

**SB 30 STAFF MEASURE SUMMARY**

**Senate Committee On Finance and Revenue**

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**Prepared By:** Chris Allanach, Senior Economist

**Meeting Dates:** 2/6

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**WHAT THE MEASURE DOES:**

For purposes of making a decision on whether or not multiple corporations comprise a unitary group, allows the Department of Revenue to consider their connection to foreign affiliates.

**ISSUES DISCUSSED:**

**EFFECT OF AMENDMENT:**

**BACKGROUND:**

Since the 1980s Oregon has taxed corporation income according to the water's edge principal. Only income from within the U.S. can be taxed. The change proposed by this bill does not change that. It does allow the DOR to consider the connections of U.S. corporations with foreign affiliates to determine if corporations are members of a unitary group. For example, if Corporation A and Corporation B are strongly connected via a foreign affiliate, the policy in this bill enables the determination that Corporations A and B are unitary. Under current law, DOR cannot make any consideration of the foreign affiliate.