

# House Bill 2385

Sponsored by Representative BARRETO; Representatives ESQUIVEL, KENNEMER, Senator HANSELL (Pre-session filed.)

## SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure **as introduced**.

Reduces corporate excise tax rates for taxpayer that increases average monthly employment for tax year from immediately preceding tax year.

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 corporate excise tax rates; creating new provisions; amending ORS 317.061; and pre-  
3 scribing an effective date.

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

5 **SECTION 1.** ORS 317.061 is amended to read:

6 317.061. **Except as provided in section 3 of this 2017 Act**, the rate of the tax imposed by and  
7 computed under this chapter is:

8 (1) Six and six-tenths percent of the first \$1 million of taxable income, or fraction thereof; and

9 (2) Seven and six-tenths percent of any amount of taxable income in excess of \$1 million.

10 **SECTION 2.** Section 3 of this 2017 Act is added to and made a part of ORS chapter 317.

11 **SECTION 3.** (1) **The rate imposed under ORS 317.061 shall be reduced for a taxpayer that**  
12 **increases the average monthly employment of the taxpayer for the tax year, as determined**  
13 **on the last day of each month and as compared to the immediately preceding tax year, as**  
14 **follows:**

15 (a) **If the taxpayer increases the average monthly number for the tax year of full-time**  
16 **employees of the taxpayer, by at least 10 percent, but less than 20 percent, the rate other-**  
17 **wise applicable shall be multiplied by 0.8.**

18 (b) **If the taxpayer increases the average monthly number for the tax year of full-time**  
19 **employees of the taxpayer, by at least 20 percent, but less than 30 percent, the rate other-**  
20 **wise applicable shall be multiplied by 0.6.**

21 (c) **If the taxpayer increases the average monthly number for the tax year of full-time**  
22 **employees of the taxpayer, by at least 30 percent, but less than 40 percent, the rate other-**  
23 **wise applicable shall be multiplied by 0.4.**

24 (d) **If the taxpayer increases the average monthly number for the tax year of full-time**  
25 **employees of the taxpayer, by at least 40 percent, but less than 50 percent, the rate other-**  
26 **wise applicable shall be multiplied by 0.2.**

27 (2) **If the taxpayer increases the average monthly number for the tax year of full-time**  
28 **employees of the taxpayer, by at least 50 percent, a tax is not imposed under this chapter.**

29 (3) **The Department of Revenue shall by rule establish policies and procedures for veri-**  
30 **fying taxpayer eligibility for the reduced tax rates available under this section.**

**NOTE:** Matter in **boldfaced** type in an amended section is new; matter *[italic and bracketed]* is existing law to be omitted. New sections are in **boldfaced** type.

1        **SECTION 4.** Section 3 of this 2017 Act and the amendments to ORS 317.061 by section 1  
2 of this 2017 Act apply to tax years beginning on or after January 1, 2018.

3        **SECTION 5.** This 2017 Act takes effect on the 91st day after the date on which the 2017  
4 regular session of the Seventy-ninth Legislative Assembly adjourns sine die.

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