

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

Bill Number: HB 3296  
Revenue Area: Income Taxes  
Economist: Chris Allanach  
Date: 3/17/2011

**Measure Description:**

Allows a subtraction for personal income and corporate taxpayers for amounts included in federal taxable income resulting from the recognition of certain capital gains. Sets the subtraction equal to 50 percent of the capital gain from the sale of a qualified business entity interest that was held for more than one year. Allows taxpayers with an ownership interest on December 31, 2010 to treat that ownership interest as if it had been sold and repurchased by the taxpayer on January 1, 2011, and then include, in their taxable income, an amount equal to the income or gain that would have been recognized if the taxpayer had sold the ownership interest at its fair market value. Applies to tax years beginning on or after January 1, 2012.

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

The revenue impact from this bill would be a combination of a revenue loss from eligible taxpayers claiming the subtraction and a revenue gain from taxpayers recognizing any income or gain from selling and repurchasing any ownership interest they held, within the requirements described in the bill. Assuming this bill is referred to the House Committee on Revenue, further analysis will be conducted when the bill is in that committee.

**Impact Explanation:**

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

The policy purpose of this measure is  
*(to be completed by the House Committee on Revenue)*