

STAFF MEASURE SUMMARY

Senate Committee On Finance and Revenue

Fiscal: Has minimal fiscal impact
Revenue: No revenue impact, statement issued (Indeterminate Impact)

Action Date: 06/01/15

Action: Do Pass.

Meeting Dates: 06/01

Vote:

Yeas: 5 - Baertschiger Jr, Boquist, Edwards, Hass, Riley

Prepared By: Chris Allanach, Senior Economist

WHAT THE MEASURE DOES:

Provides that disaster or emergency related work conducted by an out-of-state business may not be used as the sole basis for determining that the company is doing business in Oregon and therefore subject to Oregon's income tax. Similarly, out-of-state employees working in Oregon for disaster or emergency related work would not be subject to the personal income tax for such earned income.

ISSUES DISCUSSED:

- Potential impact on critical infrastructure
- Similarity to model legislation from the National Conference of State Legislatures (NCSL)

EFFECT OF COMMITTEE AMENDMENT:

No amendment.

BACKGROUND:

Current law provides that Oregon residents are subject to tax on all of their income, while part-year residents and nonresidents are taxed only on income earned in Oregon. A corporation may be deemed to be doing business in Oregon if it has personnel conducting business in the state. Consequently, corporations and individuals could be subject to the state's income tax laws if they are in the state assisting in the response to a natural disaster or other emergency.