

House Bill 2218

Introduced and printed pursuant to House Rule 12.00. Pre-session filed (at the request of Governor John A. Kitzhaber, M.D.)

SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure **as introduced**.

Creates subtraction from federal taxable income of gain attributable to application of transferable tax credits. Requires reduction of subtraction for loss attributable to application of transferable tax credits. Applies to tax years beginning on or after January 1, 2014.

Takes effect on 91st day following adjournment sine die.

A BILL FOR AN ACT

Relating to tax treatment of transferable tax credits; and prescribing an effective date.

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) In addition to the other modifications to federal taxable income contained in this chapter, to derive Oregon taxable income there shall be subtracted from federal taxable income an amount equal to any net capital gain realized by the taxpayer during the tax year that is equal to the difference between the taxpayer's basis in transferable tax credits and the amount of liability satisfied by the application of the tax credits and that is included in federal taxable income for Oregon tax purposes.

(2) The amount subtracted in subsection (1) of this section shall be reduced by the amount, if any, of loss, including long-term loss, incurred by the taxpayer that is equal to the difference between the taxpayer's basis in transferable tax credits and the amount of liability satisfied by the application of the tax credits and that is considered in the determination of federal taxable income for Oregon tax purposes.

SECTION 3. Section 2 of this 2013 Act applies to tax years beginning on or after January 1, 2014.

SECTION 4. Section 5 of this 2013 Act is added to and made a part of ORS chapter 317.

SECTION 5. (1) In addition to the other modifications to federal taxable income contained in this chapter, to derive Oregon taxable income there shall be subtracted from federal taxable income an amount equal to any net capital gain realized by the taxpayer during the tax year that is equal to the difference between the taxpayer's basis in transferable tax credits and the amount of liability satisfied by the application of the tax credits and that is included in federal taxable income for Oregon tax purposes.

(2) The amount subtracted in subsection (1) of this section shall be reduced by the amount, if any, of loss, including long-term loss, incurred by the taxpayer that is equal to the difference between the taxpayer's basis in transferable tax credits and the amount of liability satisfied by the application of the tax credits and that is considered in the determination of federal taxable income for Oregon tax purposes.

SECTION 6. Section 5 of this 2013 Act applies to tax years beginning on or after January

NOTE: Matter in **boldfaced** type in an amended section is new; matter [*italic and bracketed*] is existing law to be omitted. New sections are in **boldfaced** type.

1 1, 2014.

2 **SECTION 7. This 2013 Act takes effect on the 91st day after the date on which the 2013**
3 **regular session of the Seventy-seventh Legislative Assembly adjourns sine die.**

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