

HB 4009-25
(LC 249)
2/20/20 (CMT/ps)

Requested by HOUSE COMMITTEE ON REVENUE (at the request of Representative Nancy Nathanson)

**PROPOSED AMENDMENTS TO
HOUSE BILL 4009**

1 On page 2 of the printed bill, line 25, after “policies” insert “, including
2 crop insurance policies,”.

3 On page 4, line 35, delete “and”.

4 In line 39, delete the period and insert “; and

5 “(VV) Receipts from the sale of fluid milk by dairy farmers that are not
6 members of an agricultural cooperative.”.

7 Delete lines 40 and 41 and insert:

8 “(2) ‘Cost inputs’ means:

9 “(a) The cost of goods sold as calculated in arriving at federal taxable
10 income under the Internal Revenue Code; or

11 “(b) In the case of a taxpayer that is engaged in a farming operation, as
12 defined in section 3b of this 2020 Act, and that does not report cost of goods
13 sold for federal tax purposes, the taxpayer’s operating expenses excluding
14 labor costs.”.

15 On page 8, after line 14, insert:

16 **“SECTION 3a. Section 3b of this 2020 Act is added to and made a
17 part of ORS 317A.100 to 317A.158.**

18 **“SECTION 3b. (1) As used in this section:**

19 **“(a)(A) ‘Agricultural commodity’ includes all agricultural,
20 horticultural, viticultural and vegetable products produced in this
21 state, including bees and honey.**

1 **“(B) ‘Agricultural commodity’ does not include timber or timber**
2 **products.**

3 **“(b) ‘Broker’ means any person, other than a dealer, commission**
4 **merchant or cash buyer, that negotiates the purchase or sale of any**
5 **agricultural commodity but does not handle the agricultural com-**
6 **modity.**

7 **“(c) ‘Farming operation’ means an entity doing business in a sector**
8 **described under codes 111, 112 or 115 of the North American Industry**
9 **Classification System.**

10 **“(2) A taxpayer that is engaged in a farming operation that sells**
11 **agricultural commodities to a broker or wholesaler may demonstrate**
12 **the percentage of the taxpayer’s goods sold in this state compared to**
13 **outside this state, for purposes of determining commercial activity,**
14 **by:**

15 **“(a) Obtaining from the broker or wholesaler receiving an agricul-**
16 **tural commodity from the taxpayer a certificate that states the per-**
17 **centage; or**

18 **“(b) Using an industry average percentage, for sales of the agricul-**
19 **tural commodity made the previous tax year, that is based on the most**
20 **recent information from the United States Department of Agriculture**
21 **National Agricultural Statistics Service and other sources of sales in-**
22 **formation.”.**

23 On page 9, line 7, after the period insert “Section 3b of this 2020 Act
24 and”.

25
