

SB 213 A STAFF MEASURE SUMMARY

Carrier: Rep. Hernandez

House Committee On Revenue

Action Date: 05/21/19

Action: Do Pass the A-Eng bill.

Vote: 7-0-0-0

Yeas: 7 - Findley, Hernandez, Marsh, Nathanson, Reschke, Smith G, Smith Warner

Fiscal: No fiscal impact

Revenue: Has minimal revenue impact

Prepared By: Kyle Easton, Economist

Meeting Dates: 5/14, 5/21

WHAT THE MEASURE DOES:

Updates connection date to federal Internal Revenue Code and other provisions of federal tax law from December 31, 2017 to December 31, 2018. Takes effect on 91st day following adjournment sine die.

ISSUES DISCUSSED:

- Oregon's connection to federal tax statutes
- Measure updates point in time connections to Internal Revenue Code, leaves "rolling reconnect" unchanged
- Discussions that took place in Senate Finance and Revenue Committee regarding potentially changing Oregon's policies of rolling reconnect and connection point.

EFFECT OF AMENDMENT:

No amendment.

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. Over the past forty years, the state has rotated between a policy of automatic connection to federal tax base changes and connection to the federal code at a particular point in time.