

House Bill 2951

Sponsored by COMMITTEE ON REVENUE

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**.

Requires addition, in determination of Oregon taxable income, of deduction as business expense of compensation paid by taxpayer to highly paid individual.

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 the deduction of pay of highly paid individuals; and prescribing an effective date.

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

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

5 **SECTION 2. (1) As used in this section, "compensation" includes wages, salaries, bo-**
6 **nuses, commissions, stock options or any other form of remuneration paid to or accrued by**
7 **an individual in return for personal services.**

8 **(2) There shall be added to federal taxable income any amount of an individual's com-**
9 **penensation that has been deducted on a taxpayer's federal return under section 162 of the**
10 **Internal Revenue Code, if the individual's compensation paid by the taxpayer for the tax year**
11 **exceeds 100 multiplied by the median annual compensation of full-time employees of the trade**
12 **or business for which the deduction is claimed.**

13 **SECTION 3. Section 4 of this 2017 Act is added to and made a part of ORS chapter 317.**

14 **SECTION 4. (1) As used in this section, "compensation" includes wages, salaries, bo-**
15 **nuses, commissions, stock options or any other form of remuneration paid to or accrued by**
16 **an individual in return for personal services.**

17 **(2) There shall be added to federal taxable income any amount of an individual's com-**
18 **penensation that has been deducted on a taxpayer's federal return under section 162 of the**
19 **Internal Revenue Code, if the individual's compensation paid by the taxpayer for the tax year**
20 **exceeds 100 multiplied by the median annual compensation of full-time employees of the trade**
21 **or business for which the deduction is claimed.**

22 **SECTION 5. Sections 2 and 4 of this 2017 Act apply to tax years beginning on or after**
23 **January 1, 2018.**

24 **SECTION 6. This 2017 Act takes effect on the 91st day after the date on which the 2017**
25 **regular session of the Seventy-ninth Legislative Assembly adjourns sine die.**

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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.