

House Bill 2565

Ordered printed by the Speaker pursuant to House Rule 12.00A (5). Pre-session filed (at the request of House Interim Committee on Revenue)

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**.

Excludes sales representing business done with or for members of cooperative organization from definition of "Oregon sales" for purposes of corporate minimum tax. Imposes \$150 entity tax on cooperative organizations.

Applies to tax years beginning on or after January 1, 2011.

Takes effect on 91st day following adjournment sine die.

A BILL FOR AN ACT

1
2 Relating to taxation of cooperative organizations; creating new provisions; amending ORS 317.090;
3 and prescribing an effective date.

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

5 **SECTION 1.** ORS 317.090, as amended by section 1, chapter 745, Oregon Laws 2009, is amended
6 to read:

7 317.090. (1) As used in this section[,]:

8 (a) "Oregon sales" means:

9 [(a)] (A) If the corporation apportions business income under ORS 314.650 to 314.665 for Oregon
10 tax purposes, the total sales of the taxpayer in this state during the tax year, as determined for
11 purposes of ORS 314.665;

12 [(b)] (B) If the corporation does not apportion business income for Oregon tax purposes, the
13 total sales in this state that the taxpayer would have had, as determined for purposes of ORS
14 314.665, if the taxpayer were required to apportion business income for Oregon tax purposes; or

15 [(c)] (C) If the corporation apportions business income using a method different from the method
16 prescribed by ORS 314.650 to 314.665, Oregon sales as defined by the Department of Revenue by
17 rule.

18 (b) If the corporation is a cooperative organization described in section 1381 of the
19 Internal Revenue Code, "Oregon sales" does not include sales representing business done
20 with or for members of the cooperative organization.

21 (2) Each corporation or affiliated group of corporations filing a return under ORS 317.710 shall
22 pay annually to the state, for the privilege of carrying on or doing business by it within this state,
23 a minimum tax as follows:

24 (a) If Oregon sales properly reported on a return are:

25 (A) Less than \$500,000, the minimum tax is \$150.

26 (B) \$500,000 or more, but less than \$1 million, the minimum tax is \$500.

27 (C) \$1 million or more, but less than \$2 million, the minimum tax is \$1,000.

28 (D) \$2 million or more, but less than \$3 million, the minimum tax is \$1,500.

29 (E) \$3 million or more, but less than \$5 million, the minimum tax is \$2,000.

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.

1 (F) \$5 million or more, but less than \$7 million, the minimum tax is \$4,000.

2 (G) \$7 million or more, but less than \$10 million, the minimum tax is \$7,500.

3 (H) \$10 million or more, but less than \$25 million, the minimum tax is \$15,000.

4 (I) \$25 million or more, but less than \$50 million, the minimum tax is \$30,000.

5 (J) \$50 million or more, but less than \$75 million, the minimum tax is \$50,000.

6 (K) \$75 million or more, but less than \$100 million, the minimum tax is \$75,000.

7 (L) \$100 million or more, the minimum tax is \$100,000.

8 (b) If a corporation is an S corporation **or a cooperative organization described in section**
9 **1381 of the Internal Revenue Code**, the minimum tax is \$150.

10 (3) The minimum tax is not apportionable (except in the case of a change of accounting periods),
11 and is payable in full for any part of the year during which a corporation is subject to tax.

12 **SECTION 2. The amendments to ORS 317.090 by section 1 of this 2011 Act apply to tax**
13 **years beginning on or after January 1, 2011.**

14 **SECTION 3. This 2011 Act takes effect on the 91st day after the date on which the 2011**
15 **session of the Seventy-sixth Legislative Assembly adjourns sine die.**

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