

77TH OREGON LEGISLATIVE ASSEMBLY  
2014 REGULAR SESSION  
STAFF MEASURE SUMMARY  
SENATE FINANCE AND REVENUE COMMITTEE

MEASURE: HB 4138 B  
CARRIER: Sen. Burdick

**REVENUE:** Revenue Impact Statement Issued  
**FISCAL:** Minimal Fiscal Impact, no statement issued

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**Action:** Do Pass as Amended and be Printed Engrossed  
**Vote:** 4-0-1  
**Yeas:** Baertschiger Jr., Hass, Rosenbaum, Burdick  
**Nays:** 0  
**Exc.:** George

**Prepared By:** Chris Allanach, Economist  
**Meeting Dates:** 2/24; 3/4

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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 2016. Requires the Legislative Revenue Officer to produce a report on the impact and utilization of the policy change. Requires that the report be presented to the Legislature by January 1, 2017.

**ISSUES DISCUSSED:**

- The value of changing the apportionment method
- Revenue sources for interstate broadcasters
- Experience in other states
- Potential value of the required report

**EFFECT OF COMMITTEE AMENDMENTS:** Adds language to clarify that the bill does not change who is affected by this method apportionment. Changes the sunset date from January 1, 2020 to January 1, 2017. Changes the reporting requirement date from January 1, 2019 to January 1, 2017.

**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.