76TH OREGON LEGISLATIVE ASSEMBLY 2011 Regular Session STAFF MEASURE SUMMARY SENATE FINANCE AND REVENUE COMMITTEE

REVENUE: Revenue Impact Issued **FISCAL:** Minimal Fiscal Impact

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

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.

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- Federal tax benefits of IC-DISC corporations.
- Number of IC-DISC corporations in Oregon.

EFFECT OF COMMITTEE AMENDMENTS: Replaces the bill.

BACKGROUND:

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MEASURE: SB 889 B

CARRIER: Sen George