

**B-Engrossed**  
**Senate Bill 889**

Ordered by the Senate June 16  
Including Senate Amendments dated April 27 and June 16

Sponsored by COMMITTEE ON GENERAL GOVERNMENT, CONSUMER AND SMALL BUSINESS PROTECTION

**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.

*[Creates Oregon Economic Development Finance Authority to formulate and implement investment and management policies and practices for state funds controlled and administered by state agencies. Authorizes authority to enter into contracts with state agencies for investment and management of state funds. Directs authority to adopt rules. Requires report to Legislative Assembly on or before date of convening of 2013 regular session of Legislative Assembly.]*

*[Declares emergency, effective on passage.]*

**Specifies, for purposes of minimum tax imposed on agricultural cooperatives, that "Oregon sales" does not include sales that represent business done with or for members of agricultural cooperative. Applies to tax years beginning on or after January 1, 2011.**

**Exempts certain domestic international sales corporations that primarily sell agricultural products from minimum corporate excise tax. Reduces corporate excise tax rate for such corporations. Applies to tax years beginning on or after January 1, 2011.**

**Takes effect 91st day after adjournment sine die.**

**A BILL FOR AN ACT**

1  
2 Relating to state finance; creating new provisions; amending ORS 317.090 and 317.635; and pre-  
3 scribing an effective date.

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[,]:

8 (a) "Oregon sales" means:

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

12 [(b)] (B) If the corporation does not apportion business income for Oregon tax purposes, the  
13 total sales in this state that the taxpayer would have had, as determined for purposes of ORS  
14 314.665, if the taxpayer were required to apportion business income for Oregon tax purposes; or

15 [(c)] (C) If the corporation apportions business income using a method different from the method  
16 prescribed by ORS 314.650 to 314.665, Oregon sales as defined by the Department of Revenue by  
17 rule.

18 (b) **If the corporation is an agricultural cooperative that is a cooperative organization**  
19 **described in section 1381 of the Internal Revenue Code, "Oregon sales" does not include sales**  
20 **representing business done with or for members of the agricultural cooperative.**

21 (2) Each corporation or affiliated group of corporations filing a return under ORS 317.710 shall  
22 pay annually to the state, for the privilege of carrying on or doing business by it within this state,

**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 a minimum tax as follows:

2 (a) If Oregon sales properly reported on a return are:

3 (A) Less than \$500,000, the minimum tax is \$150.

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

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

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

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

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

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

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

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

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

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

14 (L) \$100 million or more, the minimum tax is \$100,000.

15 (b) If a corporation is an S corporation, the minimum tax is \$150.

16 (3) The minimum tax is not apportionable (except in the case of a change of accounting periods),  
17 and is payable in full for any part of the year during which a corporation is subject to tax.

18 **SECTION 2. The amendments to ORS 317.090 by section 1 of this 2011 Act apply to tax**  
19 **years beginning on or after January 1, 2011.**

20 **SECTION 3.** ORS 317.635 is amended to read:

21 317.635. (1) Except as provided in **subsection (2) of this section and** ORS 317.283, a domestic  
22 international sales corporation, commonly referred to as "DISC," as defined in section 992 of the  
23 Internal Revenue Code, shall be taxed in the manner provided for other corporations under this  
24 chapter and without regard to sections 991 to 996 of the Internal Revenue Code.

25 **(2) An interest charge DISC that is primarily engaged in agricultural product sales:**

26 **(a) Is exempt from the tax imposed under ORS 317.090; and**

27 **(b) Notwithstanding ORS 317.061, shall be taxed under this chapter at a rate of 2.5 per-**  
28 **cent.**

29 **SECTION 4. The amendments to ORS 317.635 by section 3 of this 2011 Act apply to tax**  
30 **years beginning on or after January 1, 2011.**

31 **SECTION 5. This 2011 Act takes effect on the 91st day after the date on which the 2011**  
32 **regular session of the Seventy-sixth Legislative Assembly adjourns sine die.**

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