

**SB 1529 -4 STAFF MEASURE SUMMARY**

**Senate Committee On Finance and Revenue**

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**Prepared By:** Kyle Easton, Economist

**Meeting Dates:** 2/8, 2/9

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**WHAT THE MEASURE DOES:**

Updates connection to the Internal Revenue Code and to other provisions in federal tax law from December 31, 2016 to December 31, 2017.

**ISSUES DISCUSSED:**

**EFFECT OF AMENDMENT:**

-4 Requires the addback of the federal dividend received deduction related to repatriation. Creates a tax credit based on taxes paid from the tax haven legislation and applied against the Oregon tax from repatriated income. Requires the Department of Revenue to estimate actual collections and place that amount into the Rainy Day Fund. Repeals the tax haven law for tax years 2017 and later.

**BACKGROUND:**

Oregon has had a continuing connection ("rolling reconnect") to the definition of taxable income since tax year 2011. Other ties to federal tax law must be updated on a regular basis, with December 31st being the usual connection date.