

SB 851-2  
(LC 3547)  
5/8/19 (CMT/ps)

Requested by SENATE COMMITTEE ON FINANCE AND REVENUE

**PROPOSED AMENDMENTS TO  
SENATE BILL 851**

1 On page 1 of the printed bill, delete lines 5 through 30.

2 On page 2, delete lines 1 through 14 and insert:

3 **“SECTION 1. Section 2 of this 2019 Act is added to and made a part**  
4 **of ORS chapter 317.**

5 **“SECTION 2. In addition to the other modifications to federal tax-**  
6 **able income contained in this chapter, to derive Oregon taxable in-**  
7 **come there shall be added to federal taxable income amounts deducted,**  
8 **for the tax year, as foreign-derived intangible income pursuant to**  
9 **section 250 of the Internal Revenue Code.**

10 **“SECTION 3. Section 4 of this 2019 Act is added to and made a part**  
11 **of ORS chapter 316.**

12 **“SECTION 4. In addition to the other modifications to federal tax-**  
13 **able income contained in this chapter, to derive Oregon taxable in-**  
14 **come there shall be added to federal taxable income any amount**  
15 **deducted, for the tax year, for federal income tax purposes under sec-**  
16 **tion 965(c)(1) of the Internal Revenue Code.**

17 **“SECTION 5. Section 6 of this 2019 Act is added to and made a part**  
18 **of ORS 314.625 to 314.645.**

19 **“SECTION 6. For purposes of ORS 314.625 to 314.645, amounts of**  
20 **global intangible low-taxed income described in section 951A of the**  
21 **Internal Revenue Code and included in gross income shall be treated**

1 **in the same manner as a dividend.**

2 **“SECTION 7.** ORS 317.267, as amended by section 28, chapter 101, Oregon  
3 Laws 2018, is amended to read:

4 “317.267. (1) To derive Oregon taxable income, there shall be added to  
5 federal taxable income:

6 **“(a)** Amounts received as dividends from corporations deducted for fed-  
7 eral purposes pursuant to section 243 [*or*], 245 **or 245A** of the Internal Rev-  
8 enue Code, except section 245(c) of the Internal Revenue Code[.];

9 **“(b)** Amounts deducted for income repatriated, deemed or otherwise, un-  
10 der An Act to Provide for Reconciliation Pursuant to Titles II and V of the  
11 Concurrent Resolution on the Budget for Fiscal Year 2018 (P.L. 115-97)[.];

12 **“(c) Amounts deducted as global intangible low-taxed income pur-  
13 suant to section 250 of the Internal Revenue Code;**

14 **“(d)** Amounts paid as dividends by a public utility or telecommunications  
15 utility and deducted for federal purposes pursuant to section 247 of the  
16 Internal Revenue Code; or

17 **“(e)** Dividends eliminated under Treasury Regulations adopted under  
18 section 1502 of the Internal Revenue Code that are paid by members of an  
19 affiliated group that are eliminated from a consolidated federal return pur-  
20 suant to ORS 317.715 (2).

21 **“(2)** To derive Oregon taxable income, after the modification prescribed  
22 under subsection (1) of this section, there shall be subtracted from federal  
23 taxable income an amount equal to 70 percent of dividends (determined  
24 without regard to section 78 of the Internal Revenue Code) received or  
25 deemed received from corporations if such dividends are included in federal  
26 taxable income. However:

27 **“(a)** In the case of any dividend on debt-financed portfolio stock as de-  
28 scribed in section 246A of the Internal Revenue Code, the subtraction al-  
29 lowed under this subsection shall be reduced under the same conditions and  
30 in same amount as the dividends received deduction otherwise allowable for

1 federal income tax purposes is reduced under section 246A of the Internal  
2 Revenue Code.

3 “(b) In the case of any dividend received from a 20 percent owned corpo-  
4 ration, as defined in section 243(c) of the Internal Revenue Code, this sub-  
5 section shall be applied by substituting ‘80 percent’ for ‘70 percent.’

6 “(c) A dividend that is not treated as a dividend under section 243(d) or  
7 965(c)(3) of the Internal Revenue Code may not be treated as a dividend for  
8 purposes of this subsection.

9 “(d) If a dividends received deduction is not allowed for federal tax pur-  
10 poses because of section 246(a) or (c) of the Internal Revenue Code, a sub-  
11 traction may not be made under this subsection for received dividends that  
12 are described in section 246(a) or (c) of the Internal Revenue Code.

13 “(e) In the case of any dividend received from an alien, domestic or for-  
14 eign insurer, as defined in ORS 731.082, that would be included in the  
15 taxpayer’s consolidated Oregon return but for the application of ORS 317.710  
16 (5) or (7), this subsection shall be applied by substituting ‘100 percent’ for  
17 ‘70 percent.’

18 **“(f) For purposes of this subsection, global intangible low-taxed in-  
19 come included in gross income pursuant to section 951A of the Internal  
20 Revenue Code shall be treated in the same manner as a dividend.**

21 “(3) There shall be excluded from the sales factor of any apportionment  
22 formula employed to attribute income to this state any amount **otherwise**  
23 **includable in the sales factor that is** subtracted from federal taxable in-  
24 come under subsection (2) of this section.

25 **“SECTION 8. Sections 2, 4 and 6 of this 2019 Act and the amend-  
26 ments to ORS 317.267 by section 7 of this 2019 Act apply to tax years  
27 beginning on or after January 1, 2018.**

28 **“SECTION 9. This 2019 Act takes effect on the 91st day after the  
29 date on which the 2019 regular session of the Eightieth Legislative  
30 Assembly adjourns sine die.”**

