under this chapter shall be allowed to an insurer.

The amount of the credit shall be the lesser of:

[(a)] (1) The amount of any assessments paid by the insurer during the tax year pursuant to ORS 656.612; or

*[(b)] (2) The total profit attributable to the workers' compensation line of business, net of reinsurance and including all investment gain attributable to the workers' compensation line of business, determined in the manner prescribed under ORS 731.574 by the Director of the Department of Consumer and Business Services, with the modifications under ORS 317.655 attributable to the workers' compensation line of business, and then apportioned in accordance with ORS 317.660 and multiplied by the corporate tax rate set forth in ORS 317.061. In making the apportionment under ORS 317.660 for purposes of this *[paragraph]* **subsection**, the insurance sales factor shall be determined using only items attributable to the workers' compensation line of business.*

SECTION 2. The amendments to ORS 317.122 by section 1 of this 2009 Act apply to tax years beginning on or after January 1, 2010.

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.