

**REVENUE:** Revenue Impact Issued

**FISCAL:** Minimal Fiscal Impact

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**Action:** Do Pass with Amendments and be printed Engrossed, and request subsequent referral to Ways and Means be recinded.

**Vote:** 4-0-0

**Yeas:** Hass, Morse, Telfer, Burdick

**Nays:** 0

**Exc.:** 0

**Prepared By:** Paul Warner, Economist

**Meeting Dates:** 6/16

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**WHAT THE BILL DOES:** For purposes of the minimum tax paid by agricultural cooperatives, removes sales conducted with members of the co-op from the definition of Oregon sales. Exempts from corporate minimum taxes and provides favorable 2.5% tax rate for interest charge DISC corporations primarily engaged in agricultural sales. Applies to tax years beginning on or after January 1, 2011.

**ISSUES DISCUSSED:**

- Relationship between co-op agricultural producers and non co-op producers.
- Federal tax benefits of IC-DISC corporations.
- Number of IC-DISC corporations in Oregon.

**EFFECT OF COMMITTEE AMENDMENTS:** Replaces the bill.

**BACKGROUND:**