

Requested by Senator FERRIOLI

**PROPOSED AMENDMENTS TO  
SENATE BILL 1532**

1 On page 1 of the printed bill, line 2, after the second semicolon delete the  
2 rest of the line and line 3 and insert “amending ORS 314.752, 318.031 and  
3 653.025; and prescribing an effective date.”.

4 Delete lines 5 through 28 and delete pages 2 and 3 and insert:

5 **“SECTION 1.** ORS 653.025 is amended to read:

6 “653.025. (1) Except as provided [by] **in subsections (2) and (3) of this**  
7 **section,** ORS 652.020 and the rules of the Commissioner of the Bureau of  
8 Labor and Industries issued under ORS 653.030 and 653.261, for each hour  
9 of work time that the employee is gainfully employed, no employer shall  
10 employ or agree to employ any employee at wages computed at a rate lower  
11 than:

12 “[a] *For calendar year 1997, \$5.50.*]

13 “[b] *For calendar year 1998, \$6.00.*]

14 “[c] *For calendar years after December 31, 1998, and before January 1,*  
15 *2003, \$6.50.*]

16 “[d] (a) For calendar year 2003, \$6.90.

17 “[e] (b) [*For calendar years after 2003*] **From January 1, 2004, to June**  
18 **30, 2016,** a rate adjusted for inflation **as calculated by the commissioner.**

19 **“(c) From July 1, 2016, to June 30, 2017, \$9.75.**

20 **“(d) From July 1, 2017, to June 30, 2018, \$10.25.**

21 **“(e) From July 1, 2018, to June 30, 2019, \$10.75.**

1       “(f) From July 1, 2019, to June 30, 2020, \$11.25.

2       “(g) From July 1, 2020, to June 30, 2021, \$12.

3       “(h) From July 1, 2021, to June 30, 2022, \$12.75.

4       “(i) From July 1, 2022, to June 30, 2023, \$13.50.

5       “(j) After June 30, 2023, beginning on July 1 of each year, a rate  
6 adjusted annually for inflation as described in subsection (5) of this  
7 section.

8       “(2) If the employer is located within the urban growth boundary  
9 of a metropolitan service district organized under ORS chapter 268,  
10 except as provided by ORS 652.020 and the rules of the commissioner  
11 issued under ORS 653.030 and 653.261, for each hour of work time that  
12 the employee is gainfully employed, no employer shall employ or agree  
13 to employ any employee at wages computed at a rate lower than:

14       “(a) From July 1, 2016, to June 30, 2017, \$9.75.

15       “(b) From July 1, 2017, to June 30, 2018, \$11.25.

16       “(c) From July 1, 2018, to June 30, 2019, \$12.

17       “(d) From July 1, 2019, to June 30, 2020, \$12.50.

18       “(e) From July 1, 2020, to June 30, 2021, \$13.25.

19       “(f) From July 1, 2021, to June 30, 2022, \$14.

20       “(g) From July 1, 2022, to June 30, 2023, \$14.75.

21       “(h) After June 30, 2023, an employer described in this subsection  
22 shall pay an employee no less than \$1.25 per hour more than the  
23 minimum wage determined under subsection (1)(j) of this section.

24       “(3) If the employer is located within a nonurban county as de-  
25 scribed in section 2 of this 2016 Act, except as provided by ORS 652.020  
26 and the rules of the commissioner issued under ORS 653.030 and  
27 653.261, for each hour of work time that the employee is gainfully  
28 employed, no employer shall employ or agree to employ any employee  
29 at wages computed at a rate lower than:

30       “(a) From July 1, 2016, to June 30, 2017, \$9.50.

1       **“(b) From July 1, 2017, to June 30, 2018, \$10.**  
2       **“(c) From July 1, 2018, to June 30, 2019, \$10.50.**  
3       **“(d) From July 1, 2019, to June 30, 2020, \$11.**  
4       **“(e) From July 1, 2020, to June 30, 2021, \$11.50.**  
5       **“(f) From July 1, 2021, to June 30, 2022, \$12.**  
6       **“(g) From July 1, 2022, to June 30, 2023, \$12.50.**  
7       **“(h) After June 30, 2023, an employer described in this subsection**  
8 **shall pay an employee no less than \$1 per hour less than the minimum**  
9 **wage determined under subsection (1)(j) of this section.**  
10       **“(4) The commissioner shall adopt rules for determining an**  
11 **employer’s location under subsection (2) of this section.**  
12       **“[(2)(a)] (5)(a) The Oregon minimum wage shall be adjusted [annually] for**  
13 **inflation[,] as provided in paragraph (b) of this subsection.**  
14       **“(b) No later than [September] April 30 of each year, beginning in [cal-**  
15 **endar year 2003] 2023, the commissioner shall calculate an adjustment of the**  
16 **wage amount specified in subsection (1)(j) of this section based upon the**  
17 **increase, if any, [(if any)] from [August] March of the preceding year to**  
18 **[August] March of the year in which the calculation is made in the**  
19 **U.S. City Average Consumer Price Index for All Urban Consumers for All**  
20 **Items as prepared by the Bureau of Labor Statistics of the United States**  
21 **Department of Labor or its successor.**  
22       **“(c) The wage amount [established] as adjusted under this subsection**  
23 **shall[:]**  
24       **“[(A)] be rounded to the nearest five cents[: and].**  
25       **“[(B)] (d) The wage amount as adjusted under this subsection [be-**  
26 **come] becomes effective as the new Oregon minimum wage amount, re-**  
27 **placing the [dollar figure specified in subsection (1)] minimum wage**  
28 **amount specified in subsection (1)(j) of this section, on [January 1 of the**  
29 **following year] July 1 of the year in which the calculation is made.**  
30       **“SECTION 2. For purposes of ORS 653.025, ‘nonurban counties’**

1 means any of the following counties:

2 “(1) Baker;

3 “(2) Coos;

4 “(3) Crook;

5 “(4) Curry;

6 “(5) Douglas;

7 “(6) Gilliam;

8 “(7) Grant;

9 “(8) Harney;

10 “(9) Jefferson;

11 “(10) Klamath;

12 “(11) Lake;

13 “(12) Malheur;

14 “(13) Morrow;

15 “(14) Sherman;

16 “(15) Umatilla;

17 “(16) Union;

18 “(17) Wallowa; or

19 “(18) Wheeler.

20 **“SECTION 3. Section 4 of this 2016 Act is added to and made a part**  
21 **of ORS chapter 315.**

22 **“SECTION 4. (1) A credit against taxes that are otherwise due under**  
23 **ORS chapter 316 or, if the taxpayer is a corporation, under ORS**  
24 **chapter 317 or 318 is allowed to a taxpayer for the costs of complying,**  
25 **after January 1, 2017, with the amendments to ORS 653.025 by section**  
26 **1 of this 2016 Act. The amount of the credit in any one tax year is**  
27 **computed by calculating the net increase in wages paid by a taxpayer**  
28 **to employees of the taxpayer as required under the amendments to**  
29 **ORS 653.025 by section 1 of this 2016 Act during the tax year.**

30 **“(2) A taxpayer may qualify for the credit allowed under this section**

1 if the taxpayer pays the taxpayer's employees in accordance with all  
2 applicable federal, state and local laws.

3 “(3) If the amount allowable as a credit under this section, when  
4 added to the sum of the amount of estimated tax paid under ORS  
5 314.515 and any other tax prepayment amounts, exceeds the taxes im-  
6 posed by ORS chapters 314 and 317 for the tax year (reduced by any  
7 nonrefundable credits allowable for purposes of ORS chapter 317 for  
8 the tax year), the amount of the excess shall be refunded to the tax-  
9 payer as provided in ORS 314.415.

10 “(4) A nonresident shall be allowed the credit under this section.  
11 The credit shall be computed in the same manner and be subject to  
12 the same limitations as the credit granted to a resident.

13 “(5) If a change in the taxable year of the taxpayer occurs as de-  
14 scribed in ORS 314.085, or if the Department of Revenue terminates the  
15 taxpayer's taxable year under ORS 314.440, the credit allowed by this  
16 section shall be prorated or computed in a manner consistent with  
17 ORS 314.085.

18 “(6) If a change in the status of a taxpayer from resident to non-  
19 resident or from nonresident to resident occurs, the credit allowed by  
20 this section shall be determined in a manner consistent with ORS  
21 316.117.

22 “**SECTION 5.** ORS 314.752 is amended to read:

23 “314.752. (1) Except as provided in ORS 314.740 (5)(b), the tax credits al-  
24 lowed or allowable to a C corporation for purposes of ORS chapter 317 or  
25 318 shall not be allowed to an S corporation. The business tax credits al-  
26 lowed or allowable for purposes of ORS chapter 316 shall be allowed or are  
27 allowable to the shareholders of the S corporation.

28 “(2) In determining the tax imposed under ORS chapter 316, as provided  
29 under ORS 314.734, on income of the shareholder of an S corporation, there  
30 shall be taken into account the shareholder's pro rata share of business tax

1 credit (or item thereof) that would be allowed to the corporation (but for  
2 subsection (1) of this section) or recapture or recovery thereof. The credit (or  
3 item thereof), recapture or recovery shall be passed through to shareholders  
4 in pro rata shares as determined in the manner prescribed under section  
5 1377(a) of the Internal Revenue Code.

6 “(3) The character of any item included in a shareholder’s pro rata share  
7 under subsection (2) of this section shall be determined as if such item were  
8 realized directly from the source from which realized by the corporation, or  
9 incurred in the same manner as incurred by the corporation.

10 “(4) If the shareholder is a nonresident and there is a requirement appli-  
11 cable for the business tax credit that in the case of a nonresident the credit  
12 be allowed in the proportion provided in ORS 316.117, then that provision  
13 shall apply to the nonresident shareholder.

14 “(5) As used in this section, ‘business tax credit’ means a tax credit  
15 granted to personal income taxpayers to encourage certain investment, to  
16 create employment, economic opportunity or incentive or for charitable, ed-  
17 ucational, scientific, literary or public purposes that is listed under this  
18 subsection as a business tax credit or is designated as a business tax credit  
19 by law or by the Department of Revenue by rule and includes but is not  
20 limited to the following credits: ORS 285C.309 (tribal taxes on reservation  
21 enterprise zones and reservation partnership zones), ORS 315.104 (forestation  
22 and reforestation), ORS 315.138 (fish screening, by-pass devices, fishways),  
23 ORS 315.141 (biomass production for biofuel), ORS 315.156 (crop gleaning),  
24 ORS 315.164 and 315.169 (agriculture workforce housing), ORS 315.204 (de-  
25 pendent care assistance), ORS 315.208 (dependent care facilities), ORS 315.213  
26 (contributions for child care), ORS 315.304 (pollution control facility), ORS  
27 315.326 (renewable energy development contributions), ORS 315.331 (energy  
28 conservation projects), ORS 315.336 (transportation projects), ORS 315.341  
29 (renewable energy resource equipment manufacturing facilities), ORS 315.354  
30 and 469B.151 (energy conservation facilities), ORS 315.507 (electronic com-

1 merce) and ORS 315.533 (low income community jobs initiative) **and section**  
2 **4 of this 2016 Act (increased minimum wage).**

3 **“SECTION 6.** ORS 318.031 is amended to read:

4 “318.031. It being the intention of the Legislative Assembly that this  
5 chapter and ORS chapter 317 shall be administered as uniformly as possible  
6 (allowance being made for the difference in imposition of the taxes), ORS  
7 305.140 and 305.150, ORS chapter 314 and the following sections are incor-  
8 porated into and made a part of this chapter: ORS 285C.309, 315.104, 315.141,  
9 315.156, 315.204, 315.208, 315.213, 315.304, 315.326, 315.331, 315.336, 315.507 and  
10 315.533 **and section 4 of this 2016 Act** (all only to the extent applicable to  
11 a corporation) and ORS chapter 317.

12 **“SECTION 7. Section 3 of this 2016 Act and the amendments to ORS**  
13 **314.752 and 318.031 by sections 5 and 6 of this 2016 Act apply to tax**  
14 **years beginning on or after January 1, 2017, and before January 1, 2021.**

15 **“SECTION 8. This 2016 Act takes effect on the 91st day after the**  
16 **date on which the 2016 regular session of the Seventy-eighth Legisla-**  
17 **tive Assembly adjourns sine die.”.**

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