

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

MINORITY REPORT
MEASURE: HB 2456 - MRA
CARRIER: Rep. Berger

REVENUE: Revenue Impact Statement Issued

FISCAL: Fiscal Impact Issued

Action: Do Pass with Amendments and be Printed A-Engrossed
Signers of the Report: Rep. Berger, Rep. Conger
Prepared By: Chris Allanach, Economist
Meeting Dates: 2/20; 4/9; 4/10; 4/11; 4/12; 4/15; 4/16; 4/17

WHAT THE BILL DOES: Requires corporations that file an Oregon tax return that includes a corporation that is a member of a unitary group and incorporated in certain countries, to include income (or losses) from those countries in the Oregon tax return. Requires the Department of Revenue to report to the Legislature every other year on potential changes to the list of such countries. Requires any revenue raised from this policy to be deposited into the Mental Health Services Fund established by ORS 430.197.

ISSUES DISCUSSED:

- Improved accuracy in reporting the corporate tax base
- Current revenue situation and the use of funds from adopting the measure
- Potential impact of reducing deductions, such as charitable giving
- Impact on businesses
- Impact on the Rainy Day Fund

EFFECT OF COMMITTEE AMENDMENTS: Replaces bill

BACKGROUND: The issue of corporations attributing income to countries where they have little, if any, economic presence has been a long-standing issue at the federal level. Such actions artificially reduce the tax liability of such businesses. With the lack of action at the federal level, some states have begun to implement policies intended to more accurately reflect the U.S. economic presence of these corporations. The policies proposed in this bill are modeled after a Montana statute. Alaska and West Virginia have similar provisions.