

# PRELIMINARY

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

MEASURE: SB 305  
CARRIER:

REVENUE:  
FISCAL:

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Action:

Vote:

Yeas:

Nays:

Exc.:

Prepared By: Chris Allanach, Economist

Meeting Dates: 3/27

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**WHAT THE BILL DOES:** Changes the tax base for Oregon's personal income tax by eliminating deductions. Changes the gross income threshold for filing a tax return to be one-third of the federal standard deduction. Changes the current tax rate structure of 5%-7%-9%-9.9% to unspecified rates (currently blank in the bill). Applies to tax years beginning on or after January 1, 2014.

## ISSUES DISCUSSED:

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## EFFECT OF COMMITTEE AMENDMENTS:

**BACKGROUND:** From 1987 through 2008 Oregon's personal income tax consisted of three tax brackets of 5%-7%-9%. In 2010, voters approved Measure 66 which added two higher brackets of 10.8% and 11% for tax years 2009 through 2011. As per that measure, these top two brackets were combined into a single top bracket of 9.9% effective tax year 2012. Throughout this time period, Oregon's tax base has been federal taxable income (with some adjustments).

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