

SENATE AMENDMENTS TO SENATE BILL 182

By COMMITTEE ON FINANCE AND REVENUE

April 8

1 On page 1 of the printed bill, line 3, delete “311.473, 314.610, 317.010, 317.070, 317.090 and
2 317.310” and insert “314.280, 314.610, 314.615, 317.010, 317.070 and 317.090”.

3 In line 16, delete “organization” and insert “institution”.

4 On page 3, line 13, delete “organization” and insert “institution”.

5 On page 4, line 10, delete “organization” and insert “institution”.

6 Delete lines 19 through 45.

7 On page 5, delete line 1 and insert:

8 “**SECTION 5.** ORS 314.280 is amended to read:

9 “314.280. (1) If a taxpayer has income from business activity as a financial [*organization*] **insti-**
10 **tution** or as a public utility (as defined respectively in ORS 314.610 (4) and (6)) which is taxable both
11 within and without this state (as defined in ORS 314.610 (8) and 314.615), the determination of net
12 income shall be based upon the business activity within the state, and the Department of Revenue
13 shall have power to permit or require either the segregated method of reporting or the apportion-
14 ment method of reporting, under rules and regulations adopted by the department, so as fairly and
15 accurately to reflect the net income of the business done within the state.

16 “(2) The provisions of subsection (1) of this section dealing with the apportionment of income
17 earned from sources both within and without the State of Oregon are designed to allocate to the
18 State of Oregon on a fair and equitable basis a proportion of such income earned from sources both
19 within and without the state. Any taxpayer may submit an alternative basis of apportionment with
20 respect to the income of the taxpayer and explain that basis in full in the return of the taxpayer.
21 If approved by the department that method will be accepted as the basis of allocation.

22 “(3)(a) Apportionment rules adopted by the department under this section must apply the
23 weightings used in ORS 314.650 to comparable factors used to apportion income from business ac-
24 tivity of taxpayers subject to this section.

25 “(b) Notwithstanding paragraph (a) of this subsection, a taxpayer primarily engaged in utilities
26 or telecommunications may elect to have income from business activity apportioned by applying the
27 weightings used in ORS 314.650 (1999 Edition) to comparable factors used to apportion such income.

28 “(c) The election shall be made in the time and manner prescribed by the department by rule.
29 The election shall continue in force and effect for the tax year for which the election is made and
30 for each subsequent tax year until the year in which the taxpayer revokes the election.

31 “(d) An electing taxpayer may revoke the taxpayer’s election by filing a revocation of election
32 in the time and manner prescribed by the department. The revocation shall apply to the tax year
33 following the year in which the election is made and to each subsequent tax year.

34 “(e) As used in this subsection:

35 “(A) ‘Telecommunications’ means business operations that conduct, maintain or provide for the

1 transmission of voice data and text between network termination points and telecommunications
2 reselling. Transmission facilities may be based on one technology or a combination of technologies.

3 “(B) ‘Utilities’ means business operations that provide electric power, natural gas, steam supply,
4 water supply or sewage removal through a permanent infrastructure of lines, mains and pipes.

5 “**SECTION 6.** ORS 314.615 is amended to read:

6 “314.615. Any taxpayer having income from business activity which is taxable both within and
7 without this state, other than activity as a financial [*organization*] **institution** or public utility or
8 the rendering of purely personal services by an individual, shall allocate and apportion the net in-
9 come of the taxpayer as provided in ORS 314.605 to 314.675. Taxpayers engaged in activities as a
10 financial [*organization*] **institution** or public utility shall report their income as provided in ORS
11 314.280 and 314.675.”.

12 In line 4, delete “314.610, 317.010, 317.070, 317.090 and 317.310” and insert “314.280, 314.610,
13 314.615, 317.010, 317.070 and 317.090” and delete “5” and insert “6”.

14 In line 8, delete “314.610, 317.010, 317.070, 317.090 and 317.310” and insert “314.280, 314.610,
15 314.615, 317.010, 317.070 and 317.090” and delete “5” and insert “6”.