
Senate Finance & Revenue Committee

February 6, 2017

SB 29 – Indebtedness Discharged in Bankruptcy

Summary

SB 29 amends ORS 314.306 to clarify the tax treatment applicable to discharges of indebtedness in bankruptcy cases commenced on or after October 17, 2005.

Comments

This amendment revises the reference to 11 USC 346(j) in ORS 314.306. Federal bankruptcy law controls regardless of whether Oregon revises the reference in statute. The reference needs to be revised however because the content of 11 USC 346(j) changed in 2005.

The 1995 version of federal law and current Oregon statute continue to apply for discharges of indebtedness in bankruptcy cases commenced before the effective date of the federal change, October 17, 2005.

For more information about this testimony, contact Jeff Henderson 503-947-2124.