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SUMMARY

Requires addition to taxable income for Oregon tax purposes of amounts attributable to like-kind exchanges and excluded from federal taxable income because of operation of federal law. Provides for subtraction, for tax year in which gain from exchange is recognized and included in federal taxable income, of amount initially added.

Applies to tax years beginning on or after January 1, 2014.

A BILL FOR AN ACT

Relating to tax treatment of like-kind exchanges.

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

SECTION 1. Section 2 of this 2013 Act is added to and made a part of ORS chapter 316.

SECTION 2. (1) To derive Oregon taxable income, there shall be added to federal taxable income any amount not recognized as gain and excluded, for the tax year, from federal taxable income under section 1031 of the Internal Revenue Code.

(2) Amounts added under subsection (1) of this section shall be subtracted from federal taxable income for the tax year in which gain from the exchange is recognized and included in federal taxable income.

SECTION 3. Section 4 of this 2013 Act is added to and made a part of ORS chapter 317.

SECTION 4. (1) To derive Oregon taxable income, there shall be added to federal taxable income any amount not recognized as gain and excluded, for the tax year, from federal taxable income under

1 **section 1031 of the Internal Revenue Code.**

2 **(2) Amounts added under subsection (1) of this section shall be**
3 **subtracted from federal taxable income for the tax year in which gain**
4 **from the exchange is recognized and included in federal taxable in-**
5 **come.**

6 **SECTION 5. Sections 2 and 4 of this 2013 Act apply to tax years**
7 **beginning on or after January 1, 2014.**

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