

**PROPOSED AMENDMENTS TO
HOUSE BILL 3069**

1 On page 2 of the printed bill, lines 27 and 28, delete the boldfaced mate-
2 rial.

3 On page 3, delete lines 1 through 4 and insert:

4 “(4) The adjustment required in subsection (2) of this section and the
5 credit allowed in subsection (3) of this section do not apply to any portion
6 of the intangible expense:

7 “(a) That the related member directly or indirectly paid, accrued or in-
8 curred to a person that is not a related member, if the transaction giving rise
9 to the intangible expense was undertaken for a valid business purpose; or

10 “(b) If the transaction giving rise to the intangible expense was under-
11 taken by the taxpayer for a valid business purpose and the related member
12 is a foreign corporation described in section 1563(b)(2)(C) of the Internal
13 Revenue Code.

14 “(5) Nothing in this section prohibits the Department of Revenue from
15 applying the provisions of ORS 314.295 to any transaction with related
16 members located in a foreign country.”.

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