

# Senate Bill 471

Sponsored by Senator GEORGE (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**.

Establishes connection to federal law for provisions related to bonus depreciation and expensing. Allowing subtraction from federal taxable income for amounts previously added.

Applies to tax years beginning on or after January 1, 2009.

Takes effect on 91st day following adjournment sine die.

## A BILL FOR AN ACT

1  
2 Relating to connection to federal tax law; creating new provisions; amending ORS 316.739 and  
3 317.301; and prescribing an effective date.

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

5 **SECTION 1.** ORS 316.739 is amended to read:

6 316.739. (1) There shall be added to federal taxable income for Oregon tax purposes the differ-  
7 ence between the amount allowable as a deduction under section 108 of the Internal Revenue Code  
8 as applicable to the tax year of the taxpayer and the amount allowable as a deduction under section  
9 108 of the Internal Revenue Code as amended and in effect on December 31, 2008, and as applicable  
10 to tax years beginning on or after January 1, 2008, and before January 1, 2009.

11 *[(2) There shall be added to federal taxable income for Oregon tax purposes the difference between*  
12 *the amount allowable as a deduction under section 168(k) of the Internal Revenue Code as applicable*  
13 *to the tax year of the taxpayer and the amount allowable as a deduction under section 168(k) of the*  
14 *Internal Revenue Code as amended and in effect on December 31, 2008, and as applicable to tax years*  
15 *beginning on or after January 1, 2008, and before January 1, 2009.]*

16 *[(3) There shall be added to federal taxable income for Oregon tax purposes the difference between*  
17 *the amount allowable as a deduction under section 179 of the Internal Revenue Code as applicable to*  
18 *the tax year of the taxpayer and the amount allowable as a deduction under section 179 of the Internal*  
19 *Revenue Code as amended and in effect on December 31, 2008, and as applicable to tax years beginning*  
20 *on or after January 1, 2008, and before January 1, 2009.]*

21 *[(4)]* **(2)** Amounts added to federal taxable income for Oregon tax purposes under *[subsections (1)*  
22 *to (3)]* **subsection (1)** of this section may thereafter be subtracted from federal taxable income for  
23 Oregon tax purposes in the tax year for which the amounts would have been allowed as a deduction  
24 on the taxpayer's federal income tax return under the Internal Revenue Code as amended and in  
25 effect on December 31, 2008, and as applicable to tax years beginning on or after January 1, 2008,  
26 and before January 1, 2009.

27 **(3) There may be subtracted from federal taxable income for Oregon tax purposes any**  
28 **amount allowable as a deduction under section 168(k) of the Internal Revenue Code and**  
29 **previously added to federal taxable income, less any amount previously subtracted under this**  
30 **section.**

**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       **(4) There may be subtracted from federal taxable income for Oregon tax purposes any**  
 2 **amount allowable as a deduction under section 179 of the Internal Revenue Code and previ-**  
 3 **ously added to federal taxable income, less any amount previously subtracted under this**  
 4 **section.**

5       **SECTION 2.** ORS 317.301 is amended to read:

6       317.301. (1) There shall be added to federal taxable income for Oregon tax purposes the differ-  
 7 ence between the amount allowable as a deduction under section 108 of the Internal Revenue Code  
 8 as applicable to the tax year of the taxpayer and the amount allowable as a deduction under section  
 9 108 of the Internal Revenue Code as amended and in effect on December 31, 2008, and as applicable  
 10 to tax years beginning on or after January 1, 2008, and before January 1, 2009.

11       *[(2) There shall be added to federal taxable income for Oregon tax purposes the difference between*  
 12 *the amount allowable as a deduction under section 168(k) of the Internal Revenue Code as applicable*  
 13 *to the tax year of the taxpayer and the amount allowable as a deduction under section 168(k) of the*  
 14 *Internal Revenue Code as amended and in effect on December 31, 2008, and as applicable to tax years*  
 15 *beginning on or after January 1, 2008, and before January 1, 2009.]*

16       *[(3) There shall be added to federal taxable income for Oregon tax purposes the difference between*  
 17 *the amount allowable as a deduction under section 179 of the Internal Revenue Code as applicable to*  
 18 *the tax year of the taxpayer and the amount allowable as a deduction under section 179 of the Internal*  
 19 *Revenue Code as amended and in effect on December 31, 2008, and as applicable to tax years beginning*  
 20 *on or after January 1, 2008, and before January 1, 2009.]*

21       [(4)] **(2)** Amounts added to federal taxable income for Oregon tax purposes under [subsections (1)  
 22 to (3)] **subsection (1)** of this section may thereafter be subtracted from federal taxable income for  
 23 Oregon tax purposes in the tax year for which the amounts would have been allowed as a deduction  
 24 on the taxpayer's federal income tax return under the Internal Revenue Code as amended and in  
 25 effect on December 31, 2008, and as applicable to tax years beginning on or after January 1, 2008,  
 26 and before January 1, 2009.

27       **(3) There may be subtracted from federal taxable income for Oregon tax purposes any**  
 28 **amount allowable as a deduction under section 168(k) of the Internal Revenue Code and**  
 29 **previously added to federal taxable income, less any amount previously subtracted under this**  
 30 **section.**

31       **(4) There may be subtracted from federal taxable income for Oregon tax purposes any**  
 32 **amount allowable as a deduction under section 179 of the Internal Revenue Code and previ-**  
 33 **ously added to federal taxable income, less any amount previously subtracted under this**  
 34 **section.**

35       **SECTION 3.** The amendments to ORS 316.739 and 317.301 by sections 1 and 2 of this 2011  
 36 Act apply to tax years beginning on or after January 1, 2009.

37       **SECTION 4.** This 2011 Act takes effect on the 91st day after the date on which the 2011  
 38 session of the Seventy-sixth Legislative Assembly adjourns sine die.

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