

SENATE AMENDMENTS TO SENATE BILL 1529

By COMMITTEE ON FINANCE AND REVENUE

February 21

1 On page 1 of the printed bill, delete lines 5 through 29 and delete page 2 and insert:

2 **“SECTION 1. Section 2 of this 2020 Act is added to and made a part of ORS 314.605 to**
3 **314.675.**

4 **“SECTION 2. (1) As used in this section:**

5 **“(a) ‘Broadcasting’ means the activity of transmitting programming through any one-way**
6 **electronic signal by radio waves, microwaves, wires, coaxial cables, wave guides or other**
7 **conduits of communications.**

8 **“(b) ‘Total gross receipts’ means all gross receipts of a person engaged in broadcasting**
9 **from transactions and activities in the regular course of the person’s trade or business, ex-**
10 **cept receipts from sales of real or tangible personal property.**

11 **“(2)(a) In the case of broadcasting sales, a taxpayer’s market for sales for purposes of**
12 **ORS 314.665 is in this state if the taxpayer’s audience or subscribers are in this state. The**
13 **numerator of the sales factor based on audience or subscribers shall be determined using**
14 **third-party ratings information where available and a taxpayer with sales from broadcasting**
15 **shall make actual information from the taxpayer’s books, papers, records or memoranda**
16 **available to the Department of Revenue to determine the taxpayer’s audience or subscribers.**

17 **“(b) If information sufficient for the taxpayer to determine audience or subscribers is**
18 **not available, the ratio of population in Oregon to population in the United States shall be**
19 **used to apportion income.**

20 **“(3) For broadcasting sales receipts that derive from licensing to subscription services**
21 **or advertising on subscription services, if information sufficient for the taxpayer to deter-**
22 **mine audience or subscribers is not available, the taxpayer shall use 0.6 percent multiplied**
23 **by the taxpayer’s receipts from licensing to subscription services and from advertising on**
24 **subscription services as the numerator of the sales factor.**

25 **“(4) A taxpayer engaged in broadcasting may elect to use subsection (2) of this section**
26 **in apportioning the taxpayer’s total gross receipts.**

27 **“SECTION 3. ORS 314.665 is amended to read:**

28 **“314.665. (1) As used in ORS 314.650, the sales factor is a fraction, the numerator of which is**
29 **the total sales of the taxpayer in this state during the tax period, and the denominator of which is**
30 **the total sales of the taxpayer everywhere during the tax period.**

31 **“(2) Sales of tangible personal property are in this state if:**

32 **“(a) The property is delivered or shipped to a purchaser, other than the United States Govern-**
33 **ment, within this state regardless of the f.o.b. point or other conditions of the sale; or**

34 **“(b) The property is shipped from an office, store, warehouse, factory, or other place of storage**
35 **in this state and the purchaser is the United States Government or the taxpayer is not taxable in**

1 the state of the purchaser. For purposes of this paragraph:

2 “(A) The sale of goods shipped from a public warehouse is not considered to take place in this
3 state if:

4 “(i) The taxpayer’s only activity in Oregon is the storage of the goods in the public warehouse
5 prior to shipment; or

6 “(ii) The taxpayer’s only activities in Oregon are the storage of the goods in the public ware-
7 house prior to shipment and the presence of employees within this state solely for purposes of so-
8 liciting sales of the taxpayer’s products; and

9 “(B) ‘Taxpayer’ means a taxpayer as defined in section 7701 of the Internal Revenue Code, an
10 affiliate of the person storing goods in a public warehouse or a person that is related under section
11 267 of the Internal Revenue Code to the person storing goods in a public warehouse.

12 “(3) Subsection (2)(b) of this section does not apply to sales of tangible personal property if:

13 “(a) The sales are included in the numerator of a formula used to apportion income to another
14 state of the United States, a foreign country or the District of Columbia; and

15 “(b) The other state, a foreign country or the District of Columbia has imposed a tax on or
16 measured by the apportioned income.

17 “(4) Sales, other than sales of tangible personal property, are in this state if the taxpayer’s
18 market for sales is in this state, as determined under ORS 314.666.

19 “(5) Where the sales apportionment factor is determined by administrative rule pursuant to ORS
20 [314.682, 314.684 or] 317.660 or other law, the Department of Revenue shall adopt rules that are
21 consistent with the determination of the sales factor under this section.

22 “(6) The department may determine that a warehouse that meets the definition of ‘public ware-
23 house’ under this section may not be treated as a public warehouse if the warehouse is being used
24 primarily for tax avoidance purposes or if transactions related to the use of the warehouse are pri-
25 marily for tax avoidance purposes.

26 “(7) As used in this section, ‘public warehouse’:

27 “(a) Means a warehouse owned or operated by a person that does not own the goods stored in
28 the warehouse; and

29 “(b) Does not include a warehouse that is owned by a person that is related to the person that
30 owns goods that are stored in the warehouse, as determined under section 267 of the Internal Re-
31 venue Code, or an affiliate of the person that owns goods that are stored in the warehouse.

32 “**SECTION 4. ORS 314.680, 314.682, 314.684, 314.686, 314.688 and 314.690 are repealed.**

33 “**SECTION 5. Section 2 of this 2020 Act, the amendments to ORS 314.665 by section 3 of
34 this 2020 Act and the repeal of ORS 314.680, 314.682, 314.684, 314.686, 314.688 and 314.690 by
35 section 4 of this 2020 Act apply to tax years beginning on or after January 1, 2020.**

36 “**SECTION 6. This 2020 Act takes effect on the 91st day after the date on which the 2020
37 regular session of the Eightieth Legislative Assembly adjourns sine die.**”