

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

MEASURE: HB 2460-A3
CARRIER:

REVENUE: Statement Issued

FISCAL:

Action:

Vote:

Yeas:

Nays:

Exc.:

Prepared By: Warner, Economist

Meeting Dates: June 5, 2013

WHAT THE BILL DOES: Requires corporations that file an Oregon tax return that includes a corporation that is a member of unitary group and incorporated in certain countries to include net income from those countries on the Oregon return. Directs the Department of Revenue to report to the Legislature every other year on potential changes in the list of countries. The Department of Revenue is also directed to present a report on the use of out-of-state tax shelters and recommendations for mitigating non-compliance where appropriate to the Legislature no later than February 1, 2014.

ISSUES DISCUSSED:

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EFFECT OF COMMITTEE AMENDMENTS:

Requires corporations that file an Oregon return to include net income from members of a unitary group located in listed countries.

BACKGROUND: The issue of corporations attributing income to countries where they have little, if any, economic substance has been a long standing issue at the federal level. Such actions artificially reduce tax liability of corporations who practice this technique. With the lack of action at the federal level, some states have begun to implement policies intended to more accurately reflect economic activity in the U.S. The policies proposed in HB 2460 are modeled after a statute that has been in effect in Montana since 2003. Alaska and West Virginia have similar provisions.

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