

**PROPOSED AMENDMENTS TO  
SENATE BILL 883**

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

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

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

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

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

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

21 **“SECTION 3. (1) For the sale of property that has a primary pur-  
22 pose of income generation, that is used in Oregon in a revenue-**

1 producing enterprise and that has been held by the taxpayer for at  
2 least 60 consecutive months, the subtraction allowed under section 1  
3 of this 2011 Act shall be determined by multiplying 50 percent by the  
4 total of the following amounts:

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

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

8 “(2) For long-term capital gain other than that described in sub-  
9 section (1) of this section, the subtraction allowed shall be a percent-  
10 age of net long-term capital gain incurred by the taxpayer that is  
11 included in federal taxable income. The percentage shall be the fol-  
12 lowing:

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

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

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

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

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

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

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

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

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

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

2       “318.020. (1) There hereby is imposed upon every corporation for each  
3 taxable year a tax at the rate provided in ORS 317.061 upon its Oregon tax-  
4 able income derived from sources within this state, other than income for  
5 which the corporation is subject to the tax imposed by ORS chapter 317 ac-  
6 cording to or measured by its Oregon taxable income.

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

11       “[(3) *Income that constitutes net long-term capital gain described in ORS*  
12 *317.063 shall be taxed at the rate imposed under ORS 317.063.*]

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

14       **“SECTION 7. This 2011 Act does not become effective unless the**  
15 **amendment to the Oregon Constitution proposed by Senate Joint Re-**  
16 **solution 26 (2011) is approved by the people at the regular general**  
17 **election held in November 2012. This 2011 Act takes effect on the ef-**  
18 **fective date of that amendment.”.**

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