

HB 2273 STAFF MEASURE SUMMARY

Carrier: Rep. Bentz

House Committee On Revenue

Action Date: 02/23/17

Action: Do Pass.

Vote: 8-0-1-0

Yeas: 8 - Barnhart, Bentz, Hernandez, Johnson, Marsh, Nosse, Smith G, Smith Warner

Exc: 1 - Buehler

Fiscal: Has minimal fiscal impact

Revenue: Has minimal revenue impact

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WHAT THE MEASURE DOES:

Modifies the method by which corporations may petition the DOR for the ability to use an apportionment method different from current law. Adds language that aligns with that proposed by the Multistate Tax Commission. Applies to tax years beginning on or after January 1, 2018.

ISSUES DISCUSSED:

- Ability of corporations to petition the Department of Revenue for an alternate method of apportioning income
- Role of the Multistate Tax Commission

EFFECT OF AMENDMENT:

No amendment.

BACKGROUND:

Under current law, almost all multi-state corporations apportion their income using the single sales factor. But statute does allow companies to propose an alternative method if they feel a different approach would better reflect their business income in Oregon. If the DOR agrees, they may use the alternate approach.