

PRELIMINARY STAFF MEASURE SUMMARY

House Committee On Revenue

Fiscal: Has minimal fiscal impact

Revenue: Revenue impact issued

Action Date:

Action:

Meeting Dates:

Prepared By: Paul Warner, Legislative Revenue Officer

WHAT THE MEASURE DOES:

Modifies list of jurisdictions of incorporation for which income must be included on Oregon corporate excise tax return, if corporation is member of unitary group with Oregon corporation. Directs Department of Revenue to adjust income received in a listed jurisdiction when it does not accurately reflect business activity in Oregon as specified in ORS 314.667. Specifies criteria used to determine listed jurisdictions. Requires Legislative Revenue Office to report to the 2017 Legislature on the cost effectiveness of requiring corporations with subsidiaries in listed jurisdictions to report income in those jurisdictions.

ISSUES DISCUSSED:

EFFECT OF COMMITTEE AMENDMENT:

A10 amendment directs Department of Revenue to apply ORS 314.667 in those cases where income reported in listed jurisdiction does not accurately reflect business activity in Oregon.

BACKGROUND:

The 2013 Legislature passed HB 2460 which established a list of jurisdictions for which a member of unitary filing group must include income for Oregon tax purposes. HB 2460 also required the Department of Revenue to issue a report on tax haven jurisdictions and recommend changes to the existing list. The department issued the first report in January of 2015.