

# House Bill 4010

Introduced and printed pursuant to House Rule 12.00. Pre-session filed (at the request of House Interim Committee on Revenue for Representative Nancy Nathanson)

## 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 excluded as gain attributable to investment in federal qualified opportunity zone. Allows subtraction in later tax year if gain is temporarily deferred at federal level.

Directs Legislative Revenue Officer, after study and consultation with interested parties, to report to Legislative Assembly on operation and effectiveness of federal opportunity zone program and to make recommendations, if appropriate, for legislation intended to achieve partial reconnection to federal opportunity zone program.

Applies to tax years beginning on or after January 1, 2020.

Takes effect on 91st day following adjournment sine die.

## A BILL FOR AN ACT

1 Relating to opportunity zones; and prescribing an effective date.

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

3 **SECTION 1. Section 2 of this 2020 Act is added to and made a part of ORS chapter 316.**

4 **SECTION 2. (1) There shall be added to federal taxable income for Oregon tax purposes**  
5 **any gain that is excluded from federal taxable income under section 1400Z-2 of the Internal**  
6 **Revenue Code for the tax year.**

7 **(2) Any amount added to federal taxable income for Oregon tax purposes under sub-**  
8 **section (1) of this section that under section 1400Z of the Internal Revenue Code is tempo-**  
9 **rarily deferred gain may thereafter be subtracted from federal taxable income for Oregon tax**  
10 **purposes for the year in which the amount is includible in federal taxable income under**  
11 **section 1400Z-2(b) of the Internal Revenue Code.**

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

15 **SECTION 3. Section 4 of this 2020 Act is added to and made a part of ORS chapter 317.**

16 **SECTION 4. (1) There shall be added to federal taxable income for Oregon tax purposes**  
17 **any gain that is excluded from federal taxable income under section 1400Z-2 of the Internal**  
18 **Revenue Code for the tax year.**

19 **(2) Any amount added to federal taxable income for Oregon tax purposes under sub-**  
20 **section (1) of this section that under section 1400Z of the Internal Revenue Code is tempo-**  
21 **rarily deferred gain may thereafter be subtracted from federal taxable income for Oregon tax**  
22 **purposes for the year in which the amount is includible in federal taxable income under**  
23 **section 1400Z-2(b) of the Internal Revenue Code.**

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

27 **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       **SECTION 5.** Sections 2 and 4 of this 2020 Act apply to tax years beginning on or after  
2       **January 1, 2020.**

3       **SECTION 6.** (1) The Legislative Revenue Officer shall study the operation and effective-  
4       **ness of the federal opportunity zone program.**

5       (2) In conducting the study required by subsection (1) of this section, the officer shall  
6       **consult with members of the Legislative Assembly and with individuals representing the fol-**  
7       **lowing:**

8       (b) Labor organizations;

9       (b) Private equity concerns;

10      (c) Tax policy advocates;

11      (d) Tax practitioners;

12      (e) Community development organizations; and

13      (f) Local governments.

14      (3) The officer shall report findings to an interim committee of the Legislative Assembly  
15      **related to revenue in the manner provided by ORS 192.245 no later than November 1, 2020.**  
16      **The report may include any recommendations, if appropriate, by the officer for legislation**  
17      **intended to achieve partial reconnection of Oregon statutes to the federal opportunity zone**  
18      **program.**

19      **SECTION 7.** This 2020 Act takes effect on the 91st day after the date on which the 2020  
20      **regular session of the Eightieth Legislative Assembly adjourns sine die.**

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