

PRELIMINARY

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

MEASURE: HB 2218
CARRIER:

REVENUE:
FISCAL:

Action:

Vote:

Yeas:

Nays:

Exc.:

Prepared By: Chris Allanach, Economist

Meeting Dates: 2/20

WHAT THE BILL DOES: Creates a subtraction for any capital gain included in federal taxable income resulting from the use of a transferable tax credit purchased by the taxpayer. Requires the subtraction to be reduced by any capital loss realized by the taxpayer attributable to the use of the purchased tax credit. Applies to both personal income and corporate excise taxpayers. Effective for tax years beginning on or after January 1, 2014.

ISSUES DISCUSSED:

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EFFECT OF COMMITTEE AMENDMENTS:

BACKGROUND: Oregon has several transferable tax credits in statute, with the Business Energy Tax Credit (BETC) being the one of greatest significance in terms of dollars. Within recent years, the IRS has ruled that if a taxpayer buys a tax credit and then uses that credit to satisfy a tax liability in excess of the purchase price of the credit, then the difference is considered to be a taxable capital gain. Due to our connection to federal taxable income, such capital gains are also taxable by Oregon.

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