

*Preliminary*  
**REVENUE IMPACT OF  
 PROPOSED LEGISLATION**  
 Seventy-Sixth Oregon Legislative  
 Assembly  
 2011 Regular Session  
 Legislative Revenue Office

Bill Number: HB 3058 - 3  
 Revenue Area: Corporate Taxes  
 Economist: Chris Allanach  
 Date: 5/30/2011

**Measure Description:** For purposes of the minimum tax paid by agricultural cooperatives, removes sales representing business done with or for members of the co-op from the definition of Oregon sales. Applies to tax years beginning on or after January 1, 2011.

**Revenue Impact (in \$Millions):**

	Fiscal Year		Biennium		
	2011-12	2012-13	2011-13	2013-2015	2015-2017
General Fund	-\$0.7	-\$0.7	-\$1.4	-\$1.4	-\$1.4

**Impact Explanation:** The corporate minimum tax owed by a C-corporation depends on the corporation's amount of Oregon sales. Generally, an Oregon sale occurs when a product or service is sold within the borders of Oregon. Removing certain transactions from the definition of 'Oregon sales' would reduce total sales for agricultural co-operatives for purposes of the minimum tax, resulting in lower tax collections. The estimates are based on model simulations of current law tax liabilities compared to tax liabilities under the proposed law change.

**Creates, Extends, or Expands Tax Expenditure:** Yes  No