House Bill 3208

Sponsored by Representative BOSHART DAVIS

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.

Adds processor to types of entities from which taxpayer engaged in farming operation may obtain certification stating percentage of in-state agricultural commodity sold to entity, in order to determine taxpayer's commercial activity for purposes of corporate activity tax.

Applies to tax years beginning on or after January 1, 2022.

Takes effect on 91st day following adjournment sine die.

A BILL FOR AN ACT

Relating to determination of commercial activity of taxpayer engaged in farming operation; creating new provisions; amending section 6, chapter 2, Oregon Laws 2020 (first special session); and prescribing an effective date.

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

SECTION 1. Section 6, chapter 2, Oregon Laws 2020 (first special session), is amended to read:

Sec. 6. (1) As used in this section:

(a) "Agricultural commodity" includes all agricultural, horticultural, viticultural and vegetable products produced in this state, including bees and honey.

(b) "Farming operation" means an entity doing business in a sector described under codes 111, 112 or 115 of the North American Industry Classification System.

(2) A taxpayer that is engaged in a farming operation that sells agricultural commodities to a broker, processor or wholesaler may demonstrate the percentage of the taxpayer's goods sold in this state compared to outside this state, for purposes of determining commercial activity, by:

(a) Obtaining, from the broker, processor or wholesaler receiving an agricultural commodity from the taxpayer, a certificate that states the percentage; or

(b) Using an industry average percentage, for sales of the agricultural commodity made the previous tax year, that is based on the most recent information from the United States Department of Agriculture National Agricultural Statistics Service and other sources of sales information.

SECTION 2. The amendments to section 6, chapter 2, Oregon Laws 2020 (first special session), by section 1 of this 2021 Act apply to tax years beginning on or after January 1, 2022.

SECTION 3. This 2021 Act takes effect on the 91st day after the date on which the 2021 regular session of the Eighty-first Legislative Assembly adjourns sine die.

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.

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