House Bill 2144

Introduced and printed pursuant to House Rule 12.00. Presession filed (at the request of House Interim 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 to federal taxable income of amounts deducted as gain attributable to investment in federal qualified opportunity zone. Allows subtraction in later tax year if gain is temporarily deferred at federal level.

Applies to tax years beginning on or after January 1, 2019.

Takes effect on 91st day following adjournment sine die.

A BILL FOR AN ACT

Relating to tax treatment of investment in qualified opportunity zone; and prescribing an effective date.

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

SECTION 1. Section 2 of this 2019 Act is added to and made a part of ORS chapter 316.

SECTION 2. (1) There shall be added to federal taxable income for Oregon tax purposes any gain that is allowable as a deduction under section 1400Z-2 of the Internal Revenue Code for the tax year.

(2) Any amount added to federal taxable income for Oregon tax purposes under subsection (1) of this section that under section 1400Z of the Internal Revenue Code is temporarily deferred gain may thereafter be subtracted from federal taxable income for Oregon tax purposes for the year in which the amount is includible in federal taxable income under section 1400Z-2 (b) of the Internal Revenue Code.

(3) Any adjustment in basis of opportunity zone property allowed under section 1400Z of the Internal Revenue Code for federal tax purposes shall be disregarded for Oregon tax purposes.

SECTION 3. Section 4 of this 2019 Act is added to and made a part of ORS chapter 317.

SECTION 4. (1) There shall be added to federal taxable income for Oregon tax purposes any gain that is allowable as a deduction under section 1400Z-2 of the Internal Revenue Code for the tax year.

(2) Any amount added to federal taxable income for Oregon tax purposes under subsection (1) of this section that under section 1400Z of the Internal Revenue Code is temporarily deferred gain may thereafter be subtracted from federal taxable income for Oregon tax purposes for the year in which the amount is includible in federal taxable income under section 1400Z-2 (b) of the Internal Revenue Code.

(3) Any adjustment in basis of opportunity zone property allowed under section 1400Z of the Internal Revenue Code for federal tax purposes shall be disregarded for Oregon tax purposes.

SECTION 5. Sections 2 and 4 of this 2019 Act apply to tax years beginning on or after

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.

LC 2739
January 1, 2019.

SECTION 6. This 2019 Act takes effect on the 91st day after the date on which the 2019 regular session of the Eightieth Legislative Assembly adjourns sine die.