

SENATE AMENDMENTS TO SENATE BILL 883

By COMMITTEE ON FINANCE AND REVENUE

May 9

1 On page 1 of the printed bill, line 2, after “rates;” delete the rest of the line and line 3 and in-
2 sert “creating new provisions; amending ORS 318.020; repealing ORS 316.045 and 317.063; and pre-
3 scribing an effective date.”.

4 Delete lines 5 through 30 and delete pages 2 through 6 and insert:

5 **“SECTION 1. Sections 2 and 3 of this 2011 Act are added to and made a part of ORS**
6 **chapter 316.**

7 **“SECTION 2. (1) As used in this section and section 3 of this 2011 Act, ‘long-term capital**
8 **gain’ means gain recognized through the sale of an asset that has been held by the taxpayer**
9 **for at least 60 consecutive months and that otherwise qualifies as long-term capital gain**
10 **under section 1222 of the Internal Revenue Code. ‘Long-term capital gain’ does not include**
11 **qualified dividends.**

12 **“(2) In addition to the other modifications to federal taxable income contained in this**
13 **chapter, to derive Oregon taxable income there shall be subtracted from federal taxable in-**
14 **come a percentage of the net long-term capital gain incurred by the taxpayer during the tax**
15 **year that is included in federal taxable income for Oregon tax purposes, as calculated in**
16 **section 3 of this 2011 Act.**

17 **“(3) A taxpayer may elect not to claim a subtraction under this section.**

18 **“SECTION 3. (1) For the sale of property that has a primary purpose of income gener-**
19 **ation, that is used in Oregon in a revenue-producing enterprise and that has been held by**
20 **the taxpayer for at least 60 consecutive months, the subtraction allowed under section 2 of**
21 **this 2011 Act shall be determined by multiplying 50 percent by the total of the following**
22 **amounts:**

23 **“(a) Net long-term capital gain recognized through the sale of real property.**

24 **“(b) The sale price of tangible personal property.**

25 **“(2) For long-term capital gain other than that described in subsection (1) of this section,**
26 **the subtraction allowed shall be a percentage of net long-term capital gain incurred by the**
27 **taxpayer that is included in federal taxable income. The percentage shall be the following:**

28 **“(a) For tax years beginning on or after January 1, 2013, and before January 1, 2014, five**
29 **percent.**

30 **“(b) For tax years beginning on or after January 1, 2014, and before January 1, 2015, 10**
31 **percent.**

32 **“(c) For tax years beginning on or after January 1, 2015, and before January 1, 2016, 15**
33 **percent.**

34 **“(d) For tax years beginning on or after January 1, 2016, and before January 1, 2017, 20**
35 **percent.**

1 “(e) For tax years beginning on or after January 1, 2017, and before January 1, 2018, 25
2 percent.

3 “(f) For tax years beginning on or after January 1, 2018, and before January 1, 2019, 30
4 percent.

5 “(g) For tax years beginning on or after January 1, 2019, and before January 1, 2020, 35
6 percent.

7 “(h) For tax years beginning on or after January 1, 2020, 40 percent.

8 “**SECTION 4.** Sections 2 and 3 of this 2011 Act apply to the sale of assets on or after
9 January 1, 2013, and to tax years beginning on or after January 1, 2013.

10 “**SECTION 5.** ORS 318.020 is amended to read:

11 “318.020. (1) There hereby is imposed upon every corporation for each taxable year a tax at the
12 rate provided in ORS 317.061 upon its Oregon taxable income derived from sources within this state,
13 other than income for which the corporation is subject to the tax imposed by ORS chapter 317 ac-
14 cording to or measured by its Oregon taxable income.

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

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

20 “**SECTION 6.** ORS 316.045 and 317.063 are repealed.

21 “**SECTION 7.** This 2011 Act does not become effective unless the amendment to the
22 Oregon Constitution proposed by Senate Joint Resolution 26 (2011) is approved by the people
23 at the regular general election held in November 2012. This 2011 Act takes effect on the ef-
24 fective date of that amendment.”.