

Senate Bill 677

Sponsored by Senator BOQUIST

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 publicly traded corporations that are required to file tax returns to file annual disclosure statements with Secretary of State, listing information including federal taxable income, Oregon taxable income, additions, subtractions, credits, tax liability, wages and compensation and sales. Requires Secretary of State to make information in statements publicly available.

Provides for penalties for noncompliance.

Takes effect on 91st day following adjournment sine die.

A BILL FOR AN ACT

1
2 Relating to corporate tax disclosure; and prescribing an effective date.

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

4 **SECTION 1. Sections 2 to 5 of this 2019 Act are added to and made a part of ORS chapter**
5 **314.**

6 **SECTION 2. (1) All publicly traded corporations, including their affiliates and subsid-**
7 **aries, that are required to file a return under ORS chapter 317 or 318 shall file with the**
8 **Secretary of State the statement described in section 3 of this 2019 Act.**

9 **(2) For tax years ending on or after January 1, 2017, and before January 1, 2019, the**
10 **statement required by this section must be filed with the Secretary of State on or before**
11 **March 15, 2020.**

12 **(3) For all tax years thereafter, the statement required by this section must be filed on**
13 **the earlier of the date that the corporation's state tax return is filed or November 30 of the**
14 **year following the end of the previous tax year.**

15 **SECTION 3. The statement required under section 2 of this 2019 Act shall be on a form**
16 **and filed in a manner prescribed by the Secretary of State and for each corporation shall**
17 **contain:**

18 **(1) The name of the corporation, the address of the corporation's principal executive of-**
19 **ice, the corporation's business activity code, the type of corporation and the name and ad-**
20 **dress of the corporation's registered agent;**

21 **(2) The corporation's 4-digit North American Industry Classification System code num-**
22 **ber;**

23 **(3) A unique code number that is assigned by the Secretary of State to identify the cor-**
24 **poration and that remains constant from year to year;**

25 **(4) The name and principal address of any corporation or other entity that owns, directly**
26 **or indirectly, more than 50 percent of the voting stock of the corporation filing the state-**
27 **ment;**

28 **(5) The following tax-related information reported on the corporation's return filed under**
29 **ORS chapter 317 or 318, or, in the case of a corporation included in a consolidated state re-**

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 turn, reported on the consolidated state return:

2 (a) Taxable income reported on the corporation's federal income tax return;

3 (b) Total additions claimed and an individual enumeration of each addition;

4 (c) Total subtractions claimed and an individual enumeration of each subtraction;

5 (d) The apportionment percentage used to calculate the corporation's taxable income in
6 Oregon, including the apportionment factors for property, payroll and sales, individually
7 enumerated;

8 (e) Any Oregon net operating loss deduction;

9 (f) Oregon taxable income;

10 (g) Total tax liability in Oregon before credits;

11 (h) Tax credits claimed and carryforward credits, with each credit individually enumer-
12 ated;

13 (i) Total Oregon tax due;

14 (j) Total property or real estate income and interest in Oregon;

15 (k) Total wages and compensation paid in Oregon; and

16 (L) Total Oregon sales; and

17 (6) Any domestic or offshore activity of the corporation not otherwise reported, including
18 total deductions for management services fees and for royalty, interest and license fees and
19 similar payments made for the use of intangible property to any affiliated entity that is not
20 included in the consolidated state return that includes the corporation, with the names and
21 countries of domicile of the entities to which the payments were made.

22 **SECTION 4.** A corporation that submits a statement required by section 2 of this 2019
23 Act may submit supplemental information that, in its sole judgment, can facilitate proper
24 interpretation of the information included in the statement.

25 **SECTION 5.** If a corporation files an amended return, the corporation shall file a revised
26 statement within 60 calendar days after the amended return is filed. If a corporation's tax
27 liability for a tax year is changed as the result of an uncontested audit adjustment or final
28 determination of the Department of Revenue or by the Oregon Tax Court or Supreme Court,
29 the corporation shall file a revised statement within 60 calendar days after the final deter-
30 mination of liability.

31 **SECTION 6.** A statement submitted under sections 2 to 5 of this 2019 Act is a public re-
32 cord to be maintained in the office of the Secretary of State. The Secretary of State shall
33 make all information contained in the statements for all filing corporations available to the
34 public on an ongoing basis in the form of a searchable database accessible through the
35 Internet. The Secretary of State may not make a statement for any corporation in a given
36 tax year publicly available until the first day of the third subsequent calendar year after the
37 calendar year in which the tax year ends.

38 **SECTION 7.** (1) The chief operating officer of a corporation shall attest in writing to the
39 accuracy of a statement submitted under sections 2 to 5 of this 2019 Act. A statement sub-
40 mitted under sections 2 to 5 of this 2019 Act is subject to audit by the Department of Re-
41 venue under the normal procedures applicable to returns filed under ORS chapter 317 or 318.

42 (2) The Secretary of State may impose an annual penalty of up to 0.25 percent of the
43 corporation's gross receipts in Oregon on a corporation that fails to comply with the re-
44 quirements of sections 2 to 5 of this 2019 Act. The penalty may not exceed \$1 million annu-
45 ally. The Secretary of State shall publish the name of a corporation subject to a penalty.

1 **(3) The Secretary of State may adopt rules necessary to implement and enforce the pro-**
2 **visions of this section and sections 2 to 5 and 6 of this 2019 Act.**

3 **SECTION 8.** **This 2019 Act takes effect on the 91st day after the date on which the 2019**
4 **regular session of the Eightieth Legislative Assembly adjourns sine die.**

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