

PRELIMINARY STAFF MEASURE SUMMARY

Senate Committee On Finance and Revenue

Fiscal: May have fiscal impact, but no statement yet issued

Revenue: May have revenue impact, but no statement yet issued

Action Date:

Action:

Meeting Dates:

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WHAT THE MEASURE DOES:

Repeals the income tax addition for qualified production activities beginning with tax year 2016

ISSUES DISCUSSED:

EFFECT OF COMMITTEE AMENDMENT:

No amendment.

BACKGROUND:

Since 2004 the federal government has allowed business taxpayers (personal and corporate) to deduct a portion of qualified production activities income. Eligible income is that which is attributable to production property. Eligible property is that which is manufactured, produced, grown or extracted with the United States. Oregon did not connect to this federal provision; therefore, the amount of the deduction reported on federal tax returns is added back to Oregon tax returns when calculating Oregon tax liability.