

D R A F T

SUMMARY

Imposes additional tax on qualified dividend income treated as net capital gain and taxed at lower rate on personal income taxpayer's federal return.
Applies to tax years beginning on or after January 1, 2018.
Takes effect on 91st day following adjournment sine die.

A BILL FOR AN ACT

1
2 Relating to tax treatment of dividends; prescribing an effective date; and
3 providing for revenue raising that requires approval by a three-fifths
4 majority.

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

6 **SECTION 1. Section 2 of this 2017 Act is added to and made a part**
7 **of ORS chapter 316.**

8 **SECTION 2. Notwithstanding ORS 316.037, any amount of income**
9 **that on the taxpayer's federal return is treated as net capital gain and**
10 **taxed as a qualified dividend as provided in section 1(h)(1) of the**
11 **Internal Revenue Code shall be subject to an additional tax under this**
12 **chapter. The rate of additional tax shall be the rate that would be**
13 **imposed on ordinary income minus the rate imposed on dividend in-**
14 **come as provided in section 1(h)(1) of the Internal Revenue Code.**

15 **SECTION 3. Section 2 of this 2017 Act applies to tax years beginning**
16 **on or after January 1, 2018.**

17 **SECTION 4. This 2017 Act takes effect on the 91st day after the date**
18 **on which the 2017 regular session of the Seventy-ninth Legislative**
19 **Assembly adjourns sine die.**