

PRELIMINARY

77TH OREGON LEGISLATIVE ASSEMBLY
2013 REGULAR SESSION
STAFF MEASURE SUMMARY
SENATE FINANCE AND REVENUE COMMITTEE

MEASURE: SB 543
CARRIER:

REVENUE:
FISCAL:

Action:

Vote:

Yeas:

Nays:

Exc.:

Prepared By: Chris Allanach, Economist

Meeting Dates: 3/25

WHAT THE BILL DOES: Eliminates “throwback sales” for corporations with Oregon exports of \$25 million or less. Applies to tax years beginning on or after January 1, 2014.

ISSUES DISCUSSED:

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EFFECT OF COMMITTEE AMENDMENTS:

BACKGROUND: Under current law, when corporations make sales from Oregon to states where they do not have nexus, the sales are considered Oregon sales for apportionment purposes. Such sales are referred to “throwback sales”. The term nexus refers to the concept of whether or not a state has the legal right to impose income taxes on a given corporation. If a state could impose income taxes on a given corporation, regardless of whether or not they actually do, then that corporation is said to have nexus in that state.

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