

Requested by SENATE COMMITTEE ON FINANCE AND REVENUE

**PROPOSED AMENDMENTS TO  
SENATE BILL 1524**

1 On page 1 of the printed bill, line 3, after the first “and” insert “section  
2 6, chapter 905, Oregon Laws 2007,”.

3 Delete lines 6 through 21.

4 Delete pages 2 through 12 and insert:

5 **“SECTION 1.** ORS 284.368 is amended to read:

6 “284.368. (1) As used in this section:

7 “(a) ‘Actual Oregon expenses’ means the costs paid in Oregon for princi-  
8 pal photography, production or postproduction in Oregon of a film, or for  
9 media production services, including but not limited to the purchase or  
10 rental cost of equipment, food, lodging, real property and permits and pay-  
11 ments made for salaries, wages and benefits for work in Oregon.

12 “(b) ‘Film’ means a television movie or one or more episodes of a single  
13 television series, or a movie produced for release to theaters, video or the  
14 Internet. ‘Film’ does not include the production of a commercial or one or  
15 more segments of a newscast or sporting event.

16 “(c) ‘Filmmaker’ means a person who owns a television or film production  
17 company.

18 “(d) ‘Local filmmaker’ means a person who owns a television or film  
19 production company that has its principal place of business in this state.

20 “(e) ‘Local media production project’ means, if made or performed by a  
21 local media production services company, a single interactive video game or

1 a portion thereof, or postproduction services for a single film.

2 “(f) ‘Local media production services company’ means a media production  
3 services company that has its principal place of business in this state.

4 “(g) ‘Media production services’ includes postproduction services and  
5 interactive video game development. ‘Media production services’ does not  
6 include the production of a commercial or one or more segments of a  
7 newscast or sporting event.

8 “(h) ‘Media production services company’ means a person who is engaged  
9 in media production services.

10 “(i) ‘Portland metropolitan zone’ means the area within a 30-mile radius  
11 of the center of the Burnside Bridge in Portland.

12 “(j) ‘Resident of this state’ has the meaning given that term in ORS  
13 316.027.

14 “(2)(a) The Oregon Business Development Department may reimburse a  
15 filmmaker or local media production services company for a portion of the  
16 actual Oregon expenses incurred by the filmmaker or local media production  
17 services company.

18 “(b) Maximum reimbursement for a single film or a single local media  
19 production project shall be the total of:

20 “(A) [10] **20** percent of payments made for employee salaries, wages and  
21 benefits for work done in Oregon; and

22 “(B) [20] **25** percent of all other actual Oregon expenses.

23 “(c) Notwithstanding paragraph (b) of this subsection, maximum re-  
24 imbursement for a single film may not exceed 50 percent of total moneys  
25 received by the Oregon Production Investment Fund during the biennium in  
26 which the actual Oregon expenses are incurred.

27 “(d) To qualify for reimbursement under this subsection, total actual  
28 Oregon expenses for a film or a local media production project must equal  
29 or exceed \$1 million.

30 “(3)(a) The department may reimburse a local filmmaker or local media

1 production services company for all or a portion of the actual Oregon ex-  
2 penses, up to \$1 million, incurred by the local filmmaker or local media  
3 production services company.

4 “(b) To qualify for reimbursement under this subsection:

5 “(A) Total actual Oregon expenses paid for the film or media production  
6 services must be at least \$75,000;

7 “(B) The local filmmaker or local media production services company  
8 must have spent 80 percent of the film’s payroll on employees who are resi-  
9 dents of this state; and

10 “(C) The local filmmaker or local media production services company  
11 must have employed or contracted with a public accountant certified under  
12 ORS 673.040 for the provision of payroll services.

13 “(4) In combination with the reimbursements allowed under subsections  
14 (2) and (3) of this section, the department may make an additional payment  
15 to a filmmaker for one of the following:

16 “(a) A travel and living expenses rebate of \$200 per employee per day, for  
17 any day that a film is shot entirely outside the Portland metropolitan zone,  
18 not to exceed \$10,000 per day or \$50,000 per film; or

19 “(b) An increase of 10 percent of the amount otherwise allowable under  
20 subsections (2) and (3) of this section, if for at least six days and at least  
21 one day more than half of its total shoot days in Oregon the film is shot  
22 entirely outside the Portland metropolitan zone.

23 “(5) Reimbursement under this section shall be made from moneys cred-  
24 ited to or deposited in the Oregon Production Investment Fund during the  
25 biennium in which the actual Oregon expenses were paid or any prior  
26 biennium. A reimbursement may not be made to the extent funds are not  
27 available in the fund to make the reimbursement.

28 “(6)(a) Total actual Oregon expenses supporting a claim for reimburse-  
29 ment under this section must be verified by the Oregon Film and Video Of-  
30 fice. The filmmaker or local media production services company must submit

1 to the office proof of the actual Oregon expenses. The proof must include any  
2 documentation that may be required by the office in its discretion to verify  
3 the actual Oregon expenses.

4 “(b) The office may charge the filmmaker or local media production ser-  
5 vices company for costs reasonably incurred to verify the actual Oregon ex-  
6 penses, including but not limited to the cost for a review or audit of the  
7 supporting documentation by an accountant or auditor. The office may re-  
8 quire the department to deduct the costs incurred by the office in performing  
9 its review or audit from any reimbursement made to the filmmaker or local  
10 media production services company under this section.

11 “(c) The office may adopt rules that establish a procedure for the sub-  
12 mission and verification of actual Oregon expenses.

13 **“SECTION 2.** ORS 315.616 is amended to read:

14 “315.616. A resident or nonresident individual who is certified as eligible  
15 under ORS 442.561, 442.562, 442.563 or 442.564, and is licensed as a physician  
16 under ORS chapter 677, licensed as a physician assistant under ORS chapter  
17 677, licensed as a nurse practitioner under ORS chapter 678, licensed as a  
18 certified registered nurse anesthetist under ORS chapter 678, licensed as a  
19 dentist under ORS chapter 679 [*or*], licensed as an optometrist under ORS  
20 683.010 to 683.340 **or certified by the American Society for Clinical**  
21 **Pathology as a medical laboratory scientist or as a medical laboratory**  
22 **technician** is entitled to the tax credit described in ORS 315.613 even if not  
23 a member of the hospital medical staff if the Office of Rural Health certifies  
24 that the individual:

25 “(1) Is engaged for at least 20 hours per week, averaged over the month,  
26 during the tax year in a rural practice; and

27 “(2)(a) If a physician or a physician assistant, can cause a patient to be  
28 admitted to the hospital;

29 “(b) If a certified registered nurse anesthetist, is employed by or has a  
30 contractual relationship with one of the hospitals described in ORS 315.613

1 (1); [or]

2 “(c) If certified as a medical laboratory scientist or as a medical  
3 laboratory technician, is employed at a location that is at least 50  
4 miles from a major population center in a qualified metropolitan sta-  
5 tistical area; or

6 “[c)] (d) If an optometrist, has consulting privileges with a hospital listed  
7 in ORS 315.613 (1). This paragraph does not apply to an optometrist who  
8 qualifies as a ‘frontier rural practitioner,’ as defined by the Office of Rural  
9 Health.

10 “**SECTION 3.** Section 3, chapter 589, Oregon Laws 2021, is amended to  
11 read:

12 “**Sec. 3.** (1) A pass-through entity may elect to be liable for and pay a  
13 pass-through business alternative income tax if all members of the pass-  
14 through entity are:

15 “(a) Individuals subject to the personal income tax imposed under ORS  
16 chapter 316; or

17 “(b) Entities that are pass-through entities owned entirely by individuals  
18 subject to the personal income tax imposed under ORS chapter 316.

19 “(2) The election to pay the pass-through business alternative income tax  
20 is available if consent is given by all members of the electing pass-through  
21 entity who are members at the time the election is filed or is made by any  
22 officer, manager or member of the electing pass-through entity who is au-  
23 thorized, under law or the entity’s organizational documents, to make the  
24 election and who represents to having such authorization under penalties of  
25 perjury. The election shall be made annually on or before the due date, in-  
26 cluding extensions, of the pass-through entity’s return, in the form and  
27 manner prescribed by the Department of Revenue. The election may not be  
28 made retroactively. The members of a pass-through entity may revoke an  
29 election under this section for a tax year only on or before the due date of  
30 the pass-through entity’s return for that tax year, and only if the revocation

1 is agreed to by all members who are members at the time of the revocation.

2 “(3)(a) In determining the sum of distributive proceeds and computing the  
3 tax under this section, **a member of** a pass-through entity shall add back  
4 any amount of Oregon tax imposed under this chapter and deducted by the  
5 pass-through entity at the entity level for federal income tax purposes under  
6 section 164 of the Internal Revenue Code.

7 “(b) **Any amount that is added back under this subsection and that**  
8 **meets the conditions for the use of elective rates under ORS 316.043**  
9 **may be treated as qualifying income under ORS 316.043, in a proportion**  
10 **determined by the department by rule.**

11 “(4) Each pass-through entity that makes an election for a tax year pur-  
12 suant to this section shall annually report to each of its members, for the  
13 tax year, the member’s share of distributive proceeds and share of tax paid  
14 under this section and eligible for the credit allowed under section 8,  
15 **chapter 589, Oregon Laws 2021** [*of this 2021 Act*].

16 “(5) The tax imposed on a pass-through entity pursuant to this section  
17 shall be determined with respect to the sum of each member’s share of dis-  
18 tributive proceeds attributable to the pass-through entity for the tax year.

19 “(6) The rate of the tax imposed by and computed under this section is:

20 “(a) Nine percent of the first \$250,000, or fraction thereof, of the sum of  
21 distributive proceeds; and

22 “(b) Nine and nine-tenths percent of any amount of distributive proceeds  
23 in excess of \$250,000.

24 “(7) The amount of pass-through business alternative income tax due from  
25 a pass-through entity in a tax year shall be exclusive of any amount of tax  
26 due and paid by the pass-through entity under this chapter, except as other-  
27 wise provided in sections 2 to 6, **chapter 589, Oregon Laws 2021** [*of this*  
28 *2021 Act*].

29 “(8) Pass-through entities that have made an election under this section  
30 shall file an entity tax return. The return shall be accompanied by payment

1 and shall be due on the date applicable to returns due under ORS chapter  
2 316, as provided in ORS 314.385.

3 **“SECTION 4.** Section 5, chapter 589, Oregon Laws 2021, is amended to  
4 read:

5 **“Sec. 5.** (1) The Department of Revenue shall administer and enforce  
6 sections 2 to 6, **chapter 589, Oregon Laws 2021** [*of this 2021 Act*].

7 **“(2)(a) The department shall require that taxpayers make estimated**  
8 **payments.**

9 **“(b) If a pass-through entity or its members have made sufficient**  
10 **estimated payments, the department shall by rule provide relief from**  
11 **penalty for any party that did not make estimated payments.**

12 **“[(2)] (3)** The department may adopt or establish rules and procedures that  
13 the department considers necessary or appropriate for the implementation,  
14 administration and enforcement of sections 2 to 6, **chapter 589, Oregon**  
15 **Laws 2021,** [*of this 2021 Act*] and that are consistent with sections 2 to 6,  
16 **chapter 589, Oregon Laws 2021** [*of this 2021 Act*].

17 **“SECTION 5.** ORS 317A.100 is amended to read:

18 “317A.100. As used in ORS 317A.100 to 317A.158:

19 “(1)(a) ‘Commercial activity’ means:

20 “(A) The total amount realized by a person, arising from transactions and  
21 activity in the regular course of the person’s trade or business, without de-  
22 duction for expenses incurred by the trade or business;

23 “(B) If received by a financial institution:

24 “(i) If the reporting person for a financial institution is a holding com-  
25 pany, all items of income reported on the FR Y-9 filed by the holding com-  
26 pany;

27 “(ii) If the reporting person for a financial institution is a bank organ-  
28 ization, all items of income reported on the call report filed by the bank or-  
29 ganization; and

30 “(iii) If the reporting person for a financial institution is a nonbank fi-

1 nancial organization, all items of income reported in accordance with gen-  
2 erally accepted accounting principles; and

3 “(C)(i) If received by an insurer, as reported on the statement of premiums  
4 accompanying the annual statement required under ORS 731.574 to be filed  
5 with the Director of the Department of Consumer and Business Services, all  
6 gross direct life insurance premiums, gross direct accident and health insur-  
7 ance premiums and gross direct property and casualty insurance premiums;  
8 and

9 “(ii) The gross amount of surplus lines premiums received on Oregon  
10 home state risks as shown in the report required by ORS 735.465.

11 “(b) ‘Commercial activity’ does not include:

12 “(A) Interest income except:

13 “(i) Interest on credit sales; or

14 “(ii) Interest income, including service charges, received by financial in-  
15 stitutions;

16 “(B) Receipts from the sale, exchange or other disposition of an asset  
17 described in section 1221 or 1231 of the Internal Revenue Code, without re-  
18 gard to the length of time the person held the asset;

19 “(C) If received by an insurer, federally reinsured premiums or income  
20 from transactions between a reciprocal insurer and its attorney in fact op-  
21 erating under ORS 731.142;

22 “(D) Receipts from hedging transactions, to the extent that the trans-  
23 actions are entered into primarily to protect a financial position, including  
24 transactions intended to manage the risk of exposure to foreign currency  
25 fluctuations that affect assets, liabilities, profits, losses, equity or invest-  
26 ments in foreign operations, risk of exposure to interest rate fluctuations or  
27 risk of commodity price fluctuations;

28 “(E) Proceeds received attributable to the repayment, maturity or re-  
29 demption of the principal of a loan, bond, mutual fund, certificate of deposit  
30 or marketable instrument;



1       “(F) The principal amount received under a repurchase agreement or on  
2 account of any transaction properly characterized as a loan to the person;

3       “(G) Contributions received by a trust, plan or other arrangement, any  
4 of which is described in section 501(a) of the Internal Revenue Code, or to  
5 which title 26, subtitle A, chapter 1, subchapter (D) of the Internal Revenue  
6 Code applies;

7       “(H) Compensation, whether current or deferred, and whether in cash or  
8 in kind, received or to be received by an employee, a former employee or the  
9 employee’s legal successor for services rendered to or for an employer, in-  
10 cluding reimbursements received by or for an individual for medical or edu-  
11 cation expenses, health insurance premiums or employee expenses or on  
12 account of a dependent care spending account, legal services plan, any cafe-  
13 teria plan described in section 125 of the Internal Revenue Code or any  
14 similar employee reimbursement;

15       “(I) Proceeds received from the issuance of the taxpayer’s own stock,  
16 options, warrants, puts or calls, or from the sale of the taxpayer’s treasury  
17 stock;

18       “(J) Proceeds received on the account of payments from insurance poli-  
19 cies, including crop insurance policies, owned by the taxpayer, except those  
20 proceeds received for the loss of commercial activity;

21       “(K) Gifts or charitable contributions received, membership dues received  
22 by trade, professional, homeowners’ or condominium associations, payments  
23 received for educational courses, meetings or meals, or similar payments to  
24 a trade, professional or other similar association, and fundraising receipts  
25 received by any person when any excess receipts are donated or used exclu-  
26 sively for charitable purposes;

27       “(L) Damages received as the result of litigation in excess of amounts  
28 that, if received without litigation, would be treated as commercial activity;

29       “(M) Property, money and other amounts received or acquired by an agent  
30 on behalf of another in excess of the agent’s commission, fee or other

1 remuneration;

2 “(N) Tax refunds from any tax program, other tax benefit recoveries and  
3 reimbursements for the tax imposed under ORS 317A.100 to 317A.158 made  
4 by entities that are part of the same unitary group as provided under ORS  
5 317A.106, and reimbursements made by entities that are not members of a  
6 unitary group that are required to be made for economic parity among mul-  
7 tiple owners of an entity whose tax obligation under ORS 317A.100 to  
8 317A.158 is required to be reported and paid entirely by one owner, as pro-  
9 vided in ORS 317A.106;

10 “(O) Pension reversions;

11 “(P) Contributions to capital;

12 “(Q) Receipts from the sale, transfer, exchange or other disposition of  
13 motor vehicle fuel or any other product used for the propulsion of motor  
14 vehicles;

15 “(R) In the case of receipts from the sale of cigarettes or tobacco products  
16 by a wholesale dealer, retail dealer, distributor, manufacturer or seller, an  
17 amount equal to the federal and state excise taxes paid by any person on or  
18 for such cigarettes or tobacco products under subtitle E of the Internal  
19 Revenue Code or ORS chapter 323;

20 “(S) In the case of receipts from the sale of malt beverages or wine, as  
21 defined in ORS 471.001, cider, as defined in ORS 471.023 or distilled liquor,  
22 as defined in ORS 471.001, by a person holding a license issued under ORS  
23 chapter 471, an amount equal to the federal and state excise taxes paid by  
24 any person on or for such malt beverages, wine or distilled liquor under  
25 subtitle E of the Internal Revenue Code or ORS chapter 471 or 473, and any  
26 amount paid to the Oregon Liquor and Cannabis Commission for sales of  
27 distilled spirits by an agent appointed under ORS 471.750;

28 “(T) In the case of receipts from the sale of marijuana items, as defined  
29 in ORS 475C.009, by a person holding a license issued under ORS 475C.005  
30 to 475C.525, an amount equal to the federal and state excise taxes paid by

1 any person on or for such marijuana items under subtitle E of the Internal  
2 Revenue Code or ORS 475C.670 to 475C.734 and any local retail taxes au-  
3 thorized under ORS 475C.453;

4 “(U) Local taxes collected by a restaurant or other food establishment on  
5 sales of meals, prepared food or beverages;

6 “(V) Tips or gratuities collected by a restaurant or other food establish-  
7 ment and passed on to employees;

8 “(W) Receipts realized by a vehicle dealer certified under ORS 822.020 or  
9 a person described in ORS 320.400 (8)(a)(B) from the sale or other transfer  
10 of a motor vehicle, as defined in ORS 801.360, to another vehicle dealer for  
11 the purpose of resale by the transferee vehicle dealer, but only if the sale  
12 or other transfer was based upon the transferee’s need to meet a specific  
13 customer’s preference for a motor vehicle or is an exchange of new vehicles  
14 between franchised motor vehicle dealerships;

15 “(X) Registration fees or taxes collected by a vehicle dealer certified un-  
16 der ORS 822.020 or a person described in ORS 320.400 (8)(a)(B) at the sale  
17 or other transfer of a motor vehicle, as defined in ORS 801.360, that are owed  
18 to a third party by the purchaser of the motor vehicle and passed to the third  
19 party by the dealer;

20 “(Y) Receipts from a financial institution for services provided to the fi-  
21 nancial institution in connection with the issuance, processing, servicing and  
22 management of loans or credit accounts, if the financial institution and the  
23 recipient of the receipts have at least 50 percent of their ownership interests  
24 owned or controlled, directly or constructively through related interests, by  
25 common owners;

26 “(Z) In the case of amounts retained as commissions by a holder of a li-  
27 cense under ORS chapter 462, an amount equal to the amounts specified un-  
28 der ORS chapter 462 that must be paid to or collected by the Department of  
29 Revenue as a tax and the amounts specified under ORS chapter 462 to be  
30 used as purse money;

1 “(AA) Receipts of residential care facilities as defined in ORS 443.400 or  
2 in-home care agencies as defined in ORS 443.305, to the extent that the re-  
3 cepts are derived from or received as compensation for providing services  
4 to a medical assistance or Medicare recipient;

5 “(BB) Dividends received;

6 “(CC) Distributive income received from a pass-through entity;

7 “(DD) Receipts from sales to a wholesaler in this state, if the seller re-  
8 ceives certification at the time of sale from the wholesaler that the whole-  
9 saler will sell the purchased property outside this state;

10 “(EE) Receipts from the wholesale or retail sale of groceries, including  
11 receipts of a person that owns groceries at the time of sale and compensation  
12 of any consignee engaged in effecting the sale of groceries on behalf the  
13 owner of the groceries, but only to the extent that the compensation relates  
14 to grocery sales;

15 “(FF) Receipts from transactions among members of a unitary group;

16 “(GG) Moneys, including public purpose charge moneys collected under  
17 ORS 757.612 and moneys collected to plan for and pursue cost-effective en-  
18 ergy efficiency resources under ORS 757.054, that are collected from cus-  
19 tomers, passed to a utility and approved by the Public Utility Commission  
20 and that support energy conservation, renewable resource acquisition and  
21 low-income assistance programs;

22 “(HH) Moneys collected by a utility from customers for the payment of  
23 loans through on-bill financing;

24 “(II) Surcharges collected under ORS 757.736;

25 “(JJ) Moneys passed to a utility by the Bonneville Power Administration  
26 for the purpose of effectuating the Regional Power Act Exchange credits or  
27 pursuant to any settlement associated with the exchange credit;

28 “(KK) Moneys collected or recovered, by entities listed in ORS 756.310,  
29 cable operators as defined in 47 U.S.C. 522(5), telecommunications carriers  
30 as defined in 47 U.S.C. 153(51) and providers of information services as de-

1 fined in 47 U.S.C. 153(24), for fees payable under ORS 756.310, right-of-way  
2 fees, franchise fees, privilege taxes, federal taxes and local taxes;

3 “(LL) Charges paid to the Residential Service Protection Fund required  
4 by chapter 290, Oregon Laws 1987;

5 “(MM) Universal service surcharge moneys collected or recovered and  
6 paid into the universal service fund established in ORS 759.425;

7 “(NN) Moneys collected for public purpose funding as described in ORS  
8 759.430;

9 “(OO) Moneys collected or recovered and paid into the federal universal  
10 service fund as determined by the Federal Communications Commission;

11 “(PP) In the case of a seller or provider of telecommunications services,  
12 the amount of tax imposed under ORS 403.200 for access to the emergency  
13 communications system that is collected from subscribers or consumers;

14 “(QQ) In the case of a transient lodging tax collector, the amount of tax  
15 imposed under ORS 320.305 and of any local transient lodging tax imposed  
16 upon the occupancy of transit lodging;

17 “(RR) In the case of a seller of bicycles, the amount of tax imposed under  
18 ORS 320.415 upon retail sales of bicycles;

19 “(SS) In the case of a qualified heavy equipment provider, the amount of  
20 tax imposed under ORS 307.872 upon the rental price of heavy equipment;

21 “(TT) Farmer sales to an agricultural cooperative in this state that is a  
22 cooperative organization described in section 1381 of the Internal Revenue  
23 Code;

24 “(UU) Revenue received by a business entity that is mandated by contract  
25 or subcontract to be distributed to another person or entity if the revenue  
26 constitutes sales commissions that are paid to a person who is not an em-  
27 ployee of the business entity, including, without limitation, a split-fee real  
28 estate commission; and

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

1       “(2) ‘Cost inputs’ means:

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

4       “(b) In the case of a taxpayer that is engaged in a farming operation, as  
5 defined in ORS 317A.102, and that does not report cost of goods sold for  
6 federal tax purposes, the taxpayer’s operating expenses excluding labor costs.

7       “(3) ‘Doing business’ means engaging in any activity, whether legal or  
8 illegal, that is conducted for, or results in, the receipt of commercial activity  
9 at any time during a calendar year.

10       “(4) ‘Excluded person’ means any of the following:

11       “(a) Organizations described in sections 501(c) and 501(j) of the Internal  
12 Revenue Code, unless the exemption is denied under section 501(h), (i) or (m)  
13 or under section 502, 503 or 505 of the Internal Revenue Code.

14       “(b) Organizations described in section 501(d) of the Internal Revenue  
15 Code, unless the exemption is denied under section 502 or 503 of the Internal  
16 Revenue Code.

17       “(c) Organizations described in section 501(e) of the Internal Revenue  
18 Code.

19       “(d) Organizations described in section 501(f) of the Internal Revenue  
20 Code.

21       “(e) Charitable risk pools described in section 501(n) of the Internal Rev-  
22 enue Code.

23       “(f) Organizations described in section 521 of the Internal Revenue Code.

24       “(g) Qualified state tuition programs described in section 529 of the  
25 Internal Revenue Code.

26       “(h) Foreign or alien insurance companies, but only with respect to the  
27 underwriting profit derived from writing wet marine and transportation in-  
28 surance subject to tax under ORS 731.824 and 731.828 or if an insurance  
29 company is subject to the retaliatory tax under ORS 731.854 and 731.859.

30       “(i) Governmental entities.

1 “(j) Any person with commercial activity that does not exceed \$750,000 for  
2 the [calendar] tax year, other than a person that is part of a unitary group  
3 as provided in ORS 317A.106 with commercial activity in excess of \$750,000.

4 “(k) Hospitals subject to assessment under ORS 414.855, long term care  
5 facilities subject to assessment under ORS 409.801 or any entity subject to  
6 assessment under ORS 414.880 or section 3 or 5, chapter 538, Oregon Laws  
7 2017.

8 “(L) Manufactured dwelling park nonprofit cooperatives organized under  
9 ORS chapter 62.

10 “(5) ‘Financial institution’ has the meaning given that term in ORS  
11 314.610, except that ‘financial institution’ does not include a credit union.

12 “(6)(a) ‘FR Y-9’ means the consolidated or parent-only financial state-  
13 ments that a holding company is required to file with the Federal Reserve  
14 Board pursuant to 12 U.S.C. 1844.

15 “(b) In the case of a holding company required to file both consolidated  
16 and parent-only financial statements, ‘FR Y-9’ means the consolidated finan-  
17 cial statements that the holding company is required to file.

18 “(7) ‘Governmental entity’ means:

19 “(a) The United States and any of its unincorporated agencies and in-  
20 strumentalities.

21 “(b) Any incorporated agency or instrumentality of the United States  
22 wholly owned by the United States or by a corporation wholly owned by the  
23 United States.

24 “(c) The State of Oregon and any of its unincorporated agencies and in-  
25 strumentalities.

26 “(d) Any county, city, district or other political subdivision of the state.

27 “(e) A special government body as defined in ORS 174.117.

28 “(f) A federally recognized Indian tribe.

29 “(8) ‘Groceries’ means food as defined in 7 U.S.C. 2012(k), but does not  
30 include cannabinoid edibles or marijuana seeds.

1 “(9)(a) ‘Hedging transaction’ means a hedging transaction as defined in  
2 section 1221 of the Internal Revenue Code or a transaction accorded hedge  
3 accounting treatment under Financial Accounting Standards Board State-  
4 ment No. 133.

5 “(b) ‘Hedging transaction’ does not include a transaction in which an  
6 actual transfer of title of real or tangible property to another entity occurs.

7 “(10) ‘Insurer’ has the meaning given that term in ORS 317.010.

8 “(11) ‘Internal Revenue Code,’ except where the Legislative Assembly has  
9 provided otherwise, refers to the laws of the United States or to the Internal  
10 Revenue Code as they are amended and in effect on April 1, 2021.

11 “(12) ‘Labor costs’ means total compensation of all employees, not to in-  
12 clude compensation paid to any single employee in excess of \$500,000.

13 “(13)(a) ‘Motor vehicle fuel or any other product used for the propulsion  
14 of motor vehicles’ means:

15 “(A) Motor vehicle fuel as defined in ORS 319.010; and

16 “(B) Fuel the use of which in a motor vehicle is subject to taxation under  
17 ORS 319.530.

18 “(b) ‘Motor vehicle fuel or any other product used for the propulsion of  
19 motor vehicles’ does not mean:

20 “(A) Electricity; or

21 “(B) Electric batteries or any other mechanical or physical component or  
22 accessory of a motor vehicle.

23 “(14) ‘Person’ includes individuals, combinations of individuals of any  
24 form, receivers, assignees, trustees in bankruptcy, firms, companies, joint-  
25 stock companies, business trusts, estates, partnerships, limited liability  
26 partnerships, limited liability companies, associations, joint ventures, clubs,  
27 societies, entities organized as for-profit corporations under ORS chapter 60,  
28 C corporations, S corporations, qualified subchapter S subsidiaries, qualified  
29 subchapter S trusts, trusts, entities that are disregarded for federal income  
30 tax purposes and any other entities.



1 “(15) ‘Retailer’ means a person doing business by selling tangible personal  
2 property to a purchaser for a purpose other than:

3 “(a) Resale by the purchaser of the property as tangible personal property  
4 in the regular course of business;

5 “(b) Incorporation by the purchaser of the property in the course of reg-  
6 ular business as an ingredient or component of real or personal property; or

7 “(c) Consumption by the purchaser of the property in the production for  
8 sale of a new article of tangible personal property.

9 “(16) ‘Taxable commercial activity’ means commercial activity sourced to  
10 this state under ORS 317A.128, less any subtraction pursuant to ORS  
11 317A.119.

12 “(17)(a) ‘Taxpayer’ means any person or unitary group required to regis-  
13 ter, file or pay tax under ORS 317A.100 to 317A.158.

14 “(b) ‘Taxpayer’ does not include excluded persons, except to the extent  
15 that a tax-exempt entity has unrelated business income as described in the  
16 Internal Revenue Code.

17 “(18) ‘Tax year’ means, except as otherwise provided in ORS 317A.103, a  
18 taxpayer’s annual accounting period used for federal income tax purposes  
19 under section 441 of the Internal Revenue Code.

20 “(19)(a) ‘Unitary business’ means a business enterprise in which there  
21 exists directly or indirectly between the members or parts of the enterprise  
22 a sharing or exchange of value as demonstrated by:

23 “(A) Centralized management or a common executive force;

24 “(B) Centralized administrative services or functions resulting in econo-  
25 mies of scale; or

26 “(C) Flow of goods, capital resources or services demonstrating functional  
27 integration.

28 “(b) ‘Unitary business’ may include a business enterprise the activities  
29 of which:

30 “(A) Are in the same general line of business, such as manufacturing,

1 wholesaling or retailing; or

2 “(B) Constitute steps in a vertically integrated process, such as the steps  
3 involved in the production of natural resources, which might include explo-  
4 ration, mining, refining and marketing.

5 “(20) ‘Unitary group’ means a group of persons with more than 50 percent  
6 common ownership, either direct or indirect, that is engaged in business ac-  
7 tivities that constitute a unitary business.

8 “(21) ‘Wholesaler’ means a person primarily doing business by merchant  
9 distribution of tangible personal property to retailers or to other whole-  
10 salers.

11 **“SECTION 6.** ORS 317A.137 is amended to read:

12 “317A.137. (1) For purposes of the corporate activity tax imposed under  
13 ORS 317A.116, every person doing business in this state with commercial  
14 activity for the tax year in excess of \$1 million shall file an annual return  
15 not later than the 15th day of the fourth month following the end of the tax  
16 year. The return must be filed with the Department of Revenue in a form  
17 prescribed by the department.

18 “(2) The corporate activity tax imposed under ORS 317A.116 is due and  
19 estimated tax payments for the previous quarter are payable to the depart-  
20 ment on or before **the last day of** the 4th, 7th and 10th months of the tax  
21 year and **of** the first month immediately following the end of the tax year.

22 “(3) The department may by rule extend the time for making any return  
23 for good cause. If the time for filing a return is extended at the request of  
24 a taxpayer, interest on any unpaid tax at the rate established under ORS  
25 305.220 from the time the return was originally required to be filed to the  
26 time of payment, shall be added and paid.

27 **“SECTION 7.** ORS 305.685 is amended to read:

28 “305.685. (1) There is created in the General Fund of the State Treasury  
29 the Multistate Tax Commission Revolving Account. Notwithstanding any  
30 other law, all moneys received by the Department of Revenue as a result of

1 audits performed by the Multistate Tax Commission shall be deposited in the  
2 Multistate Tax Commission Revolving Account and are continuously appro-  
3 priated to the Department of Revenue for expenses of the Multistate Tax  
4 Commission. As of June 30 of each year, all moneys in excess of [*\$150,000*]  
5 **\$250,000** in this account shall be forwarded to the State Treasurer for deposit  
6 as miscellaneous revenues of the General Fund of the State of Oregon.

7 “(2) The Department of Revenue may transfer \$5,000 from the funds ap-  
8 propriated in section 1, chapter 187, Oregon Laws 1975, to the Multistate Tax  
9 Commission Revolving Account. Such funds are continuously appropriated  
10 for reimbursement to the Multistate Tax Commission for out-of-state corpo-  
11 ration audits made for the State of Oregon.

12 **“SECTION 8.** Section 2, chapter 527, Oregon Laws 2021, is amended to  
13 read:

14 **“Sec. 2.** (1)(a) The governing body of a county with a population of less  
15 than 15,000 may adopt an ordinance or resolution granting a property tax  
16 exemption for eligible housing located within the boundaries of the county.

17 “(b) The terms of the exemption must conform to the provisions of  
18 sections 1 to 5, **chapter 527, Oregon Laws 2021** [*of this 2021 Act*].

19 “(2)(a) The exemption may be granted only to the eligible housing of an  
20 eligible owner who has annual [*taxable*] **adjusted gross** income of not more  
21 than \$75,000 if the owner files a separate federal return, or not more than  
22 \$150,000 if the owner files a joint federal return, for the tax year of the eli-  
23 gible owner immediately preceding the tax year in which the eligible owner  
24 files an application under section 4 or 5, **chapter 527, Oregon Laws 2021,**  
25 [*of this 2021 Act*] for the eligible housing.

26 “(b) The Department of Revenue shall annually adjust the maximum an-  
27 nual [*taxable*] income amounts specified in paragraph (a) of this subsection  
28 by multiplying the amounts by the percentage, if any, by which the monthly  
29 averaged Consumer Price Index for All Urban Consumers, West Region (All  
30 Items), for the 12 consecutive months ending on the immediately preceding

1 December 31 exceeds the monthly averaged Consumer Price Index for All  
2 Urban Consumers, West Region (All Items), for the 12 consecutive months  
3 ending on the second preceding December 31.

4 “(c) The first year of exemption must be the first assessment year that  
5 begins after the eligible housing is first occupied by the eligible owner.

6 “(d) No more than five dwellings in a county may be newly granted ex-  
7 emption as eligible housing for any property tax year.

8 “(3) A workforce housing exemption law must:

9 “(a) Set the percentage of the exemption granted against the real market  
10 value of the eligible housing; and

11 “(b) Establish the number of consecutive property tax years, not fewer  
12 than three and not more than five, for which the exemption may be granted.

13 “(4)(a) A workforce housing exemption law may not take effect unless,  
14 upon request of the county that adopted the exemption law, the rates of  
15 taxation of the taxing districts whose governing bodies agree to grant the  
16 exemption, when combined with the rate of taxation of the county, equal 51  
17 percent or more of the total combined rate of taxation on the eligible hous-  
18 ing.

19 “(b) If the exemption law takes effect, the exemption shall apply to all  
20 property tax levies of all taxing districts in which the eligible housing is  
21 located.

22 “(c) The decisions of the taxing districts under paragraph (a) of this sub-  
23 section may not be changed but are not binding with respect to an exemption  
24 law subsequently adopted by the governing body of the county pursuant to  
25 this section.

26 “(d) All eligible housing shall be granted exemption on the same terms  
27 provided in the exemption law of the county as in effect on the date the  
28 application for the eligible housing is submitted under section 3, **chapter**  
29 **527, Oregon Laws 2021** [*of this 2021 Act*].

30 “(5)(a) A county may adopt at any time a workforce housing exemption

1 law amending the terms of an exemption granted pursuant to this section,  
2 subject to approval of the taxing districts under subsection (4)(a) of this  
3 section, or terminating the exemption.

4 “(b) Notwithstanding an exemption law adopted, or the termination of an  
5 exemption law, pursuant to this subsection, eligible housing that has previ-  
6 ously been granted an exemption shall continue to receive the exemption  
7 under the terms of the exemption law in effect at the time the exemption  
8 was first granted.

9 “(6)(a) The county assessor shall disqualify eligible housing granted an  
10 exemption under a workforce housing exemption law upon discovery or no-  
11 tice from the eligible owner claiming the deduction that the dwelling is no  
12 longer eligible housing or the individual is no longer an eligible owner.

13 “(b)(A) If eligible housing becomes disqualified prior to July 1 of the as-  
14 sessment year, the dwelling shall be valued under ORS 308.232 at its real  
15 market value and shall be assessed at its assessed value under ORS 308.146  
16 or as otherwise provided by law.

17 “(B) If eligible housing becomes disqualified on or after July 1, the eligi-  
18 ble housing shall continue to receive the exemption for the current tax year.

19 **“SECTION 9. Section 10 of this 2022 Act is added to and made a part**  
20 **of ORS 317A.100 to 317A.158.**

21 **“SECTION 10. (1) As used in this section:**

22 **“(a) ‘Eligible pharmacy’ means a pharmacy that has nine or fewer**  
23 **locations under common ownership in this state. ‘Eligible pharmacy’**  
24 **does not include a pharmacy that caters primarily to veterinary cus-**  
25 **tomers.**

26 **“(b) ‘Pharmacy’ has the meaning given that term in ORS 689.005.**

27 **“(2) Notwithstanding ORS 317A.100, amounts received by an eligible**  
28 **pharmacy in receipt for the sale of prescription drugs are excluded**  
29 **from the definition of commercial activity and are exempt from the**  
30 **tax imposed under ORS 317A.116.**

1       **“SECTION 11.** Section 6, chapter 905, Oregon Laws 2007, as amended by  
2 section 5, chapter 757, Oregon Laws 2015, is amended to read:

3       **“Sec. 6.** (1) ORS 285C.615 and 285C.635 apply to:

4       “(a) Tax years beginning on or after January 1, 2009.

5       “(b) Income taxes attributable to eligible projects that first become ex-  
6 empt from property taxation under ORS 307.123 on or after January 1, 2008.

7       “(2) Distributions under ORS 285C.635 (3) may not be made after July 15,  
8 [2024] 2030.

9       **“SECTION 12.** (1) The amendments to ORS 284.368 by section 1 of  
10 this 2022 Act apply to fiscal years beginning on or after July 1, 2022.

11       “(2) The amendments to ORS 315.616 by section 2 of this 2022 Act  
12 apply to tax years beginning on or after January 1, 2022.

13       “(3) The amendments to sections 3 and 5, chapter 589, Oregon Laws  
14 2021, by sections 3 and 4 of this 2022 Act apply to tax years beginning  
15 on or after January 1, 2022, and before January 1, 2024, and to esti-  
16 mated payments due on and after June 15, 2022.

17       “(4) The amendments to section 2, chapter 527, Oregon Laws 2021,  
18 by section 8 of this 2022 Act apply to applications for precertification  
19 under section 4, chapter 527, Oregon Laws 2021, and applications for  
20 exemption under section 5, chapter 527, Oregon Laws 2021, without  
21 precertification, filed on or after the effective date of this 2022 Act.

22       “(5) Section 10 of this 2022 Act applies to tax years beginning on or  
23 after January 1, 2022, and before January 1, 2026.

24       **“SECTION 13.** The Department of Revenue may not impose any in-  
25 terest or penalty that would otherwise apply to taxes due if the inter-  
26 est or penalty is based on underpayment or underreporting that results  
27 solely from the operation of the amendments to section 5, chapter 589,  
28 Oregon Laws 2021, by section 4 of this 2022 Act.

29       **“SECTION 14.** This 2022 Act takes effect on the 91st day after the  
30 date on which the 2022 regular session of the Eighty-first Legislative

1 **Assembly adjourns sine die.”.**

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