

**77TH OREGON LEGISLATIVE ASSEMBLY  
2014 REGULAR SESSION  
STAFF MEASURE SUMMARY  
HOUSE REVENUE COMMITTEE**

**MEASURE: HB 4138 A  
CARRIER: Rep. Vega Pederson**

**REVENUE: Revenue Impact Statement Issued  
FISCAL: Minimal Fiscal Impact**

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**Action:** Do Pass as Amended and be Printed Engrossed  
**Vote:** 6-0-3  
**Yeas:** Bailey, Bentz, Gelsner, Read, Vega Pederson, Barnhart  
**Nays:** 0  
**Exc.:** Berger, Conger, Davis

**Prepared By:** Chris Allanach, Economist  
**Meeting Dates:** 2/6; 2/14; 2/18

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**WHAT THE BILL DOES:** Modifies the method of corporate apportionment of business income for interstate broadcasters. Defines terms. Changes the basis of apportionment from viewing audience to the gross receipts from Oregon domiciled customers. Applies to tax years 2014 through 2019. Requires the Legislative Revenue Officer to produce a report on the impact and utilization of the policy change.

**ISSUES DISCUSSED:**

- Market impact of changing technology
- Policies in other states

**EFFECT OF COMMITTEE AMENDMENTS:** Replaces bill

**BACKGROUND:** Historically, apportionment has been based on estimates of the share of the total viewing audience located in Oregon. With changes in technology driving market changes in the consumption of video and audio services, this approach is facing increasing challenges. The changes proposed in this bill are intended to align the taxation of this industry with the broader policy focus of basing corporate taxation on Oregon sales.