

Senate Bill 154

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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**.

Provides that tax credits are allowed against corporate minimum tax unless otherwise provided in statute.

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 minimum tax; amending ORS 317.090 and section 45, chapter 701, Oregon Laws
3 2015; and prescribing an effective date.

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

5 **SECTION 1.** ORS 317.090 is amended to read:

6 317.090. (1) As used in this section:

7 (a) "Oregon sales" means:

8 (A) If the corporation apportions business income under ORS 314.650 to 314.665 for Oregon tax
9 purposes, the total sales of the taxpayer in this state during the tax year, as determined for purposes
10 of ORS 314.665;

11 (B) If the corporation does not apportion business income for Oregon tax purposes, the total
12 sales in this state that the taxpayer would have had, as determined for purposes of ORS 314.665, if
13 the taxpayer were required to apportion business income for Oregon tax purposes; or

14 (C) If the corporation apportions business income using a method different from the method
15 prescribed by ORS 314.650 to 314.665, Oregon sales as defined by the Department of Revenue by
16 rule.

17 (b) If the corporation is an agricultural cooperative that is a cooperative organization described
18 in section 1381 of the Internal Revenue Code, "Oregon sales" does not include sales representing
19 business done with or for members of the agricultural cooperative.

20 (2) Each corporation or affiliated group of corporations filing a return under ORS 317.710 shall
21 pay annually to the state, for the privilege of carrying on or doing business by it within this state,
22 a minimum tax as follows:

23 (a) If Oregon sales properly reported on a return are:

24 (A) Less than \$500,000, the minimum tax is \$150.

25 (B) \$500,000 or more, but less than \$1 million, the minimum tax is \$500.

26 (C) \$1 million or more, but less than \$2 million, the minimum tax is \$1,000.

27 (D) \$2 million or more, but less than \$3 million, the minimum tax is \$1,500.

28 (E) \$3 million or more, but less than \$5 million, the minimum tax is \$2,000.

29 (F) \$5 million or more, but less than \$7 million, the minimum tax is \$4,000.

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 (G) \$7 million or more, but less than \$10 million, the minimum tax is \$7,500.

2 (H) \$10 million or more, but less than \$25 million, the minimum tax is \$15,000.

3 (I) \$25 million or more, but less than \$50 million, the minimum tax is \$30,000.

4 (J) \$50 million or more, but less than \$75 million, the minimum tax is \$50,000.

5 (K) \$75 million or more, but less than \$100 million, the minimum tax is \$75,000.

6 (L) \$100 million or more, the minimum tax is \$100,000.

7 (b) If a corporation is an S corporation, the minimum tax is \$150.

8 (3) The minimum tax is not apportionable (except in the case of a change of accounting periods),
9 is payable in full for any part of the year during which a corporation is subject to tax, and, **unless**
10 **otherwise provided in statute**, may [*not*] be reduced, paid or otherwise satisfied through the use
11 of [*any tax credit*] **tax credits**.

12 **SECTION 2.** ORS 317.090, as amended by section 44, chapter 701, Oregon Laws 2015, is
13 amended to read:

14 317.090. (1) As used in this section:

15 (a) "Oregon sales" means:

16 (A) If the corporation apportions business income under ORS 314.650 to 314.665 for Oregon tax
17 purposes, the total sales of the taxpayer in this state during the tax year, as determined for purposes
18 of ORS 314.665;

19 (B) If the corporation does not apportion business income for Oregon tax purposes, the total
20 sales in this state that the taxpayer would have had, as determined for purposes of ORS 314.665, if
21 the taxpayer were required to apportion business income for Oregon tax purposes; or

22 (C) If the corporation apportions business income using a method different from the method
23 prescribed by ORS 314.650 to 314.665, Oregon sales as defined by the Department of Revenue by
24 rule.

25 (b) If the corporation is an agricultural cooperative that is a cooperative organization described
26 in section 1381 of the Internal Revenue Code, "Oregon sales" does not include sales representing
27 business done with or for members of the agricultural cooperative.

28 (2) Each corporation or affiliated group of corporations filing a return under ORS 317.710 shall
29 pay annually to the state, for the privilege of carrying on or doing business by it within this state,
30 a minimum tax as follows:

31 (a) If Oregon sales properly reported on a return are:

32 (A) Less than \$500,000, the minimum tax is \$150.

33 (B) \$500,000 or more, but less than \$1 million, the minimum tax is \$500.

34 (C) \$1 million or more, but less than \$2 million, the minimum tax is \$1,000.

35 (D) \$2 million or more, but less than \$3 million, the minimum tax is \$1,500.

36 (E) \$3 million or more, but less than \$5 million, the minimum tax is \$2,000.

37 (F) \$5 million or more, but less than \$7 million, the minimum tax is \$4,000.

38 (G) \$7 million or more, but less than \$10 million, the minimum tax is \$7,500.

39 (H) \$10 million or more, but less than \$25 million, the minimum tax is \$15,000.

40 (I) \$25 million or more, but less than \$50 million, the minimum tax is \$30,000.

41 (J) \$50 million or more, but less than \$75 million, the minimum tax is \$50,000.

42 (K) \$75 million or more, but less than \$100 million, the minimum tax is \$75,000.

43 (L) \$100 million or more, the minimum tax is \$100,000.

44 (b) If a corporation is an S corporation, the minimum tax is \$150.

45 (3) The minimum tax is not apportionable (except in the case of a change of accounting periods),

1 [and] is payable in full for any part of the year during which a corporation is subject to tax, **and,**
2 **unless otherwise provided in statute, may be reduced, paid or otherwise satisfied through the**
3 **use of tax credits.**

4 **SECTION 3.** Section 45, chapter 701, Oregon Laws 2015, is amended to read:

5 **Sec. 45.** (1) The amendments to ORS 317.090 by section 43, **chapter 701, Oregon Laws 2015,**
6 *[of this 2015 Act]* apply to tax years beginning on or after January 1, 2015, and before January 1,
7 *[2021]* **2018.**

8 (2) The amendments to ORS 317.090 by section 44, **chapter 701, Oregon Laws 2015, and**
9 **sections 1 and 2 of this 2017 Act** *[of this 2015 Act]* apply to tax years beginning on or after Jan-
10 uary 1, *[2021]* **2018.**

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