

Senate Bill 474

Sponsored by Senator ATKINSON; Senators GEORGE, KRUSE, STARR, TELFER, WINTERS

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**.

Eliminates taxes on capital gains.
Applies to tax years beginning on or after January 1, 2010.

A BILL FOR AN ACT

Relating to the elimination of taxes on capital gains; creating new provisions; amending ORS 318.020; and repealing ORS 316.045 and 317.063.

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

SECTION 1. Section 2 of this 2009 Act is added to and made a part of ORS chapter 316.

SECTION 2. In addition to the other modifications to federal taxable income contained in this chapter, to derive Oregon taxable income there shall be subtracted from federal taxable income the net capital gain incurred by the taxpayer during the tax year that is included in federal taxable income for Oregon tax purposes.

SECTION 3. Section 2 of this 2009 Act applies to tax years beginning on or after January 1, 2010.

SECTION 4. Section 5 of this 2009 Act is added to and made a part of ORS chapter 317.

SECTION 5. In addition to the other modifications to federal taxable income contained in this chapter, to derive Oregon taxable income there shall be subtracted from federal taxable income the net capital gain incurred by the corporation during the tax year that is included in federal taxable income for Oregon tax purposes.

SECTION 6. Section 5 of this 2009 Act applies to tax years beginning on or after January 1, 2010.

SECTION 7. ORS 318.020 is amended to read:

318.020. (1) There hereby is imposed upon every corporation for each taxable year a tax at the rate provided in ORS 317.061 upon its Oregon taxable income derived from sources within this state, other than income for which the corporation is subject to the tax imposed by ORS chapter 317 according to or measured by its Oregon taxable income.

(2) Income from sources within this state includes income from tangible or intangible property located or having a situs in this state and income from any activities carried on in this state, regardless of whether carried on in intrastate, interstate or foreign commerce.

[(3) Income that constitutes net long-term capital gain described in ORS 317.063 shall be taxed at the rate imposed under ORS 317.063.]

SECTION 8. ORS 316.045 and 317.063 are repealed.

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.