

House Bill 3187

Sponsored by Representative WHISNANT; Representatives CONGER, KRIEGER, MCLANE, OLSON, THATCHER, WEIDNER, WINGARD, Senator TELFER

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**.

Creates subtraction for net capital gain for purposes of personal income and corporate income and excise taxation. Applies to tax years beginning on or after January 1, 2012, and before January 1, 2017.

Takes effect on 91st day following adjournment sine die.

A BILL FOR AN ACT

Relating to tax treatment of capital gains; creating new provisions; amending ORS 318.020; and prescribing an effective date.

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

SECTION 1. Section 2 of this 2011 Act is added to and made a part of ORS chapter 316.

SECTION 2. There shall be subtracted from federal taxable income any gain that is treated as net capital gain for federal tax purposes.

SECTION 3. Section 4 of this 2011 Act is added to and made a part of ORS chapter 317.

SECTION 4. There shall be subtracted from federal taxable income any gain that is treated as net capital gain for federal tax purposes.

SECTION 5. ORS 318.020 is amended to read:

318.020. (1) There hereby is imposed upon every corporation for each taxable year a tax at the rate provided in ORS 317.061 upon its Oregon taxable income derived from sources within this state, other than income for which the corporation is subject to the tax imposed by ORS chapter 317 according to or measured by its Oregon taxable income.

(2) Income from sources within this state includes income from tangible or intangible property located or having a situs in this state and income from any activities carried on in this state, regardless of whether carried on in intrastate, interstate or foreign commerce.

[(3) Income that constitutes net long-term capital gain described in ORS 317.063 shall be taxed at the rate imposed under ORS 317.063.]

SECTION 6. Sections 2 and 4 of this 2011 Act and the amendments to ORS 318.020 by section 5 of this 2011 Act apply to tax years beginning on or after January 1, 2012, and before January 1, 2017.

SECTION 7. ORS 316.045 and 317.063 do not apply to tax years beginning on or after January 1, 2012, and before January 1, 2017.

SECTION 8. This 2011 Act takes effect on the 91st day after the date on which the 2011 session of the Seventy-sixth Legislative Assembly adjourns sine die.

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.