

House Bill 2096

Introduced and printed pursuant to House Rule 12.00. Pre-session filed (at the request of House Interim Committee on Revenue)

SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure **as introduced**.

Provides that corporate minimum tax may not be reduced, paid or otherwise satisfied by use of tax credits, other than certain tax credits allowed for energy conservation facilities.

Applies to tax years beginning on or after January 1, 2015.

Takes effect on 91st day following adjournment sine die.

A BILL FOR AN ACT

1
2 Relating to use of tax credits to satisfy corporate minimum tax; creating new provisions; amending
3 ORS 317.090; prescribing an effective date; and providing for revenue raising that requires ap-
4 proval by a three-fifths majority.

5 **Be It Enacted by the People of the State of Oregon:**

6 **SECTION 1.** ORS 317.090 is amended to read:

7 317.090. (1) As used in this section:

8 (a) "Oregon sales" means:

9 (A) If the corporation apportions business income under ORS 314.650 to 314.665 for Oregon tax
10 purposes, the total sales of the taxpayer in this state during the tax year, as determined for purposes
11 of ORS 314.665;

12 (B) If the corporation does not apportion business income for Oregon tax purposes, the total
13 sales in this state that the taxpayer would have had, as determined for purposes of ORS 314.665, if
14 the taxpayer were required to apportion business income for Oregon tax purposes; or

15 (C) If the corporation apportions business income using a method different from the method
16 prescribed by ORS 314.650 to 314.665, Oregon sales as defined by the Department of Revenue by
17 rule.

18 (b) If the corporation is an agricultural cooperative that is a cooperative organization described
19 in section 1381 of the Internal Revenue Code, "Oregon sales" does not include sales representing
20 business done with or for members of the agricultural cooperative.

21 (2) Each corporation or affiliated group of corporations filing a return under ORS 317.710 shall
22 pay annually to the state, for the privilege of carrying on or doing business by it within this state,
23 a minimum tax as follows:

24 (a) If Oregon sales properly reported on a return are:

25 (A) Less than \$500,000, the minimum tax is \$150.

26 (B) \$500,000 or more, but less than \$1 million, the minimum tax is \$500.

27 (C) \$1 million or more, but less than \$2 million, the minimum tax is \$1,000.

28 (D) \$2 million or more, but less than \$3 million, the minimum tax is \$1,500.

29 (E) \$3 million or more, but less than \$5 million, the minimum tax is \$2,000.

30 (F) \$5 million or more, but less than \$7 million, the minimum tax is \$4,000.

NOTE: Matter in **boldfaced** type in an amended section is new; matter [*italic and bracketed*] is existing law to be omitted. New sections are in **boldfaced** type.

1 (G) \$7 million or more, but less than \$10 million, the minimum tax is \$7,500.

2 (H) \$10 million or more, but less than \$25 million, the minimum tax is \$15,000.

3 (I) \$25 million or more, but less than \$50 million, the minimum tax is \$30,000.

4 (J) \$50 million or more, but less than \$75 million, the minimum tax is \$50,000.

5 (K) \$75 million or more, but less than \$100 million, the minimum tax is \$75,000.

6 (L) \$100 million or more, the minimum tax is \$100,000.

7 (b) If a corporation is an S corporation, the minimum tax is \$150.

8 (3) The minimum tax is not apportionable (except in the case of a change of accounting periods),
9 [and] is payable in full for any part of the year during which a corporation is subject to tax **and**
10 **may not be reduced, paid or otherwise satisfied through the use of any tax credit, other than**
11 **the credit allowed under ORS 315.354.**

12 **SECTION 2. The amendments to ORS 317.090 by section 1 of this 2015 Act apply to tax**
13 **years beginning on or after January 1, 2015.**

14 **SECTION 3. This 2015 Act takes effect on the 91st day after the date on which the 2015**
15 **regular session of the Seventy-eighth Legislative Assembly adjourns sine die.**

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