

House Bill 2970

Sponsored by Representative JENSON (Presession filed.)

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**.

Applies four-year sunset to corporate tax and filing fee provisions of Ballot Measure 67 (2010).

Decreases corporate minimum tax to \$10. Discontinues corporate minimum tax for C corporations based on amount of Oregon sales. Decreases rate of corporate excise tax imposed on C corporations. Repeals \$150 entity tax on partnerships. Applies to tax years beginning on or after January 1, 2013.

Decreases filing fee for specified documents and reports delivered to Secretary of State. Decreases maximum filing fee for financing statements and other records related to Uniform Commercial Code. Decreases maximum application fee for appointment as notary public. Applies to documents and records filed, applications made and fees collected on or after January 1, 2013.

A BILL FOR AN ACT

1
2 Relating to state finance; creating new provisions; amending ORS 56.041, 56.140, 79.0525, 194.020,
3 317.061 and 317.090; and repealing section 3, chapter 745, Oregon Laws 2009.

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, "Oregon sales" means:]*

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

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

14 *[(c) If the corporation apportions business income using a method different from the method pre-*
15 *scribed by ORS 314.650 to 314.665, Oregon sales as defined by the Department of Revenue by rule.]*

16 *[(2) Each corporation or affiliated group of corporations filing a return under ORS 317.710] **Each***
17 **taxpayer named in ORS 317.070** shall pay annually to the state, for the privilege of carrying on
18 or doing business by it within this state, a minimum tax **of \$10**. *[as follows:]*

19 *[(a) If Oregon sales properly reported on a return are:]*

20 *[(A) Less than \$500,000, the minimum tax is \$150.]*

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

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

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

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

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

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

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

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

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

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

4 *[(L) \$100 million or more, the minimum tax is \$100,000.]*

5 *[(b) If a corporation is an S corporation, the minimum tax is \$150.]*

6 *[(3)] The minimum tax is not apportionable (except in the case of a change of accounting peri-*
 7 *ods), and is payable in full for any part of the year during which a corporation is subject to tax.*

8 **SECTION 2.** ORS 317.061, as amended by sections 5, 7 and 9, chapter 745, Oregon Laws 2009,
 9 is amended to read:

10 317.061. The rate of the tax imposed by and computed under this chapter is[:]

11 *[(1)] six and six-tenths percent [of the first \$10 million of taxable income, or fraction thereof;*
 12 *and]*

13 *[(2) Seven and six-tenths percent of any amount of taxable income in excess of \$10 million].*

14 **SECTION 3. The amendments to ORS 317.061 and 317.090 by sections 1 and 2 of this 2011**
 15 **Act and the repeal of section 3, chapter 745, Oregon Laws 2009, by section 12 of this 2011 Act**
 16 **apply to tax years beginning on or after January 1, 2013.**

17 **SECTION 4.** ORS 56.140, as amended by section 11, chapter 745, Oregon Laws 2009, is amended
 18 to read:

19 56.140. *[(1) The Secretary of State shall collect a nonrefundable fee of \$100 for each of the following*
 20 *documents delivered to the Secretary of State for filing:]*

21 *[(a) Articles of incorporation delivered for filing under ORS 58.085.]*

22 *[(b) Articles of incorporation delivered for filing under ORS 60.051.]*

23 *[(c) Articles of incorporation delivered for filing under ORS 62.511.]*

24 *[(d) Articles of organization delivered for filing under ORS 63.051.]*

25 *[(e) Applications for registration delivered for filing under ORS 67.590.]*

26 *[(f) Certificates of limited partnership delivered for filing under ORS 70.075.]*

27 *[(g) Trust documents delivered for filing under ORS 128.575.]*

28 *[(h) Articles of incorporation delivered for filing under ORS 554.020.]*

29 *[(2) The Secretary of State shall collect a nonrefundable fee of \$100 for annual reports delivered*
 30 *for filing by an entity subject to a fee under subsection (1) of this section, and for any other related*
 31 *document that the entity is allowed or required to file with the Secretary of State.]*

32 *[(3) The Secretary of State shall collect a nonrefundable fee of \$275 for each of the following doc-*
 33 *uments delivered to the Secretary of State for filing:]*

34 *[(a) Applications for authority to transact business in this state delivered under ORS 58.134,*
 35 *60.707, 63.707 or 67.710.]*

36 *[(b) Applications for registration under ORS 70.355.]*

37 *[(c) Annual reports delivered for filing by an entity subject to a fee under paragraph (a) or (b) of*
 38 *this subsection, and for any other related document that the entity is allowed or required to file with*
 39 *the Secretary of State.]*

40 *[(4)] (1) [For documents other than those specified in subsections (1), (2) and (3) of this section,]*
 41 *Except as provided in ORS 65.787 (6), the Secretary of State shall collect a nonrefundable fee of \$50*
 42 *for each document delivered for filing to the Secretary of State as part of the secretary's business*
 43 *registry functions described in ORS 56.022.*

44 *[(5)] (2) The Secretary of State by rule may establish fees, in addition to those provided for in*
 45 *[subsections (1) to (4)] **subsection (1)** of this section, for:*

1 (a) Copying any public record maintained by the secretary and relating to the secretary's busi-
 2 ness registry functions, and for certifying the copy; and

3 (b) Certifying to other facts of record, including certificates of existence, relating to the
 4 secretary's business registry functions.

5 [(6)] (3) The Secretary of State shall collect a nonrefundable fee of \$20 each time process that
 6 is related to the Secretary of State's business registry functions is served on the Secretary of State.

7 [(7)] (4) The Secretary of State may waive collection of any fee, charge or interest or portion
 8 of a fee, charge or interest that is collectible by the Secretary of State as part of the secretary's
 9 business registry functions.

10 [(8)] (5) The Secretary of State by rule shall establish and collect reasonable fees for the fol-
 11 lowing services relating to the secretary's business registry functions:

12 (a) Computer generated lists on electronic data processing media.

13 (b) Terminal access to the files of the office.

14 (c) Microfilm records of the files of the office.

15 (d) Microfilm processing and development services.

16 (e) Copies of the programs and files on paper or electronic data processing media.

17 **SECTION 5. The amendments to ORS 56.140 by section 4 of this 2011 Act apply only to**
 18 **documents filed with the Secretary of State on or after January 1, 2013.**

19 **SECTION 6.** ORS 56.041, as amended by section 13, chapter 745, Oregon Laws 2009, is amended
 20 to read:

21 56.041. (1) The Operating Account is established in the General Fund of the State Treasury.

22 (2) The net amount accruing to the Secretary of State from all fees, charges, interest, fines,
 23 penalties and miscellaneous revenues from all sources relating to business registry functions, and
 24 moneys received by the Secretary of State under ORS chapters 79 and 194 and ORS 80.100 to 80.130,
 25 87.246, 87.767 and 87.806 to 87.831 shall, after deduction of refunds, be paid over to the State
 26 Treasurer and deposited at least monthly in the Operating Account.

27 (3) Moneys deposited to the credit of the Operating Account are continuously appropriated to
 28 the Secretary of State for the expenses of carrying out the functions and duties of the Secretary of
 29 State relating to business registry, and the functions and duties of the Secretary of State under ORS
 30 chapters 79 and 194 and ORS 80.100 to 80.130, 87.246, 87.767 and 87.806 to 87.831.

31 (4) At the end of each month, the Secretary of State shall determine the number of business
 32 registry filings during the month for which the Secretary of State collected the *[fees]* **fee** described
 33 in ORS 56.140 (1) *[to (4)]*. An amount equal to *[\$20]* **\$30** for each of those filings shall be *[deposited*
 34 *by the Secretary of State in the Operating Account. The Secretary of State shall then deposit all other*
 35 *moneys from the fees collected during the month under ORS 56.140 (1) to (4) in the General Fund.*
 36 *Amounts deposited to the General Fund under this subsection are]* **transferred to the General Fund**
 37 **and shall become** available for general governmental expenses.

38 (5) **As of July 1 of each year, any unexpended and unobligated balance in the Operating**
 39 **Account that is in excess of the amount that is necessary to administer the functions and**
 40 **duties of the Secretary of State as described in subsection (3) of this section for two months,**
 41 **as certified by the Secretary of State, shall be transferred to the General Fund and shall**
 42 **become available for general governmental expenses.**

43 **SECTION 7. The amendments to ORS 56.041 by section 6 of this 2011 Act first apply to**
 44 **fees for business registry filings collected on or after January 1, 2013.**

45 **SECTION 8.** ORS 79.0525, as amended by section 15, chapter 745, Oregon Laws 2009, is

1 amended to read:

2 79.0525. (1) Except as otherwise provided in subsection (4) of this section, the nonrefundable fee
3 for filing and indexing a record under ORS 79.0501 to 79.0528 may not exceed [~~\$15~~] **\$10**.

4 (2) The number of names required to be indexed does not affect the amount of the fee in sub-
5 section (1) of this section.

6 (3) The nonrefundable fee for responding to a request for information from the filing office, in-
7 cluding for communicating whether there is on file any financing statement naming a particular
8 debtor, may not exceed:

9 (a) \$10 for each distinct debtor name to be searched;

10 (b) \$5 for copies of Uniform Commercial Code documents relating to each distinct debtor name
11 to be searched, in addition to the fee in paragraph (a) of this subsection; and

12 (c) \$5 for each request by document number for copies of Uniform Commercial Code documents.

13 (4) This section does not require a fee with respect to a record filed or recorded in the filing
14 office described in ORS 79.0501 (1)(a). However, the recording and satisfaction fees that otherwise
15 would be applicable to the record apply.

16 (5) The Secretary of State shall adopt rules prescribing fees for providing summaries and com-
17 pilations that are not debtor specific and for providing copies of records, as described in ORS
18 79.0523 (6), that are not debtor specific.

19 **SECTION 9. The amendments to ORS 79.0525 by section 8 of this 2011 Act apply only to**
20 **records filed under ORS 79.0501 to 79.0528 on or after January 1, 2013.**

21 **SECTION 10.** ORS 194.020, as amended by section 17, chapter 745, Oregon Laws 2009, is
22 amended to read:

23 194.020. (1) To defray costs incurred by the Secretary of State to process the application made
24 under ORS 194.014, each applicant for appointment as a notary public shall pay in advance to the
25 Secretary of State a nonrefundable application fee not to exceed [~~\$40~~] **\$20**.

26 (2) Any fee received by the Secretary of State under subsection (1) of this section shall be de-
27 posited in the State Treasury and credited to the Operating Account under ORS 56.041, and is in
28 lieu of any fee charged under ORS 177.130.

29 **SECTION 11. The amendments to ORS 194.020 by section 10 of this 2011 Act apply only**
30 **to applications made under ORS 194.014 on or after January 1, 2013.**

31 **SECTION 12. Section 3, chapter 745, Oregon Laws 2009, is repealed.**

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