

**REVENUE IMPACT OF  
PROPOSED LEGISLATION**  
79th Oregon Legislative Assembly  
2017 Regular Session  
Legislative Revenue Office

|               |                |
|---------------|----------------|
| Bill Number:  | SB 28 - 6      |
| Revenue Area: | Income Taxes   |
| Economist:    | Chris Allanach |
| Date:         | 3/31/2017      |

***Only Impacts on Original or Engrossed  
Versions are Considered Official***

---

**The revenue impact of this measure is indeterminate for the following reasons:**

Changing corporation apportionment from cost-of-performance to market-based affects how income from intangibles and services is assigned to states where corporations conduct business. It does not affect income from the sale of tangible personal property. The policy change would likely result in the tax liability increasing for some corporations and decreasing for others, depending on their production locations and customer markets. Corporations that perform most of their production in Oregon and export their services are likely to see a tax reduction. On the other hand, corporations with production centers outside of Oregon that sell into Oregon would likely see a tax increase. Given Oregon's size and industrial mix it's possible that corporation income tax collections may increase, but given the offsetting nature of the impact on individual corporations, the revenue impact is deemed to be indeterminate.