

**PROPOSED AMENDMENTS TO
SENATE BILL 1534**

1 On page 1 of the printed bill, line 2, after “ORS” delete the rest of the
2 line and insert “316.043, 316.099, 316.693, 316.749, 316.758, 317.283 and 323.455
3 and section 7, chapter 5, Oregon Laws 2013 (special session);”.

4 On page 2, line 38, after “corporation” insert “on or after January 1,
5 2013”.

6 In line 40, before the period insert “made on or after January 1, 2013, if
7 the tax in paragraph (a) of this subsection is imposed on the commission”.

8 After line 42, insert:

9 **“SECTION 3.** ORS 316.749 is amended to read:

10 “316.749. (1) In addition to the other modifications to federal taxable in-
11 come contained in this chapter, there shall be subtracted from federal taxa-
12 ble income the amount of any dividend received by the taxpayer **on or after**
13 **January 1, 2013**, from a domestic international sales corporation **formed**
14 **on or before January 1, 2014, and subject to the tax imposed under ORS**
15 **317.283 (2)(a).**

16 “(2) As used in this section, ‘domestic international sales corporation’
17 means a domestic international sales corporation as defined in section 992
18 of the Internal Revenue Code.

19 **“SECTION 4.** Section 7, chapter 5, Oregon Laws 2013 (special session),
20 is amended to read:

21 **“Sec. 7.** (1) [*Sections 4 and 6c of this 2013 special session Act*] **ORS**
22 **316.693** and the amendments to ORS 316.085, 316.695, 317.061[, 317.283] and

1 317.635 by sections 1, 2, 5[,] **and 6** [*and 6a of this 2013 special session Act*],
2 **chapter 5, Oregon Laws 2013 (special session)**, apply to tax years begin-
3 ning on or after January 1, 2013.

4 “(2) The amendments to ORS 315.266 by section 6d [*of this 2013 special*
5 *session Act*], **chapter 5, Oregon Laws 2013 (special session)**, apply to tax
6 years beginning on or after January 1, 2014.”.

7 In line 43, delete “3” and insert “5”.

8 On page 3, line 33, delete “4” and insert “6”.

9 After line 34, insert:

10 “(a) ‘Material participation’ has the meaning given that term in section
11 469 of the Internal Revenue Code.”.

12 In line 35, delete “(a)” and insert “(b)”.

13 In line 38, delete “(b)” and insert “(c)”.

14 Delete line 43 and insert “taxed at:

15 “(a) The rate applicable under ORS 316.037; or

16 “(b) At the election of the taxpayer, a rate of:”.

17 In line 44, delete “(a)(A)” and insert “(A)”.

18 On page 4, line 6, delete “; or” and insert a period.

19 Delete line 7.

20 In line 8, delete “(2)” and insert “(2)(b)”.

21 In line 13, delete “(2)” and insert “(2)(b)”.

22 In line 15, delete “(2)” and insert “(2)(b)”.

23 In line 20, delete “(2)” and insert “(2)(b)”.

24 In line 22, delete “(2)” and insert “(2)(b)”.

25 In line 32, delete “(2)” and insert “(2)(b)”.

26 In line 35, delete “(2)” and insert “(2)(b)”.

27 In line 38, delete “5.” and insert “7.”.

28 After line 39, insert:

29 **“SECTION 8.** ORS 316.099 is amended to read:

30 “316.099. (1) As used in this section, unless the context requires otherwise:

1 “(a) ‘Child with a disability’ means a qualifying child under section 152
2 of the Internal Revenue Code who has been determined eligible for early
3 intervention services or is diagnosed for the purposes of special education
4 as being mentally retarded, multidisabled, visually impaired, hard of hearing,
5 deaf-blind, orthopedically impaired or other health impaired or as having
6 autism, emotional disturbance or traumatic brain injury, in accordance with
7 State Board of Education rules.

8 “(b) ‘Early intervention services’ means programs of treatment and ha-
9 bilitation designed to address a child’s developmental deficits in sensory,
10 motor, communication, self-help and socialization areas.

11 “(c) ‘Special education’ means specially designed instruction to meet the
12 unique needs of a child with a disability, including regular classroom in-
13 struction, instruction in physical education, home instruction and instruc-
14 tion in hospitals, institutions and special schools.

15 “(2) The State Board of Education shall adopt rules further defining ‘child
16 with a disability’ for purposes of this section. A diagnosis obtained for the
17 purposes of entitlement to special education or early intervention services
18 shall serve as the basis for a claim for the additional credit allowed under
19 subsection (3) of this section.

20 “(3) In addition to the personal exemption credit allowed by this chapter
21 for state personal income tax purposes for a dependent of the taxpayer, there
22 shall be allowed an additional personal exemption credit for a child with a
23 disability if the child is a child with a disability at the close of the tax year.
24 The amount of the credit **allowed for the dependent for the tax year** shall
25 be *[equal to the amount allowed as the personal exemption credit for the de-*
26 *pendent for state personal income tax purposes for the tax year]* **calculated**
27 **as provided in ORS 316.085, except that the amount may not be reduced**
28 **on the basis of income under ORS 316.085 (5).**

29 “(4) Each taxpayer qualifying for the additional personal exemption credit
30 allowed by this section may claim the credit on the personal income tax re-

1 turn. However, the claim shall be substantiated by any proof of entitlement
2 to the credit as may be required by the state board by rule.

3 **“SECTION 9.** ORS 316.758 is amended to read:

4 “316.758. In addition to the personal exemption credit allowed by this
5 chapter for state personal income tax purposes, there shall be allowed an
6 additional personal exemption credit for the taxpayer if the taxpayer has a
7 severe disability at the close of the taxable year. The amount of the credit
8 **allowed for the tax year** shall be [*equal to the amount allowed as the per-*
9 *sonal exemption credit for the taxpayer for state personal income tax purposes*
10 *for the taxable year*] **calculated as provided in ORS 316.085, except that**
11 **the amount may not be reduced on the basis of income under ORS**
12 **316.085 (5).**

13 **“SECTION 10.** The amendments to ORS 316.099 and 316.758 by
14 sections 8 and 9 of this 2014 Act apply to tax years beginning on or
15 after January 1, 2013.

16 **“SECTION 11.** Every bridge that passes over a river or body of water
17 forming a boundary between this state and another state, and that has
18 been constructed or acquired and is being operated by the other state
19 or by any county, city or other municipality of the other state, shall,
20 together with its approaches, be exempt from all property and other
21 taxes in this state, if the other state exempts from all taxation every
22 such interstate bridge, together with its approaches, constructed or
23 acquired and operated by this state or by any county, city or other
24 municipality of this state.

25 **“SECTION 12.** Section 11 of this 2014 Act is operative retroactively
26 to January 1, 2008, and the operation and effect of section 11 of this
27 2014 Act shall continue unaffected from January 1, 2008, to the effec-
28 tive date of this 2014 Act and thereafter. Any otherwise lawful action
29 taken or otherwise lawful obligation incurred under authority of sec-
30 tion 11 of this 2014 Act after January 1, 2008, and before the effective

1 **date of this 2014 Act is ratified and approved.”.**

2 In line 40, delete “6” and insert “13”.

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