

Senate Bill 595

Sponsored by Senators OLSEN, THOMSEN; Senator KNOPP

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**.

Decreases corporate minimum tax imposed on certain C corporations by establishing corporate minimum tax of \$150 for all corporations. Decreases corporate excise tax rates.

Applies to tax years beginning on or after January 1, 2013.

Takes effect on 91st day following adjournment sine die.

A BILL FOR AN ACT

1
2 Relating to corporate excise taxation; creating new provisions; amending ORS 317.061 and 317.090;
3 and prescribing an effective date.

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

5 **SECTION 1.** ORS 317.090 is amended to read:

6 317.090. (1) **Each corporation or affiliated group of corporations filing a return under ORS**
7 **317.710 shall pay annually to the state, for the privilege of carrying on or doing business by**
8 **it within this state, a minimum tax of \$150.** [*As used in this section:*]

9 [(a) "*Oregon sales*" means:]

10 [(A) *If the corporation apports business income under ORS 314.650 to 314.665 for Oregon tax*
11 *purposes, the total sales of the taxpayer in this state during the tax year, as determined for purposes*
12 *of ORS 314.665;*]

13 [(B) *If the corporation does not apportion business income for Oregon tax purposes, the total sales*
14 *in this state that the taxpayer would have had, as determined for purposes of ORS 314.665, if the tax-*
15 *payer were required to apportion business income for Oregon tax purposes; or]*

16 [(C) *If the corporation apports business income using a method different from the method pre-*
17 *scribed by ORS 314.650 to 314.665, Oregon sales as defined by the Department of Revenue by rule.]*

18 [(b) *If the corporation is an agricultural cooperative that is a cooperative organization described*
19 *in section 1381 of the Internal Revenue Code, "Oregon sales" does not include sales representing*
20 *business done with or for members of the agricultural cooperative.]*

21 [(2) *Each corporation or affiliated group of corporations filing a return under ORS 317.710 shall*
22 *pay annually to the state, for the privilege of carrying on or doing business by it within this state, a*
23 *minimum tax as follows:*]

24 [(a) *If Oregon sales properly reported on a return are:*]

25 [(A) *Less than \$500,000, the minimum tax is \$150.]*

26 [(B) *\$500,000 or more, but less than \$1 million, the minimum tax is \$500.]*

27 [(C) *\$1 million or more, but less than \$2 million, the minimum tax is \$1,000.]*

28 [(D) *\$2 million or more, but less than \$3 million, the minimum tax is \$1,500.]*

29 [(E) *\$3 million or more, but less than \$5 million, the minimum tax is \$2,000.]*

30 [(F) *\$5 million or more, but less than \$7 million, the minimum tax is \$4,000.]*

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 [(G) \$7 million or more, but less than \$10 million, the minimum tax is \$7,500.]

2 [(H) \$10 million or more, but less than \$25 million, the minimum tax is \$15,000.]

3 [(I) \$25 million or more, but less than \$50 million, the minimum tax is \$30,000.]

4 [(J) \$50 million or more, but less than \$75 million, the minimum tax is \$50,000.]

5 [(K) \$75 million or more, but less than \$100 million, the minimum tax is \$75,000.]

6 [(L) \$100 million or more, the minimum tax is \$100,000.]

7 [(b) If a corporation is an S corporation, the minimum tax is \$150.]

8 [(3)] (2) The minimum tax is not apportionable (except in the case of a change of accounting
9 periods), and is payable in full for any part of the year during which a corporation is subject to tax.

10 **SECTION 2.** ORS 317.061, as amended by section 9, chapter 745, Oregon Laws 2009, is amended
11 to read:

12 317.061. The rate of the tax imposed by and computed under this chapter is:

13 [(1) Six and six-tenths percent of the first \$10 million of taxable income, or fraction thereof; and]

14 [(2) Seven and six-tenths percent of any amount of taxable income in excess of \$10 million.]

15 (1) **Five and one-half percent of the first \$5 million of taxable income, or fraction thereof;**

16 (2) **Six and one-quarter percent of any amount of taxable income in excess of \$5 million
17 but not more than \$10 million; and**

18 (3) **Seven percent of any amount of taxable income in excess of \$10 million.**

19 **SECTION 3.** The amendments to ORS 317.061 and 317.090 by sections 1 and 2 of this 2013
20 Act apply to tax years beginning on or after January 1, 2013.

21 **SECTION 4.** This 2013 Act takes effect on the 91st day after the date on which the 2013
22 regular session of the Seventy-seventh Legislative Assembly adjourns sine die.
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