

House Bill 3454

Sponsored by 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**.

For purposes of corporate excise taxation, allows increase in amount deducted as net operating loss carryforward to account for federal adjustments or modifications to taxable income that were disallowed, under Oregon law, in year of loss, less any further Oregon adjustment or modification.

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 net operating losses; creating new provisions; amending ORS 317.476; and prescribing
3 an effective date.

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

5 **SECTION 1.** ORS 317.476 is amended to read:

6 317.476. (1) In computing Oregon taxable income there shall be allowed as a deduction an
7 amount equal to the aggregate of the Oregon net losses of prior years to the extent provided in this
8 section.

9 (2) As used in this section, "Oregon net loss" means Oregon net loss as defined in ORS 317.010
10 (9).

11 (3) In computing Oregon net loss for any taxable year the Oregon net loss for a prior year shall
12 not be allowed as a deduction.

13 (4)(a) The Oregon net loss in any taxable year shall be allowed as a deduction in any of the 15
14 succeeding taxable years.

15 (b) The amount of the Oregon net loss deductible in any taxable year shall be the Oregon net
16 loss of a prior year:

17 (A) Reduced by the net income (computed without the Oregon net loss deduction) of any inter-
18 vening taxable year or years between the year of loss and the succeeding taxable year in which the
19 Oregon net loss deduction is claimed; **and**

20 (B) **Increased by any federal adjustments or modifications to taxable income that were**
21 **disallowed, under Oregon law, in the year of loss, less any further Oregon adjustment or**
22 **modification applicable to the year of loss.**

23 (c) The Oregon net loss of the earliest taxable year shall be exhausted before an Oregon net loss
24 from a later year may be deducted.

25 (5) No deduction shall be allowed under this section to a business trust which qualifies as a
26 "real estate investment trust" under sections 856, 857 and 858 of the Internal Revenue Code.

27 **SECTION 2.** **The amendments to ORS 317.476 by section 1 of this 2011 Act apply to tax**
28 **years beginning on or after January 1, 2011.**

29 **SECTION 3.** **This 2011 Act takes effect on the 91st day after the date on which the 2011**
30 **regular 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.

