

D R A F T

SUMMARY

Requires corporations doing business in Oregon to file tax disclosure statements with Secretary of State. Specifies information that must be disclosed by corporations. Declares that tax disclosure statements filed by corporations are public records. Directs Secretary of State to make tax disclosure statements publicly available via Internet. Allows Secretary of State to impose penalty for noncompliance with filing requirements.

A BILL FOR AN ACT

Relating to corporate tax disclosure.

Be It Enacted by the People of the State of Oregon:

SECTION 1. Sections 2 to 5 of this 2013 Act are added to and made a part of ORS chapter 317.

SECTION 2. (1) The following corporations that are doing business in this state, and that are required to file an excise or income tax return under ORS chapter 317 or 318, shall file with the Secretary of State the statement described in section 3 of this 2013 Act:

(a) All publicly traded corporations, including corporations traded on foreign stock exchanges;

(b) All affiliates of publicly traded corporations;

(c) All financial corporations and insurers; and

(d) Any other corporation if such corporation employs 25 or more full-time equivalent employees in this state as of January 1 preceding the date a statement is required to be filed under this section, or if such corporation had sales to customers located in this state in excess of \$10 million in the tax year immediately preceding the year for which

1 a statement is required to be filed under this section.

2 (2) Personal service corporations, as defined in section 269A of the
3 Internal Revenue Code, are exempt from the requirement of filing a
4 statement under this section.

5 (3) For the fiscal year ending June 30, 2013, the statement required
6 by this section must be filed with the Secretary of State on or before
7 March 15, 2014. Thereafter, the statement must be filed at the same
8 time as the corporation's state tax return is filed, but no later than
9 March 15 of the year following the end of the previous tax year.

10 **SECTION 3.** The statement required under section 2 of this 2013 Act
11 shall be on a form and filed in a manner prescribed by the Secretary
12 of State and shall contain:

13 (1) The name of the corporation, the address of its principal exec-
14 utive office, the corporation's business activity code, the type of cor-
15 poration and the name and address of its registered agent;

16 (2) The state excise or income tax liability of the corporation under
17 ORS chapter 317 or 318 for the tax year ending in the period beginning
18 July 1 and ending June 30 immediately preceding the date the state-
19 ment is required to be filed;

20 (3) The name and principal address of any corporation or other en-
21 tity that owns, directly or indirectly, more than 50 percent of the
22 voting stock of the corporation filing the statement;

23 (4) The most recent assessed value of real and personal property of
24 the corporation located in Oregon and the amount of tax assessed on
25 that property;

26 (5) The following information reported on the corporation's income
27 or excise tax return filed under ORS chapter 317 or 318, or, in the case
28 of a corporation included in a consolidated state return, reported on
29 the consolidated state return:

30 (a) Total receipts of the corporation or consolidated group;

31 (b) Taxable income of the corporation or the consolidated group

1 **prior to net operating loss deductions or apportionment;**

2 **(c) Sales apportionment factors of the corporation or consolidated**
3 **group;**

4 **(d) Calculated overall apportionment factor for the corporation or**
5 **consolidated group;**

6 **(e) Total business income apportioned to the state;**

7 **(f) Net operating loss deduction, if any, of the corporation or the**
8 **consolidated group apportioned to the state;**

9 **(g) Total nonbusiness income of the corporation and the amount**
10 **of nonbusiness income allocated to the state;**

11 **(h) Total taxable income;**

12 **(i) Total tax before credits;**

13 **(j) Tax credits claimed, each credit individually enumerated;**

14 **(k) Tax due; and**

15 **(L) Tax paid; and**

16 **(6) The following additional information:**

17 **(a) Total deductions for management services fees and for royalty,**
18 **interest, license fees and similar payments made for the use of intan-**
19 **gible property to any affiliated entity that is not included in the con-**
20 **solidated state return, if any, that includes the corporation and the**
21 **names of the entities to which the payments were made;**

22 **(b) The sales factor that would be calculated for this state if the**
23 **corporation or consolidated group were required to treat as sales in**
24 **this state sales of tangible personal property to the federal government**
25 **and sales of tangible personal property shipped or delivered to a cus-**
26 **tomers in a state in which the selling corporation is neither subject to**
27 **a state corporate income tax or state franchise tax measured by net**
28 **income nor could be subjected to such a tax were the state to impose**
29 **the tax;**

30 **(c) A description of the source of any nonbusiness income reported**
31 **on the return and the identification of the state or states to which**

1 such income was reported;

2 (d) A listing of all corporations included in the consolidated state
3 return that includes the corporation, if such a return is filed, and their
4 taxpayer identification numbers;

5 (e) Full-time equivalent employment of the corporation in the state
6 on the last day of the tax year for which the return is being filed and
7 for the three previous tax years;

8 (f) In the case of a publicly traded corporation incorporated in the
9 United States or an affiliate of such a publicly traded corporation,
10 profits before tax reported on the Securities and Exchange Commis-
11 sion Form 10-K for the corporation or the consolidated group of which
12 the corporation is a member for the corporate fiscal year that contains
13 the last day of the tax year for which the return is filed;

14 (g) The property and payroll factors for this state calculated as re-
15 quired by the Uniform Division of Income for Tax Purposes Act as
16 embodied in Article IV of the Multistate Tax Compact and Multistate
17 Tax Commission regulations applying thereto; and

18 (h) Accumulated tax credit carryovers, enumerated by credit.

19 SECTION 4. Any corporation submitting a statement required by
20 section 2 of this 2013 Act shall be permitted to submit supplemental
21 information that, in its sole judgment, can facilitate proper interpre-
22 tation of the information included in the statement.

23 SECTION 5. If a corporation files an amended tax return, the cor-
24 poration shall file a revised statement within 60 calendar days after
25 the amended return is filed. If a corporation's tax liability for a tax
26 year is changed as the result of an uncontested audit adjustment or
27 final determination of the Department of Revenue or by the Oregon
28 Tax Court or Oregon Supreme Court, the corporation shall file a re-
29 vised statement within 60 calendar days after the final determination
30 of liability.

31 SECTION 6. A statement submitted under sections 2 to 5 of this 2013

1 **Act is a public record to be maintained in the office of the Secretary**
2 **of State. The Secretary of State shall make all information contained**
3 **in the statements for all filing corporations available to the public on**
4 **an ongoing basis in the form of a searchable database accessible**
5 **through the Internet.**

6 **SECTION 7. (1) The accuracy of the statements submitted under**
7 **sections 2 to 5 of this 2013 Act shall be attested to in writing by the**
8 **chief operating officer of the corporation and shall be subject to audit**
9 **by the Department of Revenue under the normal procedures applicable**
10 **to corporate income tax returns.**

11 **(2) The Secretary of State may impose a penalty of up to \$_____**
12 **on any corporation that fails to comply with the requirements of**
13 **sections 2 to 5 of this 2013 Act. The Secretary of State shall publish**
14 **the names of any corporations subject to such a penalty.**

15 **(3) The Secretary of State may promulgate any rules necessary to**
16 **implement this section and sections 2 to 5 and 6 of this 2013 Act.**

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