

PRELIMINARY

77TH OREGON LEGISLATIVE ASSEMBLY
2013 REGULAR SESSION
STAFF MEASURE SUMMARY
HOUSE REVENUE COMMITTEE

MEASURE: HB 2512
CARRIER:

REVENUE:
FISCAL:

Action:

Vote:

Yeas:

Nays:

Exc.:

Prepared By: Chris Allanach, Economist

Meeting Dates: 2/11

WHAT THE BILL DOES: Prohibits corporations from deducting research and development costs for amounts that are claimed as tax credits. Makes a technical change to the statutes pertaining to the income taxation of non-residents.

ISSUES DISCUSSED:

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EFFECT OF COMMITTEE AMENDMENTS:

BACKGROUND: There are two Oregon statutes that pertain to the research and development credit. The first is found in ORS 317.152 (Qualified Research Activities); the credit is equal to five percent of research expenses that exceed a base amount. The second is found in ORS 317.154 (Alternative qualified research activities) and is equal to the amount of research expenses that exceed ten percent of Oregon sales. As part of the tax credit review process in 2011, the Legislature adopted the change proposed here to the Qualified Research Activities credit; this bill would make the same change to the Alternative Qualified Research Activities credit.

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