

Seventy-Eighth Oregon Legislative Assembly - 2015 Regular Session
STAFF MEASURE SUMMARY
House Committee On Revenue

MEASURE: SB 61 B
CARRIER: Rep. Barnhart

Fiscal: Has minimal fiscal impact

Revenue: Revenue impact issued

Action Date: 07/01/15

Action: Do Pass As Amended And Be Printed Engrossed.

Meeting Dates: 07/01

Vote:

Yeas: 9 - Barnhart, Bentz, Davis, Johnson, Lininger, Read, Smith Warner, Vega Pederson, Whitsett

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:

- Discussion of issue in House version (HB 2099) of same introduced bill.
- Changes in list of jurisdictions.
- How Department of Revenue implements ORS 314.667.
- Taxpayer petition process when apportionment formula does not reflect Oregon business activity.

EFFECT OF COMMITTEE AMENDMENT:

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.