

# D R A F T

## SUMMARY

Digest: Updates the tie date to the federal Internal Revenue Code and other federal tax laws. Becomes law 91 days from sine die. (Flesch Readability Score: 64.9).

Updates the connection date to the federal Internal Revenue Code and other provisions of federal tax law.

Takes effect on the 91st day following adjournment sine die.

## A BILL FOR AN ACT

1  
2 Relating to connection to federal tax law; creating new provisions; amending  
3 ORS 178.300, 178.375, 238A.005, 238A.125, 238A.150, 238A.170, 238A.230,  
4 238A.370, 238A.400, 238A.410, 238A.415, 238A.430, 238A.435, 305.239, 305.494,  
5 305.690, 305.842, 314.011, 314.306, 315.004, 316.012, 316.147, 316.157, 317.010,  
6 317.097, 317A.100, 458.670, 657.010 and 657B.010; and prescribing an effective date.  
7

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

9 **SECTION 1.** ORS 178.300, as amended by section 1, chapter 75, Oregon  
10 Laws 2024, is amended to read:

11 178.300. As used in ORS 178.300 to 178.360:

12 (1) “Account” means an individual account established in accordance with  
13 ORS 178.300 to 178.360.

14 (2) “Account owner” means the person who has the right to withdraw  
15 funds from the account. The account owner may also be the designated beneficiary of the account.  
16

17 (3) “Board” means the Oregon 529 Savings Board established under ORS  
18 178.310.

1 (4) “Designated beneficiary” means, except as provided in ORS 178.350,  
2 the individual designated at the time the account is opened as having the  
3 right to receive a qualified withdrawal for the payment of qualified higher  
4 education expenses, or if the designated beneficiary is replaced in accordance  
5 with ORS 178.350, the replacement.

6 (5) “Financial institution” means a bank, a commercial bank, a national  
7 bank, a savings bank, a savings and loan, a thrift institution, a credit union,  
8 an insurance company, a trust company, a mutual fund, an investment firm  
9 or other similar entity authorized to do business in this state.

10 (6) “Higher education institution” means an eligible education institution  
11 as defined in section 529(e)(5) of the Internal Revenue Code.

12 (7) “Internal Revenue Code” means the federal Internal Revenue Code as  
13 amended and in effect on December 31, [2023] **2024**.

14 (8) “Member of the family” shall have the same meaning as contained in  
15 section 529(e) of the Internal Revenue Code.

16 (9) “Network” means the Oregon 529 Savings Network established under  
17 ORS 178.305.

18 (10) “Nonqualified withdrawal” means a withdrawal from an account that  
19 is not a qualified withdrawal.

20 (11) “Qualified higher education expenses” means tuition and other per-  
21 mitted expenses as set forth in section 529(e) of the Internal Revenue Code  
22 for the enrollment or attendance of a designated beneficiary at a higher ed-  
23 ucation institution, expenses associated with registered apprenticeship pro-  
24 grams described in section 529(c)(8) of the Internal Revenue Code and  
25 amounts paid as principal or interest on a qualified education loan to the  
26 extent allowed under section 529(c)(9) of the Internal Revenue Code.

27 (12) “Qualified withdrawal” means a withdrawal made as prescribed under  
28 ORS 178.355 and made:

29 (a) From an account to pay the qualified higher education expenses of the  
30 designated beneficiary;

31 (b) As the result of the death or disability of the designated beneficiary;

1 (c) As the result of a scholarship, allowance or payment described in  
2 section 135(d)(1)(A), (B) or (C) of the Internal Revenue Code that is received  
3 by the designated beneficiary, but only to the extent of the amount of the  
4 scholarship, allowance or payment; or

5 (d) As a rollover or change in the designated beneficiary described in ORS  
6 178.350.

7 **SECTION 2.** ORS 178.375, as amended by section 2, chapter 75, Oregon  
8 Laws 2024, is amended to read:

9 178.375. As used in this section and ORS 178.380 and 178.385:

10 (1) “ABLE account” means an account established by an eligible individ-  
11 ual, owned by the eligible individual and maintained under the qualified  
12 ABLE program established by the Oregon 529 Savings Board under ORS  
13 178.380.

14 (2) “ABLE Act” means the Stephen Beck, Jr., Achieving a Better Life  
15 Experience Act of 2014 (Division B of P.L. 113-295).

16 (3) “Designated beneficiary” has the same meaning as contained in section  
17 529A of the Internal Revenue Code.

18 (4) “Eligible individual” has the same meaning as contained in section  
19 529A of the Internal Revenue Code.

20 (5) “Internal Revenue Code” means the federal Internal Revenue Code as  
21 amended and in effect on December 31, [2023] **2024**.

22 (6) “Qualified disability expense” has the same meaning as contained in  
23 section 529A of the Internal Revenue Code.

24 **SECTION 3.** ORS 238A.005, as amended by section 3, chapter 75, Oregon  
25 Laws 2024, is amended to read:

26 238A.005. For the purposes of this chapter:

27 (1) “Active member” means a member of the pension program or the in-  
28 dividual account program of the Oregon Public Service Retirement Plan who  
29 is actively employed in a qualifying position.

30 (2) “Actuarial equivalent” means a payment or series of payments having  
31 the same value as the payment or series of payments replaced, computed on

1 the basis of interest rate and mortality assumptions adopted by the board.

2 (3) “Board” means the Public Employees Retirement Board.

3 (4) “Eligible employee” means a person who performs services for a par-  
4 ticipating public employer, including persons considered employees of a par-  
5 ticipating public employer under 26 U.S.C. 3121(d)(2), as in effect on January  
6 1, [2024] **2025**, and elected officials other than judges. “Eligible employee”  
7 does not include:

8 (a) Persons engaged as independent contractors;

9 (b) Aliens working under a training or educational visa;

10 (c) Persons provided sheltered employment or make-work by a public em-  
11 ployer;

12 (d) Persons categorized by a participating public employer as student  
13 employees;

14 (e) Any person who is in custody in a state institution;

15 (f) Employees of foreign trade offices of the Oregon Business Development  
16 Department who live and perform services in foreign countries under the  
17 provisions of ORS 285A.075 (1)(g);

18 (g) An employee actively participating in an alternative retirement pro-  
19 gram established under ORS 353.250 or an optional retirement plan estab-  
20 lished under ORS 341.551;

21 (h) Employees of a public university listed in ORS 352.002 who are ac-  
22 tively participating in an optional retirement plan offered under ORS 243.815;

23 (i) Persons employed in positions classified as post-doctoral scholar posi-  
24 tions by a public university listed in ORS 352.002, or by the Oregon Health  
25 and Science University, under ORS 350.370;

26 (j) Any employee who belongs to a class of employees that was not eligi-  
27 ble on August 28, 2003, for membership in the system under the provisions  
28 of ORS chapter 238 or other law;

29 (k) Any person who belongs to a class of employees who are not eligible  
30 to become members of the Oregon Public Service Retirement Plan under the  
31 provisions of ORS 238A.070 (2);

1 (L) Any person who is retired under ORS 238A.100 to 238A.250 or ORS  
2 chapter 238 and who continues to receive retirement benefits while employed;  
3 and

4 (m) Judges.

5 (5) "Firefighter" means:

6 (a) A person employed by a local government, as defined in ORS 174.116,  
7 whose primary job duties include the fighting of fires;

8 (b) The State Fire Marshal, chief deputy state fire marshals and deputy  
9 state fire marshals;

10 (c) An employee of the State Fire Marshal whose primary duties include  
11 fire investigation, fire prevention, fire safety, fire control or fire suppression;

12 (d) An employee of the State Forestry Department who is certified by the  
13 State Forester as a professional wildland firefighter and whose primary du-  
14 ties include the abatement of uncontrolled fires as described in ORS 477.064;  
15 and

16 (e) An employee of the Oregon Military Department whose primary duties  
17 include fighting structural, aircraft, wildland or other fires.

18 (6) "Fund" means the Public Employees Retirement Fund.

19 (7)(a) "Hour of service" means:

20 (A) An hour for which an eligible employee is directly or indirectly paid  
21 or entitled to payment by a participating public employer for performance  
22 of duties in a qualifying position; and

23 (B) An hour of vacation, holiday, illness, incapacity, jury duty, military  
24 duty or authorized leave during which an employee does not perform duties  
25 but for which the employee is directly or indirectly paid or entitled to pay-  
26 ment by a participating public employer for services in a qualifying position,  
27 as long as the hour is within the number of hours regularly scheduled for  
28 the performance of duties during the period of vacation, holiday, illness, in-  
29 capacity, jury duty, military duty or authorized leave.

30 (b) "Hour of service" does not include any hour for which payment is  
31 made or due under a plan maintained solely for the purpose of complying

1 with applicable unemployment compensation laws.

2 (8) "Inactive member" means a member of the pension program or the  
3 individual account program of the Oregon Public Service Retirement Plan  
4 whose membership has not been terminated, who is not a retired member and  
5 who is not employed in a qualifying position.

6 (9) "Individual account program" means the defined contribution individ-  
7 ual account program of the Oregon Public Service Retirement Plan estab-  
8 lished under ORS 238A.025.

9 (10) "Institution of higher education" means a public university listed in  
10 ORS 352.002, the Oregon Health and Science University or a community  
11 college, as defined in ORS 341.005.

12 (11) "Member" means an eligible employee who has established member-  
13 ship in the pension program or the individual account program of the Oregon  
14 Public Service Retirement Plan and whose membership has not been termi-  
15 nated under ORS 238A.110 or 238A.310.

16 (12) "Participating public employer" means a public employer as defined  
17 in ORS 238.005 that provides retirement benefits for employees of the public  
18 employer under the system.

19 (13) "Pension program" means the defined benefit pension program of the  
20 Oregon Public Service Retirement Plan established under ORS 238A.025.

21 (14) "Police officer" means a police officer as described in ORS 238.005.

22 (15) "Qualifying position" means one or more jobs with one or more par-  
23 ticipating public employers in which an eligible employee performs 600 or  
24 more hours of service in a full calendar year, or would perform 600 or more  
25 hours of service if the employee were employed for the full calendar year,  
26 excluding any service in a job for which benefits are not provided under the  
27 Oregon Public Service Retirement Plan pursuant to ORS 238A.070 (2).

28 (16) "Retired member" means a pension program member who is receiving  
29 a pension as provided in ORS 238A.180 to 238A.195.

30 (17)(a) "Salary" means the remuneration paid to an active member in re-  
31 turn for services to the participating public employer, including

1 remuneration in the form of living quarters, board or other items of value,  
2 to the extent the remuneration is, or would be if the member were an Oregon  
3 resident, includable in the employee's taxable income under Oregon law.  
4 "Salary" includes the additional amounts specified in paragraph (b) of this  
5 subsection, but does not include the amounts specified in paragraph (c) of  
6 this subsection, regardless of whether those amounts are includable in taxa-  
7 ble income.

8 (b) "Salary" includes the following amounts:

9 (A) Payments of employee and employer money into a deferred compen-  
10 sation plan that are made at the election of the employee.

11 (B) Contributions to a tax-sheltered or deferred annuity that are made at  
12 the election of the employee.

13 (C) Any amount that is contributed to a cafeteria plan or qualified  
14 transportation fringe benefit plan by the employer at the election of the  
15 employee and that is not includable in the taxable income of the employee  
16 by reason of 26 U.S.C. 125 or 132(f)(4), as in effect on December 31, [2023]  
17 **2024**.

18 (D) Any amount that is contributed to a cash or deferred arrangement by  
19 the employer at the election of the employee and that is not included in the  
20 taxable income of the employee by reason of 26 U.S.C. 402(e)(3), as in effect  
21 on December 31, [2023] **2024**.

22 (E) Retroactive payments described in ORS 238.008.

23 (F) The amount of an employee contribution to the individual account  
24 program that is paid by the employer and deducted from the compensation  
25 of the employee, as provided under ORS 238A.335 (1) and (2)(a).

26 (G) The amount of an employee contribution to the individual account  
27 program that is not paid by the employer under ORS 238A.335.

28 (H) Wages of a deceased member paid to a surviving spouse or dependent  
29 children under ORS 652.190.

30 (c) "Salary" does not include the following amounts:

31 (A) Travel or any other expenses incidental to employer's business which

1 is reimbursed by the employer.

2 (B) Payments made on account of an employee's death.

3 (C) Any lump sum payment for accumulated unused sick leave, vacation  
4 leave or other paid leave.

5 (D) Any severance payment, accelerated payment of an employment con-  
6 tract for a future period or advance against future wages.

7 (E) Any retirement incentive, retirement bonus or retirement gratuitous  
8 payment.

9 (F) Payment for a leave of absence after the date the employer and em-  
10 ployee have agreed that no future services in a qualifying position will be  
11 performed.

12 (G) Payments for instructional services rendered to public universities  
13 listed in ORS 352.002 or the Oregon Health and Science University when  
14 those services are in excess of full-time employment subject to this chapter.  
15 A person employed under a contract for less than 12 months is subject to this  
16 subparagraph only for the months covered by the contract.

17 (H) The amount of an employee contribution to the individual account  
18 program that is paid by the employer and is not deducted from the compen-  
19 sation of the employee, as provided under ORS 238A.335 (1) and (2)(b).

20 (I) Compensation described and authorized under ORS 341.556 that is not  
21 paid by the community college employing the faculty member.

22 (J) Compensation described and authorized under ORS 352.232 that is not  
23 paid by the public university employing the officer or employee.

24 (K) Compensation described and authorized under ORS 353.270 that is not  
25 paid by Oregon Health and Science University.

26 (L) For years before 2020, any amount in excess of \$200,000 for a calendar  
27 year. If any period over which salary is determined is less than 12 months,  
28 the \$200,000 limitation for that period shall be multiplied by a fraction, the  
29 numerator of which is the number of months in the determination period and  
30 the denominator of which is 12. The board shall adopt rules adjusting this  
31 dollar limit to incorporate cost-of-living adjustments authorized by the



1 Internal Revenue Service.

2 (M) For years beginning on or after January 1, 2020, any amount in excess  
3 of \$195,000 for a calendar year. If any period over which salary is determined  
4 is less than 12 months, the \$195,000 limitation for that period shall be  
5 multiplied by a fraction, the numerator of which is the number of months in  
6 the determination period and the denominator of which is 12. On January 1  
7 of each year, the board shall adjust the dollar limit provided by this sub-  
8 paragraph to reflect any percentage changes in the Consumer Price Index for  
9 All Urban Consumers, West Region (All Items), as published by the Bureau  
10 of Labor Statistics of the United States Department of Labor.

11 (18) “System” means the Public Employees Retirement System.

12 (19) “Workers’ compensation benefits” means:

13 (a) Payments made under ORS chapter 656; or

14 (b) Payments provided in lieu of workers’ compensation benefits under  
15 ORS 656.027 (6).

16 **SECTION 4.** ORS 238A.005, as amended by section 3, chapter 75, Oregon  
17 Laws 2024, and section 2, chapter 101, Oregon Laws 2024, is amended to read:

18 238A.005. For the purposes of this chapter:

19 (1) “Active member” means a member of the pension program or the in-  
20 dividual account program of the Oregon Public Service Retirement Plan who  
21 is actively employed in a qualifying position.

22 (2) “Actuarial equivalent” means a payment or series of payments having  
23 the same value as the payment or series of payments replaced, computed on  
24 the basis of interest rate and mortality assumptions adopted by the board.

25 (3) “Board” means the Public Employees Retirement Board.

26 (4) “Eligible employee” means a person who performs services for a par-  
27 ticipating public employer, including persons considered employees of a par-  
28 ticipating public employer under 26 U.S.C. 3121(d)(2), as in effect on January  
29 1, [2024] **2025**, and elected officials other than judges. “Eligible employee”  
30 does not include:

31 (a) Persons engaged as independent contractors;

- 1 (b) Aliens working under a training or educational visa;
- 2 (c) Persons provided sheltered employment or make-work by a public em-  
3 ployer;
- 4 (d) Persons categorized by a participating public employer as student  
5 employees;
- 6 (e) Any person who is in custody in a state institution;
- 7 (f) Employees of foreign trade offices of the Oregon Business Development  
8 Department who live and perform services in foreign countries under the  
9 provisions of ORS 285A.075 (1)(g);
- 10 (g) An employee actively participating in an alternative retirement pro-  
11 gram established under ORS 353.250 or an optional retirement plan estab-  
12 lished under ORS 341.551;
- 13 (h) Employees of a public university listed in ORS 352.002 who are ac-  
14 tively participating in an optional retirement plan offered under ORS 243.815;
- 15 (i) Persons employed in positions classified as post-doctoral scholar posi-  
16 tions by a public university listed in ORS 352.002, or by the Oregon Health  
17 and Science University, under ORS 350.370;
- 18 (j) Any employee who belongs to a class of employees that was not eligi-  
19 ble on August 28, 2003, for membership in the system under the provisions  
20 of ORS chapter 238 or other law;
- 21 (k) Any person who belongs to a class of employees who are not eligible  
22 to become members of the Oregon Public Service Retirement Plan under the  
23 provisions of ORS 238A.070 (2);
- 24 (L) Any person who is retired under ORS 238A.100 to 238A.250 or ORS  
25 chapter 238 and who continues to receive retirement benefits while employed;  
26 and
- 27 (m) Judges.
- 28 (5) "Firefighter" means:
- 29 (a) A person employed by a local government, as defined in ORS 174.116,  
30 whose primary job duties include the fighting of fires;
- 31 (b) The State Fire Marshal, chief deputy state fire marshals and deputy

1 state fire marshals;

2 (c) An employee of the State Fire Marshal whose primary duties include  
3 fire investigation, fire prevention, fire safety, fire control or fire suppression;

4 (d) An employee of the State Forestry Department who is certified by the  
5 State Forester as a professional wildland firefighter and whose primary du-  
6 ties include the abatement of uncontrolled fires as described in ORS 477.064;  
7 and

8 (e) An employee of the Oregon Military Department whose primary duties  
9 include fighting structural, aircraft, wildland or other fires.

10 (6) "Fund" means the Public Employees Retirement Fund.

11 (7)(a) "Hazardous position" means a position that does not meet the defi-  
12 nition of a qualified public safety employee under section 72(t)(10)(B) of the  
13 Internal Revenue Code, but that:

14 (A) Requires the person holding the position to work with or manage  
15 emergency or traumatic events in the regular course of work; or

16 (B) Carries a high risk of physical harm.

17 (b) "Hazardous position" includes and is limited to:

18 (A) Employees of the Oregon State Hospital who have direct contact with  
19 patients; and

20 (B) Telecommunicators, as defined in ORS 181A.355.

21 (8)(a) "Hour of service" means:

22 (A) An hour for which an eligible employee is directly or indirectly paid  
23 or entitled to payment by a participating public employer for performance  
24 of duties in a qualifying position; and

25 (B) An hour of vacation, holiday, illness, incapacity, jury duty, military  
26 duty or authorized leave during which an employee does not perform duties  
27 but for which the employee is directly or indirectly paid or entitled to pay-  
28 ment by a participating public employer for services in a qualifying position,  
29 as long as the hour is within the number of hours regularly scheduled for  
30 the performance of duties during the period of vacation, holiday, illness, in-  
31 capacity, jury duty, military duty or authorized leave.

1 (b) “Hour of service” does not include any hour for which payment is  
2 made or due under a plan maintained solely for the purpose of complying  
3 with applicable unemployment compensation laws.

4 (9) “Inactive member” means a member of the pension program or the  
5 individual account program of the Oregon Public Service Retirement Plan  
6 whose membership has not been terminated, who is not a retired member and  
7 who is not employed in a qualifying position.

8 (10) “Individual account program” means the defined contribution indi-  
9 vidual account program of the Oregon Public Service Retirement Plan es-  
10 tablished under ORS 238A.025.

11 (11) “Institution of higher education” means a public university listed in  
12 ORS 352.002, the Oregon Health and Science University or a community  
13 college, as defined in ORS 341.005.

14 (12) “Member” means an eligible employee who has established member-  
15 ship in the pension program or the individual account program of the Oregon  
16 Public Service Retirement Plan and whose membership has not been termi-  
17 nated under ORS 238A.110 or 238A.310.

18 (13) “Participating public employer” means a public employer as defined  
19 in ORS 238.005 that provides retirement benefits for employees of the public  
20 employer under the system.

21 (14) “Pension program” means the defined benefit pension program of the  
22 Oregon Public Service Retirement Plan established under ORS 238A.025.

23 (15) “Police officer” means a police officer as described in ORS 238.005.

24 (16) “Qualifying position” means one or more jobs with one or more par-  
25 ticipating public employers in which an eligible employee performs 600 or  
26 more hours of service in a full calendar year, or would perform 600 or more  
27 hours of service if the employee were employed for the full calendar year,  
28 excluding any service in a job for which benefits are not provided under the  
29 Oregon Public Service Retirement Plan pursuant to ORS 238A.070 (2).

30 (17) “Retired member” means a pension program member who is receiving  
31 a pension as provided in ORS 238A.180 to 238A.195.

1 (18)(a) “Salary” means the remuneration paid to an active member in re-  
2 turn for services to the participating public employer, including  
3 remuneration in the form of living quarters, board or other items of value,  
4 to the extent the remuneration is, or would be if the member were an Oregon  
5 resident, includable in the employee’s taxable income under Oregon law.  
6 “Salary” includes the additional amounts specified in paragraph (b) of this  
7 subsection, but does not include the amounts specified in paragraph (c) of  
8 this subsection, regardless of whether those amounts are includable in taxa-  
9 ble income.

10 (b) “Salary” includes the following amounts:

11 (A) Payments of employee and employer money into a deferred compen-  
12 sation plan that are made at the election of the employee.

13 (B) Contributions to a tax-sheltered or deferred annuity that are made at  
14 the election of the employee.

15 (C) Any amount that is contributed to a cafeteria plan or qualified  
16 transportation fringe benefit plan by the employer at the election of the  
17 employee and that is not includable in the taxable income of the employee  
18 by reason of 26 U.S.C. 125 or 132(f)(4), as in effect on December 31, [2023]  
19 **2024**.

20 (D) Any amount that is contributed to a cash or deferred arrangement by  
21 the employer at the election of the employee and that is not included in the  
22 taxable income of the employee by reason of 26 U.S.C. 402(e)(3), as in effect  
23 on December 31, [2023] **2024**.

24 (E) Retroactive payments described in ORS 238.008.

25 (F) The amount of an employee contribution to the individual account  
26 program that is paid by the employer and deducted from the compensation  
27 of the employee, as provided under ORS 238A.335 (1) and (2)(a).

28 (G) The amount of an employee contribution to the individual account  
29 program that is not paid by the employer under ORS 238A.335.

30 (H) Wages of a deceased member paid to a surviving spouse or dependent  
31 children under ORS 652.190.

1 (c) "Salary" does not include the following amounts:

2 (A) Travel or any other expenses incidental to employer's business which  
3 is reimbursed by the employer.

4 (B) Payments made on account of an employee's death.

5 (C) Any lump sum payment for accumulated unused sick leave, vacation  
6 leave or other paid leave.

7 (D) Any severance payment, accelerated payment of an employment con-  
8 tract for a future period or advance against future wages.

9 (E) Any retirement incentive, retirement bonus or retirement gratuitous  
10 payment.

11 (F) Payment for a leave of absence after the date the employer and em-  
12 ployee have agreed that no future services in a qualifying position will be  
13 performed.

14 (G) Payments for instructional services rendered to public universities  
15 listed in ORS 352.002 or the Oregon Health and Science University when  
16 those services are in excess of full-time employment subject to this chapter.  
17 A person employed under a contract for less than 12 months is subject to this  
18 subparagraph only for the months covered by the contract.

19 (H) The amount of an employee contribution to the individual account  
20 program that is paid by the employer and is not deducted from the compen-  
21 sation of the employee, as provided under ORS 238A.335 (1) and (2)(b).

22 (I) Compensation described and authorized under ORS 341.556 that is not  
23 paid by the community college employing the faculty member.

24 (J) Compensation described and authorized under ORS 352.232 that is not  
25 paid by the public university employing the officer or employee.

26 (K) Compensation described and authorized under ORS 353.270 that is not  
27 paid by Oregon Health and Science University.

28 (L) For years before 2020, any amount in excess of \$200,000 for a calendar  
29 year. If any period over which salary is determined is less than 12 months,  
30 the \$200,000 limitation for that period shall be multiplied by a fraction, the  
31 numerator of which is the number of months in the determination period and

1 the denominator of which is 12. The board shall adopt rules adjusting this  
2 dollar limit to incorporate cost-of-living adjustments authorized by the  
3 Internal Revenue Service.

4 (M) For years beginning on or after January 1, 2020, any amount in excess  
5 of \$195,000 for a calendar year. If any period over which salary is determined  
6 is less than 12 months, the \$195,000 limitation for that period shall be  
7 multiplied by a fraction, the numerator of which is the number of months in  
8 the determination period and the denominator of which is 12. On January 1  
9 of each year, the board shall adjust the dollar limit provided by this sub-  
10 paragraph to reflect any percentage changes in the Consumer Price Index for  
11 All Urban Consumers, West Region (All Items), as published by the Bureau  
12 of Labor Statistics of the United States Department of Labor.

13 (19) "System" means the Public Employees Retirement System.

14 (20) "Workers' compensation benefits" means:

15 (a) Payments made under ORS chapter 656; or

16 (b) Payments provided in lieu of workers' compensation benefits under  
17 ORS 656.027 (6).

18 **SECTION 5.** ORS 238A.125, as amended by section 4, chapter 75, Oregon  
19 Laws 2024, is amended to read:

20 238A.125. (1) Upon retiring at normal retirement age, a vested pension  
21 program member shall be paid an annual pension for the life of the member  
22 as follows:

23 (a) For service as a police officer or firefighter, 1.8 percent of final aver-  
24 age salary multiplied by the number of years of retirement credit attributable  
25 to service as a police officer or firefighter.

26 (b) For service as other than a police officer or firefighter, 1.5 percent  
27 of final average salary multiplied by the number of years of retirement credit  
28 attributable to service as other than a police officer or firefighter.

29 (2) Notwithstanding any provision of ORS 238A.100 to 238A.250, the an-  
30 nual benefit payable to a member under the pension program and under any  
31 other tax-qualified defined benefit plan maintained by the participating pub-

1 lic employer may not exceed the applicable limitations set forth in 26 U.S.C.  
2 415(b), as in effect on December 31, [2023] **2024**. The Public Employees Re-  
3 tirement Board shall adopt rules for the administration of this limitation,  
4 including adjustments in the annual dollar limitation to reflect cost-of-living  
5 adjustments authorized by the Internal Revenue Service.

6 (3) The board shall make no actuarial adjustment in a member's pension  
7 calculated under this section by reason of the member's retirement after  
8 normal retirement age.

9 **SECTION 6.** ORS 238A.125, as amended by section 4, chapter 75, Oregon  
10 Laws 2024, and section 3, chapter 101, Oregon Laws 2024, is amended to read:

11 238A.125. (1) Upon retiring at normal retirement age, a vested pension  
12 program member shall be paid an annual pension for the life of the member  
13 as follows:

14 (a) For service as a police officer or firefighter, 1.8 percent of final aver-  
15 age salary multiplied by the number of years of retirement credit attributable  
16 to service as a police officer or firefighter.

17 (b) For service in a hazardous position, 1.8 percent of final average salary  
18 multiplied by the number of years of retirement credit attributable to service  
19 in a hazardous position.

20 (c) For service as other than a police officer or firefighter or in a haz-  
21 ardous position, 1.5 percent of final average salary multiplied by the number  
22 of years of retirement credit attributable to service as other than a police  
23 officer or firefighter or in a hazardous position.

24 (2) Notwithstanding any provision of ORS 238A.100 to 238A.250, the an-  
25 nual benefit payable to a member under the pension program and under any  
26 other tax-qualified defined benefit plan maintained by the participating pub-  
27 lic employer may not exceed the applicable limitations set forth in 26 U.S.C.  
28 415(b), as in effect on December 31, [2023] **2024**. The Public Employees Re-  
29 tirement Board shall adopt rules for the administration of this limitation,  
30 including adjustments in the annual dollar limitation to reflect cost-of-living  
31 adjustments authorized by the Internal Revenue Service.



1 (3) The board shall make no actuarial adjustment in a member's pension  
2 calculated under this section by reason of the member's retirement after  
3 normal retirement age.

4 **SECTION 7.** ORS 238A.150, as amended by section 5, chapter 75, Oregon  
5 Laws 2024, is amended to read:

6 238A.150. (1) Notwithstanding any other provision of ORS 238A.100 to  
7 238A.250, an eligible employee who leaves a qualifying position for the pur-  
8 pose of performing service in the uniformed services, and who subsequently  
9 returns to employment with a participating public employer with reemploy-  
10 ment rights under federal law, is entitled to accrue retirement credit, credit  
11 toward the probationary period required by ORS 238A.100 and credit toward  
12 the vesting requirements of ORS 238A.115 under rules adopted by the Public  
13 Employees Retirement Board pursuant to subsection (2) of this section.

14 (2) The board shall adopt rules establishing benefits and service credit for  
15 any period of service in the uniformed services by an employee described in  
16 subsection (1) of this section. For the purpose of adopting rules under this  
17 subsection, the board shall consider and take into account all federal law  
18 relating to benefits and service credit for any period of service in the uni-  
19 formed services, including 26 U.S.C. 414(u), as in effect on December 31,  
20 [2023] **2024**. Benefits and service credit under rules adopted by the board  
21 pursuant to this subsection may not exceed benefits and service credit re-  
22 quired under federal law for periods of service in the uniformed services.

23 **SECTION 8.** ORS 238A.170, as amended by section 6, chapter 75, Oregon  
24 Laws 2024, is amended to read:

25 238A.170. (1) An active member of the pension program who is 72 years  
26 of age or older must retire not later than April 1 of the calendar year fol-  
27 lowing the calendar year in which the member terminates employment with  
28 all participating public employers. An inactive member of the pension pro-  
29 gram must retire not later than April 1 of the calendar year following the  
30 calendar year in which the member attains 72 years of age.

31 (2) Notwithstanding any other provision of ORS 238A.100 to 238A.250, the

1 entire interest of a member of the pension program must be distributed over  
2 a time period commencing no later than the required beginning date set forth  
3 in subsection (1) of this section, and must be distributed in a manner that  
4 satisfies all other minimum distribution requirements of 26 U.S.C. 401(a)(9)  
5 and regulations implementing that section, as in effect on January 1, [2024]  
6 **2025**. The Public Employees Retirement Board shall adopt rules implementing  
7 those minimum distribution requirements.

8 **SECTION 9.** ORS 238A.230, as amended by section 7, chapter 75, Oregon  
9 Laws 2024, is amended to read:

10 238A.230. (1) If a member of the pension program who is vested dies before  
11 the member's effective date of retirement, the Public Employees Retirement  
12 Board shall pay the death benefit provided for in this section to:

13 (a) The spouse of the member to the extent not provided to a former  
14 spouse in accordance with a judgment or order under ORS 238.465;

15 (b) The former spouse of the member as provided in a judgment or order  
16 under ORS 238.465; or

17 (c) Any other person who is constitutionally required to be treated in the  
18 same manner as a spouse for the purpose of retirement benefits.

19 (2) The death benefit to be paid under this subsection is for the life of the  
20 member's spouse, former spouse or other person who is constitutionally re-  
21 quired to be treated in the same manner as a spouse, and is:

22 (a) If the member dies before the earliest retirement date for the member  
23 under ORS 238A.165, the actuarial equivalent of 50 percent of the pension  
24 that would otherwise have been paid to the deceased member, which shall  
25 be calculated as if the member became an inactive member on the date of  
26 death and retired at the earliest retirement date for the member as described  
27 in ORS 238A.165;

28 (b) If the member dies on or after the earliest retirement date for the  
29 member under ORS 238A.165 and before normal retirement age under ORS  
30 238A.160, the actuarial equivalent of the pension that would otherwise have  
31 been paid to the deceased member, which shall be calculated as if the mem-

1 ber retired under ORS 238A.185 and as if the member's retirement date was  
2 the first of the month following the date of death of the member; or

3 (c) If the member dies on or after reaching normal retirement age as de-  
4 scribed in ORS 238A.160, the actuarial equivalent of the pension that would  
5 otherwise have been paid to the deceased member, which shall be calculated  
6 under ORS 238A.125 as if the member's retirement date was the first of the  
7 month following the date of death of the member.

8 (3) The death benefit provided under this section is first effective on the  
9 first day of the month following the date of death of the member.

10 (4) The surviving spouse or other person who is constitutionally required  
11 to be treated in the same manner as a spouse for the purpose of retirement  
12 benefits may elect to delay payment of the death benefit, which shall be  
13 actuarially adjusted for age and interest when payments commence, but  
14 payment must commence no later than December 31 of the calendar year in  
15 which the member would have reached 72 years of age. If a person who de-  
16 lays payment under this subsection dies before payments commence:

17 (a) The person's beneficiary shall receive, in a lump sum, the sum of the  
18 payments the person would have received had the person not elected to delay  
19 payment of the death benefit.

20 (b) If the person who delays payment under this subsection has not des-  
21 ignated a beneficiary, the person's benefit shall be paid to a personal repre-  
22 sentative appointed for the person's estate.

23 (5) Notwithstanding any other provision of ORS 238A.100 to 238A.250,  
24 distributions of death benefits under the pension program must comply with  
25 the minimum distribution requirements of 26 U.S.C. 401(a)(9) and the regu-  
26 lations implementing that section, as in effect on January 1, [2024] **2025**. The  
27 board shall adopt rules implementing those minimum distribution require-  
28 ments.

29 **SECTION 10.** ORS 238A.370, as amended by section 8, chapter 75, Oregon  
30 Laws 2024, is amended to read:

31 238A.370. Notwithstanding any other provision of ORS 238A.300 to

1 238A.415, the annual addition to the employee and employer accounts of a  
2 member of the individual account program for a calendar year, together with  
3 the annual additions to the accounts of the member under any other defined  
4 contribution plan maintained by the participating public employer for a cal-  
5 endar year, may not exceed the lesser of \$40,000, or 100 percent of the  
6 member's compensation for that calendar year. For purposes of this section,  
7 "annual addition" has the meaning given that term in 26 U.S.C. 415(c)(2),  
8 as in effect on December 31, [2023] **2024**, and "compensation" has the meaning  
9 given the term "participant's compensation" in 26 U.S.C. 415(c)(3), as in ef-  
10 fect on December 31, [2023] **2024**. The Public Employees Retirement Board  
11 shall adopt rules for the administration of this limitation, including adjust-  
12 ments in the annual dollar limitation to reflect cost-of-living adjustments  
13 authorized by the Internal Revenue Service.

14 **SECTION 11.** ORS 238A.400, as amended by section 9, chapter 75, Oregon  
15 Laws 2024, is amended to read:

16 238A.400. (1) Upon retirement on or after the earliest retirement date, as  
17 described in ORS 238A.165, a member of the individual account program shall  
18 receive in a lump sum the amounts in the member's employee account,  
19 rollover account and employer account to the extent the member is vested  
20 in those accounts under ORS 238A.320.

21 (2) In lieu of a lump sum payment under subsection (1) of this section, a  
22 member of the individual account program may elect to receive the amounts  
23 in the member's employee account and employer account, to the extent the  
24 member is vested in those accounts under ORS 238A.320, in substantially  
25 equal installments paid over a period of 5, 10, 15 or 20 years, or over a period  
26 that is equal to the anticipated life span of the member as actuarially de-  
27 termined by the Public Employees Retirement Board. Installments may be  
28 made on a monthly, quarterly or annual basis. In no event may the period  
29 selected by the member exceed the time allowed by the minimum distribution  
30 requirements described in subsection (5) of this section. The board shall by  
31 rule establish the manner in which installments will be adjusted to reflect

1 investment gains and losses on the unpaid balance during the payout period  
2 elected by the member under this subsection. The board by rule may estab-  
3 lish minimum monthly amounts payable under this subsection. The board  
4 may require that a lump sum payment, or an installment schedule different  
5 than the schedules provided for in this subsection, be used to pay the vested  
6 amounts in the member's accounts if those amounts are not adequate to  
7 generate the minimum monthly amounts specified by the rule.

8 (3) A member of the individual account program electing to receive in-  
9 stallments under subsection (2) of this section must designate a beneficiary  
10 or beneficiaries. In the event the member dies before all amounts in the  
11 employee and vested employer accounts are paid, all remaining installment  
12 payments shall be made to the beneficiary or beneficiaries designated by the  
13 member. A beneficiary may elect to receive a lump sum distribution of the  
14 remaining amounts.

15 (4) A member who is entitled to receive retirement benefits under ORS  
16 chapter 238 may receive vested amounts in the member's employee account,  
17 rollover account and employer account in the manner provided by this sec-  
18 tion when the member retires for service under the provisions of ORS chap-  
19 ter 238.

20 (5) Notwithstanding any other provision of ORS 238A.300 to 238A.415, the  
21 entire interest of a member of the individual account program must be dis-  
22 tributed over a time period commencing no later than the latest retirement  
23 date set forth in ORS 238A.170, and must be distributed in a manner that  
24 satisfies all other minimum distribution requirements of 26 U.S.C. 401(a)(9)  
25 and regulations implementing that section, as in effect on January 1, [2024]  
26 **2025**. The board shall adopt rules implementing those minimum distribution  
27 requirements.

28 **SECTION 12.** ORS 238A.410, as amended by section 10, chapter 75,  
29 Oregon Laws 2024, is amended to read:

30 238A.410. (1)(a) If a member of the individual account program dies before  
31 retirement, the amounts in the member's employee account, rollover account

1 and employer account, to the extent the member is vested in those accounts  
2 under ORS 238A.320, shall be paid in a lump sum to the beneficiary or ben-  
3 eficiaries designated by the member for the purposes of this section.

4 (b) If a member of the individual account program dies before retirement,  
5 the amounts in the employee pension stability account established for the  
6 member under ORS 238A.353 shall be applied by the Public Employees Re-  
7 tirement Board to pay the costs of any benefit payable under ORS 238.395  
8 or 238A.230 that accrues on or after July 1, 2020. If the amounts in the em-  
9 ployee pension stability account exceed the costs of the benefit payable under  
10 ORS 238.395 or 238A.230 that accrues on or after July 1, 2020, the excess  
11 amounts shall be paid in a lump sum to the beneficiary or beneficiaries  
12 designated by the member for the purposes of this section.

13 (2) If a member of the individual account program is married at the time  
14 of death, or there exists at the time of death any other person who is con-  
15 stitutionally required to be treated in the same manner as a spouse for the  
16 purpose of retirement benefits, the spouse or other person shall be the ben-  
17 eficiary for purposes of the death benefit payable under this section unless  
18 the spouse or other person consents to the designation of a different benefi-  
19 ciary or beneficiaries before the designation has been made and the consent  
20 has not been revoked by the spouse or other person as of the time of the  
21 member's death. Consent and revocation of consent must be in writing, ac-  
22 knowledged by a notary public, and submitted to the Public Employees Re-  
23 tirement Board in accordance with rules adopted by the board. If the  
24 member's spouse is designated as the member's beneficiary and the marriage  
25 of the member and spouse is subsequently dissolved, the former spouse shall  
26 be treated as predeceasing the member for purposes of this section, unless  
27 the member expressly designates the former spouse as beneficiary after the  
28 effective date of the dissolution or the former spouse is required to be des-  
29 ignated as a beneficiary under the provisions of ORS 238.465.

30 (3) For purposes of this section and ORS 238A.400 (3), if a member fails  
31 to designate a beneficiary, or if the person or persons designated do not

1 survive the member, the death benefit provided for in this section shall be  
2 paid to the following person or persons, in the following order of priority:

3 (a) The member's surviving spouse or other person who is constitutionally  
4 required to be treated in the same manner as a spouse;

5 (b) The member's surviving children, in equal shares; or

6 (c) The member's estate.

7 (4) If a small estate affidavit has been filed under ORS 114.505 to 114.560,  
8 and the death benefit does not exceed the maximum amount of personal  
9 property for which a small estate affidavit may be filed under ORS 114.505  
10 to 114.560, the board shall pay the death benefit to the person who filed the  
11 affidavit, if the member's estate is the designated beneficiary or is receiving  
12 the payment under subsection (3) of this section.

13 (5) The entire amount of a deceased member's vested accounts must be  
14 distributed by December 31 of the fifth calendar year after the year in which  
15 the member died. Notwithstanding any other provision of this chapter, dis-  
16 tributions of death benefits under the individual account program must  
17 comply with the minimum distribution requirements of 26 U.S.C. 401(a)(9)  
18 and the regulations implementing that section, as in effect on January 1,  
19 [2024] **2025**. The Public Employees Retirement Board shall adopt rules im-  
20 plementing those minimum distribution requirements.

21 **SECTION 13.** ORS 238A.415, as amended by section 11, chapter 75,  
22 Oregon Laws 2024, is amended to read:

23 238A.415. (1) Notwithstanding any other provision of ORS 238A.300 to  
24 238A.415, an eligible employee who leaves a qualifying position for the pur-  
25 pose of performing service in the uniformed services, and who subsequently  
26 returns to employment with a participating public employer with reemploy-  
27 ment rights under federal law, is entitled to credit toward the probationary  
28 period required by ORS 238A.300, credit toward the vesting requirements of  
29 ORS 238A.320 and contributions under rules adopted by the Public Employ-  
30 ees Retirement Board pursuant to subsection (2) of this section.

31 (2) The board shall adopt rules establishing contributions and service

1 credit for any period of service in the uniformed services by an employee  
2 described in subsection (1) of this section. For the purpose of adopting rules  
3 under this subsection, the board shall consider and take into account all  
4 federal law relating to benefits and service credit for any period of service  
5 in the uniformed services, including 26 U.S.C. 414(u), as in effect on Decem-  
6 ber 31, [2023] **2024**. Contributions and service credit under rules adopted by  
7 the board pursuant to this subsection may not exceed contributions and  
8 service credit required under federal law for periods of service in the uni-  
9 formed services.

10 **SECTION 14.** ORS 238A.430, as amended by section 12, chapter 75,  
11 Oregon Laws 2024, is amended to read:

12 238A.430. (1) To the extent required by law, and except as otherwise pro-  
13 vided by rules adopted by the Public Employees Retirement Board under  
14 subsection (4) of this section, any portion of a distribution of benefits de-  
15 scribed in subsection (2) of this section shall, at the election of and in lieu  
16 of distribution to the distributee, be paid directly to an eligible retirement  
17 plan specified by the distributee.

18 (2) The provisions of subsection (1) of this section apply to a distribution  
19 of any benefit under the pension program or the individual account program  
20 except:

21 (a) A distribution that is one of a series of substantially equal periodic  
22 payments made at least annually for the life or life expectancy of the  
23 distributee, or for the joint lives or life expectancies of the distributee and  
24 a designated beneficiary;

25 (b) A distribution that is one of a series of substantially equal periodic  
26 payments made at least annually for a specified period of 10 years or more;  
27 and

28 (c) A distribution to the extent that the distribution is required under 26  
29 U.S.C. 401(a)(9).

30 (3) The provisions of subsection (1) of this section apply to any portion  
31 of a distribution of benefits under the pension program or the individual



1 account program even though the portion consists of after-tax employee  
2 contributions that are not includable in gross income. Any portion of a dis-  
3 tribution that consists of after-tax employee contributions that are not  
4 includable in gross income may be transferred only to an individual retire-  
5 ment account or annuity described in 26 U.S.C. 408(a) or (b), or to a quali-  
6 fied defined contribution or defined benefit plan described in 26 U.S.C. 401(a)  
7 or 403(b) that agrees to account separately for amounts transferred, including  
8 accounting separately for the portion of the distribution that is includable  
9 in gross income and the portion of the distribution that is not includable in  
10 gross income. The amount transferred shall be treated as consisting first of  
11 the portion of the distribution that is includable in gross income, determined  
12 without regard to 26 U.S.C. 402(c)(1).

13 (4) The board shall adopt rules implementing the direct rollover require-  
14 ments of 26 U.S.C. 401(a)(31) and the regulations implementing that section,  
15 and may adopt administrative exceptions to the direct rollover requirements  
16 to the extent permitted by 26 U.S.C. 401(a)(31) and the regulations imple-  
17 menting that section.

18 (5) All references in this section to federal laws and regulations are to  
19 the laws and regulations in effect on December 31, [2023] **2024**.

20 (6) For purposes of this section:

21 (a) "Distributee" means a member, a member's surviving spouse or a  
22 member's alternate payee under ORS 238.465.

23 (b) "Eligible retirement plan" means:

24 (A) An individual retirement account described in 26 U.S.C. 408(a);

25 (B) An individual retirement annuity described in 26 U.S.C. 408(b), other  
26 than an endowment contract;

27 (C) A qualified trust under 26 U.S.C. 401(a), that is a defined contribution  
28 or defined benefit plan and permits the acceptance of rollover contributions;

29 (D) An annuity plan described in 26 U.S.C. 403(a);

30 (E) An eligible deferred compensation plan described in 26 U.S.C. 457(b)  
31 that is maintained by an eligible governmental employer described in 26

1 U.S.C. 457(e)(1)(A) and that agrees to account separately for amounts trans-  
2 ferred into such plan from the distributing plan; or

3 (F) An annuity contract described in 26 U.S.C. 403(b).

4 **SECTION 15.** ORS 238A.435, as amended by section 13, chapter 75,  
5 Oregon Laws 2024, is amended to read:

6 238A.435. (1) If a benefit is payable under this chapter to a beneficiary  
7 by reason of the death of a member of the system, the beneficiary may elect  
8 to have all or part of the distribution of the death benefit paid in an eligible  
9 rollover distribution to an individual retirement plan described in 26 U.S.C.  
10 408(a), or an individual retirement annuity, other than an endowment con-  
11 tract, described in 26 U.S.C. 408(b), if the plan or annuity is established for  
12 the purpose of receiving the eligible rollover distribution on behalf of the  
13 designated beneficiary.

14 (2) Subsection (1) of this section applies to an eligible rollover distrib-  
15 ution of death benefits to a beneficiary who is not treated as the spouse of  
16 the decedent for federal tax purposes and who is the decedent's designated  
17 beneficiary for the purposes of the minimum required distribution require-  
18 ments of 26 U.S.C. 401(a)(9). To the extent provided by rules of the Public  
19 Employees Retirement Board, a trust maintained for the benefit of one or  
20 more beneficiaries must be treated by the board in the same manner as a  
21 trust that is designated as a beneficiary for the purposes of the minimum  
22 required distribution requirements of 26 U.S.C. 401(a)(9).

23 (3) As used in this section, "eligible rollover distribution" has the mean-  
24 ing given that term in 26 U.S.C. 402(c)(4), as in effect on December 31,  
25 [2023] **2024**.

26 **SECTION 16.** ORS 305.239, as amended by section 14, chapter 75, Oregon  
27 Laws 2024, is amended to read:

28 305.239. (1) Notwithstanding ORS 9.320:

29 (a) Any person who is qualified to practice law or public accountancy in  
30 this state, any person who has been granted active enrollment to practice  
31 before the Internal Revenue Service and who is qualified to prepare tax re-

1 turns in this state or any person who is the authorized employee of a tax-  
2 payer and is regularly employed by the taxpayer in tax matters may  
3 represent the taxpayer before a tax court magistrate or the Department of  
4 Revenue in any conference or proceeding with respect to the administration  
5 of any tax.

6 (b) Any person who is licensed by the State Board of Tax Practitioners  
7 or who is exempt from such licensing requirement as provided for and limited  
8 by ORS 673.610 may represent a taxpayer before a tax court magistrate or  
9 the department in any conference or proceeding with respect to the admin-  
10 istration of any tax on or measured by net income.

11 (c) Any shareholder of an S corporation, as defined in section 1361 of the  
12 Internal Revenue Code, as amended and in effect on December 31, [2023]  
13 **2024**, may represent the corporation in any proceeding before a tax court  
14 magistrate or the department in the same manner as if the shareholder were  
15 a partner and the S corporation were a partnership. The S corporation must  
16 designate in writing a tax matters shareholder authorized to represent the  
17 S corporation.

18 (d) An individual who is licensed as a real estate broker or principal real  
19 estate broker under ORS 696.022 or is a state certified appraiser or state li-  
20 censed appraiser under ORS 674.310 or is a registered appraiser under ORS  
21 308.010 may represent a taxpayer before a tax court magistrate or the de-  
22 partment in any conference or proceeding with respect to the administration  
23 of any ad valorem property tax.

24 (e) A general partner who has been designated by members of a partner-  
25 ship as their tax matters partner under ORS 305.242 may represent those  
26 partners in any conference or proceeding with respect to the administration  
27 of any tax on or measured by net income.

28 (f) Any person authorized under rules adopted by the department may  
29 represent a taxpayer before the department in any conference or proceeding  
30 with respect to any tax. Rules adopted under this paragraph, to the extent  
31 feasible, shall be consistent with federal law that governs representation

1 before the Internal Revenue Service, as federal law is amended and in effect  
2 on December 31, [2023] **2024**.

3 (g) Any person authorized under rules adopted by the tax court may rep-  
4 resent a taxpayer in a proceeding before a tax court magistrate.

5 (2) A person may not be recognized as representing a taxpayer pursuant  
6 to this section unless there is first filed with the magistrate or department  
7 a written authorization, or unless it appears to the satisfaction of the  
8 magistrate or department that the representative does in fact have authority  
9 to represent the taxpayer. A person recognized as an authorized represen-  
10 tative under rules or procedures adopted by the tax court shall be considered  
11 an authorized representative by the department.

12 (3) A taxpayer represented by someone other than an attorney is bound  
13 by all things done by the authorized representative, and may not thereafter  
14 claim any proceeding was legally defective because the taxpayer was not  
15 represented by an attorney.

16 (4) Prior to the holding of a conference or proceeding before the tax court  
17 magistrate or department, written notice shall be given by the magistrate  
18 or department to the taxpayer of the provisions of subsection (3) of this  
19 section.

20 **SECTION 17.** ORS 305.494, as amended by section 15, chapter 75, Oregon  
21 Laws 2024, is amended to read:

22 305.494. Notwithstanding ORS 9.320, any shareholder of an S corporation  
23 as defined in section 1361 of the Internal Revenue Code, as amended and in  
24 effect on December 31, [2023] **2024**, may represent the corporation in any  
25 proceeding before the Oregon Tax Court in the same manner as if the  
26 shareholder were a partner and the S corporation were a partnership.

27 **SECTION 18.** ORS 305.690, as amended by section 16, chapter 75, Oregon  
28 Laws 2024, is amended to read:

29 305.690. As used in ORS 305.690 to 305.753, unless the context otherwise  
30 requires:

31 (1) "Commission" means the Oregon Charitable Checkoff Commission.

1 (2) “Department” means the Department of Revenue.

2 (3) “Internal Revenue Code” means the federal Internal Revenue Code as  
3 amended and in effect on December 31, [2023] **2024**.

4 **SECTION 19.** ORS 305.842, as amended by section 17, chapter 75, Oregon  
5 Laws 2024, is amended to read:

6 305.842. As used in ORS 307.130, 307.147, 307.580, 308A.450, 310.140, 310.800  
7 and 311.666, “Internal Revenue Code” means the federal Internal Revenue  
8 Code as amended and in effect on December 31, [2023] **2024**.

9 **SECTION 20.** ORS 314.011, as amended by section 18, chapter 75, Oregon  
10 Laws 2024, is amended to read:

11 314.011. (1) As used in this chapter, unless the context requires otherwise,  
12 “department” means the Department of Revenue.

13 (2) As used in this chapter:

14 (a) Any term has the same meaning as when used in a comparable context  
15 in the laws of the United States relating to federal income taxes, unless a  
16 different meaning is clearly required or the term is specifically defined in  
17 this chapter.

18 (b) Except where the Legislative Assembly has provided otherwise, a ref-  
19 erence to the laws of the United States or to the Internal Revenue Code re-  
20 fers to the laws of the United States or to the Internal Revenue Code as they  
21 are amended and in effect:

22 (A) On December 31, [2023] **2024**; or

23 (B) If related to the definition of taxable income, as applicable to the tax  
24 year of the taxpayer.

25 (c) With respect to ORS 314.105, 314.256 (relating to proxy tax on lobbying  
26 expenditures), 314.260 (1)(b), 314.302, 314.306, 314.330, 314.360, 314.362, 314.385,  
27 314.402, 314.410, 314.412, 314.525, 314.767 (7), 314.771 and 314.772 and other  
28 provisions of this chapter, except those described in paragraph (b) of this  
29 subsection, any reference to the laws of the United States or to the Internal  
30 Revenue Code means the laws of the United States relating to income taxes  
31 or the Internal Revenue Code as they are amended on or before December

1 31, [2023] **2024**, even when the amendments take effect or become operative  
2 after that date, except where the Legislative Assembly has specifically pro-  
3 vided otherwise.

4 (3) Insofar as is practicable in the administration of this chapter, the de-  
5 partment shall apply and follow the administrative and judicial interpreta-  
6 tions of the federal income tax law. When a provision of the federal income  
7 tax law is the subject of conflicting opinions by two or more federal courts,  
8 the department shall follow the rule observed by the United States Commis-  
9 sioner of Internal Revenue until the conflict is resolved. Nothing contained  
10 in this section limits the right or duty of the department to audit the return  
11 of any taxpayer or to determine any fact relating to the tax liability of any  
12 taxpayer.

13 (4) When portions of the Internal Revenue Code incorporated by reference  
14 as provided in subsection (2) of this section refer to rules or regulations  
15 prescribed by the Secretary of the Treasury, then such rules or regulations  
16 shall be regarded as rules adopted by the department under and in accord-  
17 ance with the provisions of this chapter, whenever they are prescribed or  
18 amended.

19 (5)(a) When portions of the Internal Revenue Code incorporated by refer-  
20 ence as provided in subsection (2) of this section are later corrected by an  
21 Act or a Title within an Act of the United States Congress designated as an  
22 Act or Title making technical corrections, then notwithstanding the date  
23 that the Act or Title becomes law, those portions of the Internal Revenue  
24 Code, as so corrected, shall be the portions of the Internal Revenue Code  
25 incorporated by reference as provided in subsection (2) of this section and  
26 shall take effect, unless otherwise indicated by the Act or Title (in which  
27 case the provisions shall take effect as indicated in the Act or Title), as if  
28 originally included in the provisions of the Act being technically corrected.  
29 If, on account of this subsection, any adjustment is required to an Oregon  
30 return that would otherwise be prevented by operation of law or rule, the  
31 adjustment shall be made, notwithstanding any law or rule to the contrary,

1 in the manner provided under ORS 314.135.

2 (b) As used in this subsection, “Act or Title” includes any subtitle, divi-  
3 sion or other part of an Act or Title.

4 **SECTION 21.** ORS 314.306, as amended by section 19, chapter 75, Oregon  
5 Laws 2024, is amended to read:

6 314.306. (1) If a taxpayer excludes an amount from federal gross income  
7 by reason of the discharge of indebtedness of the taxpayer under section  
8 108(a)(1)(A) of the Internal Revenue Code (relating to discharge of indebt-  
9 edness in a bankruptcy declared under U.S.C. Title 11), then, with respect  
10 to that portion of the excluded amount that is apportioned to Oregon, the  
11 taxpayer shall apply the rules in 11 U.S.C. 346(j), as amended and in effect  
12 on December 31, [2023] **2024**.

13 (2) If a taxpayer excludes an amount from federal gross income by reason  
14 of the discharge of indebtedness of the taxpayer under section 108(a)(1)(B)  
15 or (C) of the Internal Revenue Code (relating to discharge of indebtedness  
16 in insolvency or discharge of qualified farm indebtedness), then, with respect  
17 to that portion of the excluded amount that is apportioned to Oregon, the  
18 following paragraphs shall apply, in the following order:

19 (a) If the taxpayer has made the election under section 108(b)(5) of the  
20 Internal Revenue Code to first reduce the basis of the depreciable property  
21 of the taxpayer, the election shall also be effective for Oregon tax purposes.  
22 A corresponding reduction in the basis of the depreciable property of the  
23 taxpayer shall be made for Oregon tax purposes.

24 (b) The amount, if any, by which the following attributes are reduced  
25 under section 108(b)(1) of the Internal Revenue Code for federal tax purposes  
26 shall be added back for Oregon tax purposes:

27 (A) Federal net operating loss.

28 (B) Capital loss carryover.

29 (C) Basis of the property of the taxpayer, excluding amounts subject to  
30 the election under section 108(b)(5) of the Internal Revenue Code.

31 (D) Passive activity loss carryover.

1 (c) Excluding amounts subject to the election in section 108(b)(5) of the  
2 Internal Revenue Code:

3 (A) Any Oregon net operating loss of an individual or corporate taxpayer,  
4 including a net operating loss carryover to the taxpayer, shall be reduced  
5 by the amount of discharged indebtedness.

6 (B) Any net capital loss for the taxable year of the discharge, and any  
7 capital loss carryover to the taxable year, shall be reduced by the amount  
8 of discharged indebtedness minus the total amount taken into account under  
9 subparagraph (A) of this paragraph.

10 (C) The basis of the property of the taxpayer shall be reduced by the  
11 amount of discharged indebtedness minus the total amount taken into ac-  
12 count under subparagraphs (A) and (B) of this paragraph.

13 (D) The passive activity loss carryover under section 469(b) of the Inter-  
14 nal Revenue Code from the taxable year of the discharge shall be reduced  
15 by the amount of discharged indebtedness minus the total amount taken into  
16 account under subparagraphs (A), (B) and (C) of this paragraph.

17 **SECTION 22.** ORS 315.004, as amended by section 20, chapter 75, Oregon  
18 Laws 2024, is amended to read:

19 315.004. (1) Except when the context requires otherwise, the definitions  
20 contained in ORS chapters 314, 316, 317 and 318 are applicable in the con-  
21 struction, interpretation and application of the personal and corporate in-  
22 come and excise tax credits contained in this chapter.

23 (2)(a) For purposes of the tax credits contained in this chapter, any term  
24 has the same meaning as when used in a comparable context in the laws of  
25 the United States relating to federal income taxes, unless a different meaning  
26 is clearly required or the term is specifically defined for purposes of con-  
27 struing, interpreting and applying the credit.

28 (b) With respect to the tax credits contained in this chapter, any refer-  
29 ence to the laws of the United States or to the Internal Revenue Code means  
30 the laws of the United States relating to income taxes or the Internal Rev-  
31 enue Code as they are amended on or before December 31, [2023] **2024**, even



1 when the amendments take effect or become operative after that date.

2 (3) Insofar as is practicable in the administration of this chapter, the  
3 Department of Revenue shall apply and follow the administrative and judi-  
4 cial interpretations of the federal income tax law. When a provision of the  
5 federal income tax law is the subject of conflicting opinions by two or more  
6 federal courts, the department shall follow the rule observed by the United  
7 States Commissioner of Internal Revenue until the conflict is resolved.  
8 Nothing contained in this section limits the right or duty of the department  
9 to audit the return of any taxpayer or to determine any fact relating to the  
10 tax liability of any taxpayer.

11 (4) When portions of the Internal Revenue Code incorporated by reference  
12 as provided in subsection (2) of this section refer to rules or regulations  
13 prescribed by the Secretary of the Treasury, then such rules or regulations  
14 shall be regarded as rules adopted by the department under and in accord-  
15 ance with the provisions of this chapter, whenever they are prescribed or  
16 amended.

17 (5)(a) When portions of the Internal Revenue Code incorporated by refer-  
18 ence as provided in subsection (2) of this section are later corrected by an  
19 Act or a Title within an Act of the United States Congress designated as an  
20 Act or Title making technical corrections, then notwithstanding the date  
21 that the Act or Title becomes law, those portions of the Internal Revenue  
22 Code, as so corrected, shall be the portions of the Internal Revenue Code  
23 incorporated by reference as provided in subsection (2) of this section and  
24 shall take effect, unless otherwise indicated by the Act or Title (in which  
25 case the provisions shall take effect as indicated in the Act or Title), as if  
26 originally included in the provisions of the Act being technically corrected.  
27 If, on account of this subsection, any adjustment is required to an Oregon  
28 return that would otherwise be prevented by operation of law or rule, the  
29 adjustment shall be made, notwithstanding any law or rule to the contrary,  
30 in the manner provided under ORS 314.135.

31 (b) As used in this subsection, "Act or Title" includes any subtitle, divi-

1 sion or other part of an Act or Title.

2 **SECTION 23.** ORS 316.012, as amended by section 21, chapter 75, Oregon  
3 Laws 2024, is amended to read:

4 316.012. Any term used in this chapter has the same meaning as when  
5 used in a comparable context in the laws of the United States relating to  
6 federal income taxes, unless a different meaning is clearly required or the  
7 term is specifically defined in this chapter. Except where the Legislative  
8 Assembly has provided otherwise, any reference in this chapter to the laws  
9 of the United States or to the Internal Revenue Code refers to the laws of  
10 the United States or to the Internal Revenue Code as they are amended and  
11 in effect:

12 (1) On December 31, [2023] **2024**; or

13 (2) If related to the definition of taxable income, as applicable to the tax  
14 year of the taxpayer.

15 **SECTION 24.** ORS 316.147, as amended by section 22, chapter 75, Oregon  
16 Laws 2024, is amended to read:

17 316.147. As used in ORS 316.147 to 316.149, unless the context requires  
18 otherwise:

19 (1) “Eligible taxpayer” includes any individual who must pay taxes oth-  
20 erwise imposed by this chapter and:

21 (a) Who pays or incurs expenses for the care of a qualified individual,  
22 through a payment method determined by rule of the Department of Revenue;  
23 and

24 (b) Who has a household income, for the taxable year, not to exceed the  
25 maximum amount of household income allowed in ORS 310.640 (1989 Edition)  
26 for a homeowner or renter refund.

27 (2) “Household income” means the aggregate income of the eligible tax-  
28 payer and the spouse of the taxpayer who reside in the household, that was  
29 received during a calendar year. “Household income” includes payments re-  
30 ceived by the eligible taxpayer or the spouse of the taxpayer under the fed-  
31 eral Social Security Act for the benefit of a minor child or minor children

1 who reside in the household.

2 (3) "Income" means "adjusted gross income" as defined in the federal  
3 Internal Revenue Code, as amended and in effect on December 31, [2023]  
4 2024, even when the amendments take effect or become operative after that  
5 date, relating to the measurement of taxable income of individuals, estates  
6 and trusts, with the following modifications:

7 (a) There shall be added to adjusted gross income the following items of  
8 otherwise exempt income:

9 (A) The gross amount of any otherwise exempt pension less return of in-  
10 vestment, if any.

11 (B) Child support received by the taxpayer.

12 (C) Inheritances.

13 (D) Gifts and grants, the sum of which are in excess of \$500 per year.

14 (E) Amounts received by a taxpayer or spouse of a taxpayer for support  
15 from a parent who is not a member of the taxpayer's household.

16 (F) Life insurance proceeds.

17 (G) Accident and health insurance proceeds, except reimbursement of in-  
18 curred medical expenses.

19 (H) Personal injury damages.

20 (I) Sick pay that is not included in federal adjusted gross income.

21 (J) Strike benefits excluded from federal gross income.

22 (K) Worker's compensation, except for reimbursement of medical expense.

23 (L) Military pay and benefits.

24 (M) Veteran's benefits.

25 (N) Payments received under the federal Social Security Act that are ex-  
26 cluded from federal gross income.

27 (O) Welfare payments, except as follows:

28 (i) Payments for medical care, drugs and medical supplies, if the payments  
29 are not made directly to the welfare recipient;

30 (ii) In-home services authorized and approved by the Department of Hu-  
31 man Services; and

1 (iii) Direct or indirect reimbursement of expenses paid or incurred for  
2 participation in work or training programs.

3 (P) Nontaxable dividends.

4 (Q) Nontaxable interest not included in federal adjusted gross income.

5 (R) Rental allowance paid to a minister that is excluded from federal  
6 gross income.

7 (S) Income from sources without the United States that is excluded from  
8 federal gross income.

9 (b) Adjusted gross income shall be increased due to the disallowance of  
10 the following deductions:

11 (A) The amount of the net loss, in excess of \$1,000, from all dispositions  
12 of tangible or intangible properties.

13 (B) The amount of the net loss, in excess of \$1,000, from the operation of  
14 a farm or farms.

15 (C) The amount of the net loss, in excess of \$1,000, from all operations  
16 of a trade or business, profession or other activity entered into for the pro-  
17 duction or collection of income.

18 (D) The amount of the net loss, in excess of \$1,000, from tangible or in-  
19 tangible property held for the production of rents, royalties or other income.

20 (E) The amount of any net operating loss carryovers or carrybacks in-  
21 cluded in federal adjusted gross income.

22 (F) The amount, in excess of \$5,000, of the combined deductions or other  
23 allowances for depreciation, amortization or depletion.

24 (G) The amount added or subtracted, as required within the context of  
25 this section, for adjustments made under ORS 316.680 (2)(d) and 316.707 to  
26 316.737.

27 (c) "Income" does not include the following:

28 (A) Any governmental grant that must be used by the taxpayer for reha-  
29 bilitation of the homestead of the taxpayer.

30 (B) Any refund of Oregon personal income taxes that were imposed under  
31 this chapter.

1 (4) “Qualified individual” includes an individual at least 60 years of age  
2 on the date that the expenses described in subsection (1)(a) of this section  
3 are paid or incurred by the eligible taxpayer:

4 (a) Whose household income does not exceed \$7,500 for the calendar year  
5 in which the taxable year of the taxpayer begins;

6 (b) Who is eligible for authorized services as defined in ORS 410.410 under  
7 Oregon Project Independence;

8 (c) Who is certified by the Department of Human Services; and

9 (d) Whose care or any portion thereof is not paid for under ORS chapter  
10 414.

11 **SECTION 25.** ORS 316.157, as amended by section 23, chapter 75, Oregon  
12 Laws 2024, is amended to read:

13 316.157. (1) In the case of an eligible individual, there shall be allowed  
14 as a credit against the taxes otherwise due under this chapter for the taxable  
15 year an amount equal to the lesser of the tax liability of the taxpayer or nine  
16 percent of net pension income.

17 (2) For purposes of this section:

18 (a) “Eligible individual” means any individual who is receiving pension  
19 income and who has attained 62 years of age before the close of the taxable  
20 year.

21 (b) “Household income” means the aggregate income of the taxpayer and  
22 the spouse of the taxpayer who reside in the household, that was received  
23 during the taxable year for which a credit is claimed, except that “household  
24 income” does not include Social Security benefits received by the taxpayer  
25 or the spouse of the taxpayer.

26 (c) “Income” means “adjusted gross income” as defined in the federal  
27 Internal Revenue Code, as amended and in effect on December 31, [2023]  
28 **2024**, even when the amendments take effect or become operative after that  
29 date, relating to the measurement of taxable income of individuals, estates  
30 and trusts, with the following modifications:

31 (A) There shall be added to adjusted gross income the following items of

1 otherwise exempt income:

2 (i) The gross amount of any otherwise exempt pension less return of in-  
3 vestment, if any.

4 (ii) Child support received by the taxpayer.

5 (iii) Inheritances.

6 (iv) Gifts and grants, the sum of which are in excess of \$500 per year.

7 (v) Amounts received by a taxpayer or spouse of a taxpayer for support  
8 from a parent who is not a member of the taxpayer's household.

9 (vi) Life insurance proceeds.

10 (vii) Accident and health insurance proceeds, except reimbursement of  
11 incurred medical expenses.

12 (viii) Personal injury damages.

13 (ix) Sick pay that is not included in federal adjusted gross income.

14 (x) Strike benefits excluded from federal gross income.

15 (xi) Worker's compensation, except for reimbursement of medical expense.

16 (xii) Military pay and benefits.

17 (xiii) Veteran's benefits.

18 (xiv) Payments received under the federal Social Security Act that are  
19 excluded from federal gross income.

20 (xv) Welfare payments, except as follows:

21 (I) Payments for medical care, drugs and medical supplies, if the payments  
22 are not made directly to the welfare recipient;

23 (II) In-home services authorized and approved by the Department of Hu-  
24 man Services; and

25 (III) Direct or indirect reimbursement of expenses paid or incurred for  
26 participation in work or training programs.

27 (xvi) Nontaxable dividends.

28 (xvii) Nontaxable interest not included in federal adjusted gross income.

29 (xviii) Rental allowance paid to a minister that is excluded from federal  
30 gross income.

31 (xix) Income from sources without the United States that is excluded from

1 federal gross income.

2 (B) Adjusted gross income shall be increased due to the disallowance of  
3 the following deductions:

4 (i) The amount of the net loss, in excess of \$1,000, from all dispositions  
5 of tangible or intangible properties.

6 (ii) The amount of the net loss, in excess of \$1,000, from the operation of  
7 a farm or farms.

8 (iii) The amount of the net loss, in excess of \$1,000, from all operations  
9 of a trade or business, profession or other activity entered into for the pro-  
10 duction or collection of income.

11 (iv) The amount of the net loss, in excess of \$1,000, from tangible or in-  
12 tangible property held for the production of rents, royalties or other income.

13 (v) The amount of any net operating loss carryovers or carrybacks in-  
14 cluded in federal adjusted gross income.

15 (vi) The amount, in excess of \$5,000, of the combined deductions or other  
16 allowances for depreciation, amortization or depletion.

17 (vii) The amount added or subtracted, as required within the context of  
18 this section, for adjustments made under ORS 316.680 (2)(d) and 316.707 to  
19 316.737.

20 (C) "Income" does not include the following:

21 (i) Any governmental grant that must be used by the taxpayer for reha-  
22 bilitation of the homestead of the taxpayer.

23 (ii) Any refund of Oregon personal income taxes that were imposed under  
24 this chapter.

25 (d) "Net pension income" means:

26 (A) For eligible individuals filing a joint return, the lesser of the pension  
27 income of the eligible individuals received during the taxable year or the  
28 excess, if any, of \$15,000 over the sum of the following amounts:

29 (i) Any Social Security benefits received by the eligible individual, or by  
30 the spouse of the individual, during the taxable year; and

31 (ii) The excess, if any, of household income over \$30,000.

1 (B) For an eligible individual filing a return other than a joint return,  
2 the lesser of the pension income of the eligible individual received during the  
3 taxable year or the excess, if any, of \$7,500 over the sum of the following  
4 amounts:

5 (i) Any Social Security benefits received by the eligible individual during  
6 the taxable year; and

7 (ii) The excess, if any, of household income over \$15,000.

8 (e) "Pension income" means income included in Oregon taxable income  
9 from:

10 (A) Distributions from or pursuant to an employee pension benefit plan,  
11 as defined in section 3(2) of the Employee Retirement Income Security Act  
12 of 1974, which satisfies the requirements of section 401 of the Internal Rev-  
13 enue Code;

14 (B) Distributions from or pursuant to a public retirement system of this  
15 state or a political subdivision of this state, or a public retirement system  
16 created by an Act of this state or a political subdivision of this state, or the  
17 public retirement system of any other state or local government;

18 (C) Distributions from or pursuant to a federal retirement system created  
19 by the federal government for any officer or employee of the United States,  
20 including any person retired from service in the United States Civil Service,  
21 the Armed Forces of the United States or any agency or subdivision thereof;

22 (D) Distributions or withdrawals from or pursuant to an eligible deferred  
23 compensation plan which satisfies the requirements of section 457 of the  
24 Internal Revenue Code;

25 (E) Distributions or withdrawals from or pursuant to an individual re-  
26 tirement account, annuity or trust or simplified employee pension which  
27 satisfies the requirements of section 408 of the Internal Revenue Code; and

28 (F) Distributions or withdrawals from or pursuant to an employee annu-  
29 ity, including custodial accounts treated as annuities, subject to section 403  
30 (a) or (b) of the Internal Revenue Code.

31 (f) "Social Security benefits" means Social Security benefits, as defined



1 in section 86 of the Internal Revenue Code (Title II Social Security or tier  
2 1 railroad retirement benefits).

3 (3) If a change in the taxable year of the eligible individual occurs as  
4 described in ORS 314.085, or if the Department of Revenue terminates the tax  
5 year of the eligible individual under ORS 314.440, the credit allowed by this  
6 section shall be prorated or computed in a manner consistent with ORS  
7 314.085.

8 (4) If a change in the status of the eligible individual from resident to  
9 nonresident or from nonresident to resident occurs, the credit allowed by this  
10 section shall be determined in a manner consistent with subsection (1) of this  
11 section.

12 **SECTION 26.** ORS 317.010, as amended by section 24, chapter 75, Oregon  
13 Laws 2024, is amended to read:

14 317.010. As used in this chapter, unless the context requires otherwise:

15 (1) “Centrally assessed corporation” means every corporation the property  
16 of which is assessed by the Department of Revenue under ORS 308.505 to  
17 308.674.

18 (2) “Department” means the Department of Revenue.

19 (3)(a) “Consolidated federal return” means the return permitted or re-  
20 quired to be filed by a group of affiliated corporations under section 1501 of  
21 the Internal Revenue Code.

22 (b) “Consolidated state return” means the return required to be filed un-  
23 der ORS 317.710 (5).

24 (4) “Doing business” means any transaction or transactions in the course  
25 of its activities conducted within the state by a national banking association,  
26 or any other corporation; provided, however, that a foreign corporation  
27 whose activities in this state are confined to purchases of personal property,  
28 and the storage thereof incident to shipment outside the state, shall not be  
29 deemed to be doing business unless such foreign corporation is an affiliate  
30 of another foreign or domestic corporation which is doing business in  
31 Oregon. Whether or not corporations are affiliated shall be determined as

1 provided in section 1504 of the Internal Revenue Code.

2 (5) “Excise tax” means a tax measured by or according to net income  
3 imposed upon national banking associations, all other banks, and financial,  
4 centrally assessed, mercantile, manufacturing and business corporations for  
5 the privilege of carrying on or doing business in this state.

6 (6) “Financial institution” has the meaning given that term in ORS  
7 314.610 except that it does not include a credit union as defined in ORS  
8 723.006, an interstate credit union as defined in ORS 723.001 or a federal  
9 credit union.

10 (7) “Internal Revenue Code,” except where the Legislative Assembly has  
11 provided otherwise, refers to the laws of the United States or to the Internal  
12 Revenue Code as they are amended and in effect:

13 (a) On December 31, [2023] **2024**; or

14 (b) If related to the definition of taxable income, as applicable to the tax  
15 year of the taxpayer.

16 (8) “Oregon taxable income” means taxable income, less the deduction  
17 allowed under ORS 317.476, except as otherwise provided with respect to  
18 insurers in subsection (11) of this section and ORS 317.650 to 317.665.

19 (9) “Oregon net loss” means taxable loss, except as otherwise provided  
20 with respect to insurers in subsection (11) of this section and ORS 317.650  
21 to 317.665.

22 (10) “Taxable income or loss” means the taxable income or loss deter-  
23 mined, or in the case of a corporation for which no federal taxable income  
24 or loss is determined, as would be determined, under chapter 1, Subtitle A  
25 of the Internal Revenue Code and any other laws of the United States re-  
26 lating to the determination of taxable income or loss of corporate taxpayers,  
27 with the additions, subtractions, adjustments and other modifications as are  
28 specifically prescribed by this chapter except that in determining taxable  
29 income or loss for any year, no deduction under ORS 317.476 or 317.478 and  
30 section 45b, chapter 293, Oregon Laws 1987, shall be allowed. If the corpo-  
31 ration is a corporation to which ORS 314.280 or 314.605 to 314.675 (requiring

1 or permitting apportionment of income from transactions or activities carried  
2 on both within and without the state) applies, to derive taxable income or  
3 loss, the following shall occur:

4 (a) From the amount otherwise determined under this subsection, subtract  
5 nonapportionable income, or add nonapportionable loss, whichever is appli-  
6 cable.

7 (b) Multiply the amount determined under paragraph (a) of this sub-  
8 section by the Oregon apportionment percentage defined under ORS 314.280,  
9 314.650 or 314.667, whichever is applicable. The resulting product shall be  
10 Oregon apportioned income or loss.

11 (c) To the amount determined as Oregon apportioned income or loss under  
12 paragraph (b) of this subsection, add nonapportionable income allocable en-  
13 tirely to Oregon under ORS 314.280 or 314.625 to 314.645, or subtract  
14 nonapportionable loss allocable entirely to Oregon under ORS 314.280 or  
15 314.625 to 314.645. The resulting figure is “taxable income or loss” for those  
16 corporations carrying on taxable transactions or activities both within and  
17 without Oregon.

18 (11) As used in ORS 317.122 and 317.650 to 317.665, “insurer” means any  
19 domestic, foreign or alien insurer as defined in ORS 731.082 and any inter-  
20 insurance and reciprocal exchange and its attorney in fact with respect to  
21 its attorney in fact net income as a corporate attorney in fact acting as at-  
22 torney in compliance with ORS 731.458, 731.462, 731.466 and 731.470 for the  
23 reciprocal or interinsurance exchange. However, “insurer” does not include  
24 title insurers or health care service contractors operating pursuant to ORS  
25 750.005 to 750.095.

26 **SECTION 27.** ORS 317.097, as amended by section 25, chapter 75, Oregon  
27 Laws 2024, is amended to read:

28 317.097. (1) As used in this section:

29 (a) “Annual rate” means the yearly interest rate specified on the note,  
30 and not the annual percentage rate, if any, disclosed to the applicant to  
31 comply with the federal Truth in Lending Act.

1 (b) "Bonds" means a bond, as defined in ORS 286A.001, if issued on behalf  
2 of the Housing and Community Services Department, or bonds, as defined in  
3 ORS 456.055, if issued by a housing authority.

4 (c) "Finance charge" means the total of all interest, loan fees, interest  
5 on any loan fees financed by the lending institution, and other charges re-  
6 lated to the cost of obtaining credit.

7 (d) "Lending institution" means any insured institution, as that term is  
8 defined in ORS 706.008, any mortgage banking company that maintains an  
9 office in this state or any community development corporation that is or-  
10 ganized under the Oregon Nonprofit Corporation Law.

11 (e) "Limited equity cooperative" means a cooperative corporation formed  
12 under ORS chapter 62 whose articles of incorporation, in addition to the  
13 other requirements of ORS chapter 62, prohibit members from selling their  
14 ownership interests:

15 (A) To any person other than a low income person; or

16 (B) For a sales price that exceeds the sum of:

17 (i) The price the member paid for the ownership interest;

18 (ii) The cost of any permanent improvements the member made to the  
19 housing unit during the member's ownership;

20 (iii) Any special assessments the member paid to the limited equity co-  
21 operative during the member's ownership that were expended to make per-  
22 manent improvements to the building in which the member's housing unit is  
23 located; and

24 (iv) A return on the amounts described in sub-subparagraphs (i) to (iii)  
25 of this subparagraph, computed from the year in which the respective amount  
26 was paid, that equals the greater of the result of adjusting each amount by  
27 the percentage increase, if any, in the Consumer Price Index for All Urban  
28 Consumers, West Region (All Items), as published by the Bureau of Labor  
29 Statistics of the United States Department of Labor, or of increasing each  
30 amount by three percent compounded annually.

31 (f) "Manufactured dwelling park" has the meaning given that term in

1 ORS 446.003.

2 (g) “Nonprofit corporation” means a corporation that is exempt from in-  
3 come taxes under section 501(c)(3) or (4) of the Internal Revenue Code as  
4 amended and in effect on December 31, [2023] **2024**.

5 (h) “Preservation project” means housing that was previously developed  
6 as affordable housing with a contract for rent assistance from the United  
7 States Department of Housing and Urban Development or the United States  
8 Department of Agriculture and that is being acquired by a sponsoring entity.

9 (i) “Qualified assignee” means any investor participating in the secondary  
10 market for real estate loans.

11 (j) “Qualified borrower” means any borrower that is a sponsoring entity  
12 that has a controlling interest in the real property that is financed by a  
13 qualified loan. A controlling interest includes a controlling interest in the  
14 general partner of a limited partnership that owns the real property.

15 (k) “Qualified loan” means:

16 (A) A loan that meets the criteria stated in subsection (5) of this section  
17 or that is made to refinance a loan that meets the criteria described in sub-  
18 section (5) of this section; or

19 (B) The purchase by a lending institution of bonds, the proceeds of which  
20 are used to finance or refinance a loan that meets the criteria described in  
21 subsection (5) of this section.

22 (L) “Sponsoring entity” means a nonprofit corporation, nonprofit cooper-  
23 ative, state governmental entity, local unit of government as defined in ORS  
24 466.706, housing authority or any other person, provided that the person has  
25 agreed to restrictive covenants imposed by a nonprofit corporation, nonprofit  
26 cooperative, state governmental entity, local unit of government or housing  
27 authority.

28 (2) The Department of Revenue shall allow a credit against taxes other-  
29 wise due under this chapter for the tax year to a lending institution that  
30 makes a qualified loan certified by the Housing and Community Services  
31 Department as provided in subsection (7) of this section. The amount of the

1 credit is equal to the difference between:

2 (a) The amount of finance charge charged by the lending institution dur-  
3 ing the tax year at an annual rate less than the market rate for a qualified  
4 loan that is made before January 1, 2026, that complies with the require-  
5 ments of this section; and

6 (b) The amount of finance charge that would have been charged during  
7 the tax year by the lending institution for the qualified loan for housing  
8 construction, development, acquisition or rehabilitation measured at the an-  
9 nual rate charged by the lending institution for nonsubsidized loans made  
10 under like terms and conditions at the time the qualified loan for housing  
11 construction, development, acquisition or rehabilitation is made.

12 (3) The maximum amount of credit for the difference between the amounts  
13 described in subsection (2)(a) and (b) of this section may not exceed four  
14 percent of the average unpaid balance of the qualified loan during the tax  
15 year for which the credit is claimed.

16 (4) Any tax credit allowed under this section that is not used by the  
17 taxpayer in a particular year may be carried forward and offset against the  
18 taxpayer's tax liability for the next succeeding tax year. Any credit remain-  
19 ing unused in the next succeeding tax year may be carried forward and used  
20 in the second succeeding tax year, and likewise, any credit not used in that  
21 second succeeding tax year may be carried forward and used in the third  
22 succeeding tax year, and any credit not used in that third succeeding tax  
23 year may be carried forward and used in the fourth succeeding tax year, and  
24 any credit not used in that fourth succeeding tax year may be carried for-  
25 ward and used in the fifth succeeding tax year, but may not be carried for-  
26 ward for any tax year thereafter.

27 (5) To be eligible for the tax credit allowable under this section, a lending  
28 institution must make a qualified loan by either purchasing bonds, the pro-  
29 ceeds of which are used to finance or refinance a loan that meets the criteria  
30 stated in this subsection, or making a loan directly to:

31 (a) An individual or individuals who own a dwelling, participate in an

1 owner-occupied community rehabilitation program and are certified by the  
2 local government or its designated agent as having an income level when the  
3 loan is made of 80 percent of the area median income or less;

4 (b) A qualified borrower who:

5 (A) Uses the loan proceeds to finance construction, development, acqui-  
6 sition or rehabilitation of housing, including housing in the form of a limited  
7 equity cooperative; and

8 (B) Provides a written certification executed by the Housing and Com-  
9 munity Services Department that the:

10 (i) Housing created by the loan is or will be occupied by households  
11 earning 80 percent of the area median income or less; and

12 (ii) Full amount of savings from the reduced interest rate provided by the  
13 lending institution is or will be passed on, in the form of reduced housing  
14 payments, to the tenants or to the holders of proprietary leases in a limited  
15 equity cooperative;

16 (c) Subject to subsection (14) of this section, a qualified borrower who:

17 (A) Uses the loan proceeds to finance construction, development, acqui-  
18 sition or rehabilitation of housing consisting of a manufactured dwelling  
19 park; and

20 (B) Provides a written certification executed by the Housing and Com-  
21 munity Services Department that the housing will continue to be operated  
22 as a manufactured dwelling park during the period for which the tax credit  
23 is allowed;

24 (d) A qualified borrower who:

25 (A) Uses the loan proceeds to finance acquisition or rehabilitation of  
26 housing consisting of a preservation project; and

27 (B) Provides a written certification executed by the Housing and Com-  
28 munity Services Department that the housing preserved by the loan:

29 (i) Is or will be occupied by households earning 80 percent of the area  
30 median income or less; and

31 (ii) Is the subject of a rent assistance contract with the United States

1 Department of Housing and Urban Development or the United States De-  
2 partment of Agriculture that will be maintained by the qualified borrower;  
3 or

4 (e) A qualified borrower who:

5 (A) Uses the loan proceeds to finance construction, development, acqui-  
6 sition or rehabilitation of housing; and

7 (B) Provides a written certification executed by the Housing and Com-  
8 munity Services Department or the governmental party to the rent assistance  
9 contract that the housing preserved by the loan:

10 (i) Is or will be occupied by households earning 80 percent of the area  
11 median income or less; and

12 (ii) Is the subject of a rent assistance contract with the federal govern-  
13 ment or with a state or local government that will be maintained by the  
14 qualified borrower and that limits a tenant's rent to no more than 30 percent  
15 of their income.

16 (6) A loan made to refinance a loan that meets the criteria stated in  
17 subsection (5) of this section must be treated the same as a loan that meets  
18 the criteria stated in subsection (5) of this section.

19 (7) For a qualified loan to be eligible for the tax credit allowable under  
20 this section, the Housing and Community Services Department must execute  
21 a written certification for the qualified loan that:

22 (a) States that the qualified loan is within the limitation imposed by  
23 subsection (8) of this section; and

24 (b) Specifies the period, as determined by the Housing and Community  
25 Services Department, during which the tax credit is allowed for the qualified  
26 loan, not to exceed:

27 (A) 30 years, for a qualified loan with a contract for rent assistance or  
28 financing resources from the United States Department of Agriculture, for  
29 new housing construction, acquisition of housing or a preservation project;  
30 or

31 (B) 20 years, for any other type of qualified loan.



1 (8) The Housing and Community Services Department may certify quali-  
2 fied loans that are eligible under subsection (5) of this section if the total  
3 credits attributable to all qualified loans eligible for credits under this sec-  
4 tion and then outstanding do not exceed \$35 million for any fiscal year. In  
5 making loan certifications under subsection (7) of this section, the Housing  
6 and Community Services Department shall attempt to distribute the tax  
7 credits statewide, but shall concentrate the tax credits in those areas of the  
8 state that are determined by the Oregon Housing Stability Council to have  
9 the greatest need for affordable housing.

10 (9) The tax credit provided for in this section may be taken whether or  
11 not:

12 (a) The financial institution is eligible to take a federal income tax credit  
13 under section 42 of the Internal Revenue Code with respect to the project  
14 financed by the qualified loan; or

15 (b) The project receives financing from bonds, the interest on which is  
16 exempt from federal taxation under section 103 of the Internal Revenue Code.

17 (10) For a qualified loan defined in subsection (1)(k)(B) of this section fi-  
18 nanced through the purchase of bonds, the interest of which is exempt from  
19 federal taxation under section 103 of the Internal Revenue Code, the amount  
20 of finance charge that would have been charged under subsection (2)(b) of  
21 this section is determined by reference to the finance charge that would have  
22 been charged if the federally tax exempt bonds had been issued and the tax  
23 credit under this section did not apply.

24 (11) A lending institution may sell a qualified loan for which a certifica-  
25 tion has been executed to a qualified assignee whether or not the lending  
26 institution retains servicing of the qualified loan so long as a designated  
27 lending institution maintains records, annually verified by a loan servicer,  
28 that establish the amount of tax credit earned by the taxpayer throughout  
29 each year of eligibility.

30 (12) Notwithstanding any other provision of law, a lending institution  
31 that is a community development corporation organized under the Oregon

1 Nonprofit Corporation Law may transfer all or part of a tax credit allowed  
2 under this section to one or more other lending institutions that are stock-  
3 holders or members of the community development corporation or that oth-  
4 erwise participate through the community development corporation in the  
5 making of one or more qualified loans for which the tax credit under this  
6 section is allowed.

7 (13) The lending institution shall file an annual statement with the  
8 Housing and Community Services Department, specifying that it has con-  
9 formed with all requirements imposed by law to qualify for a tax credit under  
10 this section.

11 (14) Notwithstanding subsection (1)(j) and (L) of this section, a qualified  
12 borrower on a loan to finance the construction, development, acquisition or  
13 rehabilitation of a manufactured dwelling park under subsection (5)(c) of this  
14 section must be:

15 (a) A nonprofit corporation, manufactured dwelling park nonprofit coop-  
16 erative, state governmental entity, local unit of government as defined in  
17 ORS 466.706 or housing authority; or

18 (b) A nonprofit corporation or housing authority that has a controlling  
19 interest in the real property that is financed by a qualified loan. A control-  
20 ling interest includes a controlling interest in the general partner of a lim-  
21 ited partnership that owns the real property.

22 (15) The Department of Revenue may require that a lending institution  
23 that has earned the credit and a lending institution that intends to claim the  
24 credit jointly file a notice, as prescribed by the Department of Revenue. The  
25 notice must comply with ORS 315.056 (2) or 315.058 (2).

26 (16) The Housing and Community Services Department shall provide in-  
27 formation to the Department of Revenue about all certifications executed  
28 under this section, if required by ORS 315.058.

29 (17) The Housing and Community Services Department and the Depart-  
30 ment of Revenue may adopt rules to carry out the provisions of this section.

31 **SECTION 28.** ORS 317A.100, as amended by section 26, chapter 75,

1 Oregon Laws 2024, is amended to read:

2 317A.100. As used in ORS 317A.100 to 317A.158:

3 (1)(a) “Commercial activity” means:

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

7 (B) If received by a financial institution:

8 (i) If the reporting person for a financial institution is a holding company,  
9 all items of income reported on the FR Y-9 filed by the holding company;

10 (ii) If the reporting person for a financial institution is a bank organiza-  
11 tion, all items of income reported on the call report filed by the bank or-  
12 ganization; and

13 (iii) If the reporting person for a financial institution is a nonbank fi-  
14 nancial organization, all items of income reported in accordance with gen-  
15 erally accepted accounting principles; and

16 (C)(i) If received by an insurer, as reported on the statement of premiums  
17 accompanying the annual statement required under ORS 731.574 to be filed  
18 with the Director of the Department of Consumer and Business Services, all  
19 gross direct life insurance premiums, gross direct accident and health insur-  
20 ance premiums and gross direct property and casualty insurance premiums;  
21 and

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

24 (b) “Commercial activity” does not include:

25 (A) Interest income except:

26 (i) Interest on credit sales; or

27 (ii) Interest income, including service charges, received by financial in-  
28 stitutions;

29 (B) Receipts from the sale, exchange or other disposition of an asset de-  
30 scribed in section 1221 or 1231 of the Internal Revenue Code, without regard  
31 to the length of time the person held the asset;

1 (C) If received by an insurer, federally reinsured premiums or income from  
2 transactions between a reciprocal insurer and its attorney in fact operating  
3 under ORS 731.142;

4 (D) Receipts from hedging transactions, to the extent that the trans-  
5 actions are entered into primarily to protect a financial position, including  
6 transactions intended to manage the risk of exposure to foreign currency  
7 fluctuations that affect assets, liabilities, profits, losses, equity or invest-  
8 ments in foreign operations, risk of exposure to interest rate fluctuations or  
9 risk of commodity price fluctuations;

10 (E) Proceeds received attributable to the repayment, maturity or redemp-  
11 tion of the principal of a loan, bond, mutual fund, certificate of deposit or  
12 marketable instrument;

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

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

19 (H) Compensation, whether current or deferred, and whether in cash or  
20 in kind, received or to be received by an employee, a former employee or the  
21 employee's legal successor for services rendered to or for an employer, in-  
22 cluding reimbursements received by or for an individual for medical or edu-  
23 cation expenses, health insurance premiums or employee expenses or on  
24 account of a dependent care spending account, legal services plan, any cafe-  
25 teria plan described in section 125 of the Internal Revenue Code or any  
26 similar employee reimbursement;

27 (I) Proceeds received from the issuance of the taxpayer's own stock,  
28 options, warrants, puts or calls, or from the sale of the taxpayer's treasury  
29 stock;

30 (J) Proceeds received on the account of payments from insurance policies,  
31 including crop insurance policies, owned by the taxpayer, except those pro-

1 ceeds received for the loss of commercial activity;

2 (K) Gifts or charitable contributions received, membership dues received  
3 by trade, professional, homeowners' or condominium associations, payments  
4 received for educational courses, meetings or meals, or similar payments to  
5 a trade, professional or other similar association, and fundraising receipts  
6 received by any person when any excess receipts are donated or used exclu-  
7 sively for charitable purposes;

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

10 (M) Property, money and other amounts received or acquired by an agent  
11 on behalf of another in excess of the agent's commission, fee or other  
12 remuneration;

13 (N) Tax refunds from any tax program, other tax benefit recoveries and  
14 reimbursements for the tax imposed under ORS 317A.100 to 317A.158 made  
15 by entities that are part of the same unitary group as provided under ORS  
16 317A.106, and reimbursements made by entities that are not members of a  
17 unitary group that are required to be made for economic parity among mul-  
18 tiple owners of an entity whose tax obligation under ORS 317A.100 to  
19 317A.158 is required to be reported and paid entirely by one owner, as pro-  
20 vided in ORS 317A.106;

21 (O) Pension reversions;

22 (P) Contributions to capital;

23 (Q) Receipts from the sale, transfer, exchange or other disposition of mo-  
24 tor vehicle fuel or any other product used for the propulsion of motor vehi-  
25 cles;

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

31 (S) In the case of receipts from the sale of malt beverages or wine, as

1 defined in ORS 471.001, cider, as defined in ORS 471.023 or distilled liquor,  
2 as defined in ORS 471.001, by a person holding a license issued under ORS  
3 chapter 471, an amount equal to the federal and state excise taxes paid by  
4 any person on or for such malt beverages, wine or distilled liquor under  
5 subtitle E of the Internal Revenue Code or ORS chapter 471 or 473, and any  
6 amount paid to the Oregon Liquor and Cannabis Commission for sales of  
7 distilled spirits by an agent appointed under ORS 471.750;

8 (T) In the case of receipts from the sale of marijuana items, as defined in  
9 ORS 475C.009, by a person holding a license issued under ORS 475C.005 to  
10 475C.525, an amount equal to the federal and state excise taxes paid by any  
11 person on or for such marijuana items under subtitle E of the Internal Rev-  
12 enue Code or ORS 475C.670 to 475C.734 and any local retail taxes authorized  
13 under ORS 475C.453;

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

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

18 (W) Receipts realized by a vehicle dealer certified under ORS 822.020 or  
19 a person described in ORS 320.400 (8)(a)(B) from the sale or other transfer  
20 of a motor vehicle, as defined in ORS 801.360, to another vehicle dealer for  
21 the purpose of resale by the transferee vehicle dealer, but only if the sale  
22 or other transfer was based upon the transferee's need to meet a specific  
23 customer's preference for a motor vehicle or is an exchange of new vehicles  
24 between franchised motor vehicle dealerships;

25 (X) Registration fees or taxes collected by a vehicle dealer certified under  
26 ORS 822.020 or a person described in ORS 320.400 (8)(a)(B) at the sale or  
27 other transfer of a motor vehicle, as defined in ORS 801.360, that are owed  
28 to a third party by the purchaser of the motor vehicle and passed to the third  
29 party by the dealer;

30 (Y) Receipts from a financial institution for services provided to the fi-  
31 nancial institution in connection with the issuance, processing, servicing and

1 management of loans or credit accounts, if the financial institution and the  
2 recipient of the receipts have at least 50 percent of their ownership interests  
3 owned or controlled, directly or constructively through related interests, by  
4 common owners;

5 (Z) In the case of amounts retained as commissions by a holder of a li-  
6 cense under ORS chapter 462, an amount equal to the amounts specified un-  
7 der ORS chapter 462 that must be paid to or collected by the Department of  
8 Revenue as a tax and the amounts specified under ORS chapter 462 to be  
9 used as purse money;

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

14 (BB) Dividends received;

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

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

19 (EE) Receipts from the wholesale or retail sale of groceries, including  
20 receipts of a person that owns groceries at the time of sale and compensation  
21 of any consignee engaged in effecting the sale of groceries on behalf the  
22 owner of the groceries, but only to the extent that the compensation relates  
23 to grocery sales;

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

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

31 (HH) Moneys collected by a utility from customers for the payment of

1 loans through on-bill financing;

2 (II) Surcharges collected under ORS 757.736;

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

6 (KK) Moneys collected or recovered, by entities listed in ORS 756.310,  
7 cable operators as defined in 47 U.S.C. 522(5), telecommunications carriers  
8 as defined in 47 U.S.C. 153(51) and providers of information services as de-  
9 fined in 47 U.S.C. 153(24), for fees payable under ORS 756.310, right-of-way  
10 fees, franchise fees, privilege taxes, federal taxes and local taxes;

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

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

15 (NN) Moneys collected for public purpose funding as described in ORS  
16 759.430;

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

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

22 (QQ) In the case of a transient lodging tax collector, the amount of tax  
23 imposed under ORS 320.305 and of any local transient lodging tax imposed  
24 upon the occupancy of transit lodging;

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

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

29 (TT) Farmer sales to an agricultural cooperative in this state that is a  
30 cooperative organization described in section 1381 of the Internal Revenue  
31 Code;



1 (UU) Revenue received by a business entity that is mandated by contract  
2 or subcontract to be distributed to another person or entity if the revenue  
3 constitutes sales commissions that are paid to a person who is not an em-  
4 ployee of the business entity, including, without limitation, a split-fee real  
5 estate commission;

6 (VV) Receipts from the sale of fluid milk by dairy farmers that are not  
7 members of an agricultural cooperative; and

8 (WW)(i) Cost paid by a dealer for items of precious metal.

9 (ii) As used in this subparagraph, “item of precious metal” means an item  
10 of gold, silver, platinum, rhodium or palladium that has been put through a  
11 process of smelting or refining and that is in a state or condition that its  
12 value depends on its contents and not its form.

13 (2) “Cost inputs” means:

14 (a) The cost of goods sold as calculated in arriving at federal taxable in-  
15 come under the Internal Revenue Code; or

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

19 (3) “Doing business” means engaging in any activity, whether legal or il-  
20 legal, that is conducted for, or results in, the receipt of commercial activity  
21 at any time during a calendar year.

22 (4) “Excluded person” means any of the following:

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

26 (b) Organizations described in section 501(d) of the Internal Revenue  
27 Code, unless the exemption is denied under section 502 or 503 of the Internal  
28 Revenue Code.

29 (c) Organizations described in section 501(e) of the Internal Revenue  
30 Code.

31 (d) Organizations described in section 501(f) of the Internal Revenue Code.

1 (e) Charitable risk pools described in section 501(n) of the Internal Reve-  
2 nue Code.

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

4 (g) Qualified state tuition programs described in section 529 of the Inter-  
5 nal Revenue Code.

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

10 (i) Governmental entities.

11 (j) Any person with commercial activity that does not exceed \$750,000 for  
12 the tax year, other than a person that is part of a unitary group as provided  
13 in ORS 317A.106 with commercial activity in excess of \$750,000.

14 (k) Hospitals subject to assessment under ORS 414.855, long term care  
15 facilities subject to assessment under ORS 409.801 or any entity subject to  
16 assessment under ORS 414.880 or section 3 or 5, chapter 538, Oregon Laws  
17 2017.

18 (L) Manufactured dwelling park nonprofit cooperatives organized under  
19 ORS chapter 62.

20 (5) "Financial institution" has the meaning given that term in ORS  
21 314.610, except that "financial institution" does not include a credit union.

22 (6)(a) "FR Y-9" means the consolidated or parent-only financial state-  
23 ments that a holding company is required to file with the Federal Reserve  
24 Board pursuant to 12 U.S.C. 1844.

25 (b) In the case of a holding company required to file both consolidated  
26 and parent-only financial statements, "FR Y-9" means the consolidated fi-  
27 nancial statements that the holding company is required to file.

28 (7) "Governmental entity" means:

29 (a) The United States and any of its unincorporated agencies and instru-  
30 mentalities.

31 (b) Any incorporated agency or instrumentality of the United States

1 wholly owned by the United States or by a corporation wholly owned by the  
2 United States.

3 (c) The State of Oregon and any of its unincorporated agencies and in-  
4 strumentalities.

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

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

7 (f) A federally recognized Indian tribe.

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

10 (9)(a) “Hedging transaction” means a hedging transaction as defined in  
11 section 1221 of the Internal Revenue Code or a transaction accorded hedge  
12 accounting treatment under Financial Accounting Standards Board State-  
13 ment No. 133.

14 (b) “Hedging transaction” does not include a transaction in which an ac-  
15 tual transfer of title of real or tangible property to another entity occurs.

16 (10) “Insurer” has the meaning given that term in ORS 317.010.

17 (11) “Internal Revenue Code,” except where the Legislative Assembly has  
18 provided otherwise, refers to the laws of the United States or to the Internal  
19 Revenue Code as they are amended and in effect on December 31, [2023]  
20 **2024**.

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

23 (13)(a) “Motor vehicle fuel or any other product used for the propulsion  
24 of motor vehicles” means:

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

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

28 (b) “Motor vehicle fuel or any other product used for the propulsion of  
29 motor vehicles” does not mean:

30 (A) Electricity; or

31 (B) Electric batteries or any other mechanical or physical component or

1 accessory of a motor vehicle.

2 (14) "Person" includes individuals, combinations of individuals of any  
3 form, receivers, assignees, trustees in bankruptcy, firms, companies, joint-  
4 stock companies, business trusts, estates, partnerships, limited liability  
5 partnerships, limited liability companies, associations, joint ventures, clubs,  
6 societies, entities organized as for-profit corporations under ORS chapter 60,  
7 C corporations, S corporations, qualified subchapter S subsidiaries, qualified  
8 subchapter S trusts, trusts, entities that are disregarded for federal income  
9 tax purposes and any other entities.

10 (15) "Retailer" means a person doing business by selling tangible personal  
11 property to a purchaser for a purpose other than:

12 (a) Resale by the purchaser of the property as tangible personal property  
13 in the regular course of business;

14 (b) Incorporation by the purchaser of the property in the course of regular  
15 business as an ingredient or component of real or personal property; or

16 (c) Consumption by the purchaser of the property in the production for  
17 sale of a new article of tangible personal property.

18 (16) "Taxable commercial activity" means commercial activity sourced to  
19 this state under ORS 317A.128, less any subtraction pursuant to ORS  
20 317A.119.

21 (17)(a) "Taxpayer" means any person or unitary group required to regis-  
22 ter, file or pay tax under ORS 317A.100 to 317A.158.

23 (b) "Taxpayer" does not include excluded persons, except to the extent  
24 that a tax-exempt entity has unrelated business income as described in the  
25 Internal Revenue Code.

26 (18) "Tax year" means, except as otherwise provided in ORS 317A.103, a  
27 taxpayer's annual accounting period used for federal income tax purposes  
28 under section 441 of the Internal Revenue Code.

29 (19)(a) "Unitary business" means a business enterprise in which there  
30 exists directly or indirectly between the members or parts of the enterprise  
31 a sharing or exchange of value as demonstrated by:

1 (A) Centralized management or a common executive force;

2 (B) Centralized administrative services or functions resulting in econo-  
3 mies of scale; or

4 (C) Flow of goods, capital resources or services demonstrating functional  
5 integration.

6 (b) “Unitary business” may include a business enterprise the activities  
7 of which:

8 (A) Are in the same general line of business, such as manufacturing,  
9 wholesaling or retailing; or

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

13 (20) “Unitary group” means a group of persons with more than 50 percent  
14 common ownership, either direct or indirect, that is engaged in business ac-  
15 tivities that constitute a unitary business.

16 (21) “Wholesaler” means a person primarily doing business by merchant  
17 distribution of tangible personal property to retailers or to other whole-  
18 salers.

19 **SECTION 29.** ORS 458.670, as amended by section 27, chapter 75, Oregon  
20 Laws 2024, is amended to read:

21 458.670. As used in this section and ORS 458.675 to 458.700, unless the  
22 context requires otherwise:

23 (1) “Account holder” means a resident of this state who:

24 (a) Is 12 years of age or older;

25 (b) Is a member of a lower income household; and

26 (c) Has established an individual development account with a fiduciary  
27 organization.

28 (2) “Fiduciary organization” means an organization selected under ORS  
29 458.695 to administer state moneys directed to individual development ac-  
30 counts and that is:

31 (a) A nonprofit, fund raising organization that is exempt from taxation

1 under section 501(c)(3) of the Internal Revenue Code as amended and in ef-  
2 fect on December 31, [2023] **2024**; or

3 (b) A federally recognized Oregon Indian tribe that is located, to a sig-  
4 nificant degree, within the boundaries of this state.

5 (3) “Financial institution” means:

6 (a) An organization regulated under ORS chapters 706 to 716 or 723; or

7 (b) In the case of individual development accounts established for the  
8 purpose described in ORS 458.685 (1)(c), a financial institution as defined in  
9 ORS 178.300.

10 (4) “Individual development account” means a contract between an ac-  
11 count holder and a fiduciary organization, for the deposit of funds into a fi-  
12 nancial institution by the account holder and the deposit of matching funds  
13 into a designated account by the fiduciary organization, to allow the account  
14 holder to accumulate assets for use toward achieving a specific purpose ap-  
15 proved by the fiduciary organization.

16 (5) “Lower income household” means a household having an income equal  
17 to or less than the greater of the following:

18 (a) 80 percent of the median household income for the area as determined  
19 by the Housing and Community Services Department. In making the deter-  
20 mination, the department shall give consideration to any data on area  
21 household income published by the United States Department of Housing and  
22 Urban Development.

23 (b) 200 percent of the poverty guidelines as determined by the Housing  
24 and Community Services Department. In making the determination, the de-  
25 partment shall give consideration to poverty guidelines published by the  
26 United States Department of Health and Human Services and may consider  
27 other income data periodically published by other federal or Oregon agen-  
28 cies.

29 (6)(a) “Net worth” means a calculation based on the net value of assets  
30 of a household established by rule by the Housing and Community Services  
31 Department.

1 (b) “Net worth” does not include:

2 (A) Equity in one residence and in one vehicle.

3 (B) Holdings in pension accounts valued at less than \$120,000.

4 (7) “Resident of this state” has the meaning given that term in ORS  
5 316.027.

6 **SECTION 30.** ORS 657.010, as amended by section 28, chapter 75, Oregon  
7 Laws 2024, is amended to read:

8 657.010. As used in this chapter, unless the context requires otherwise:

9 (1) “Base year” means the first four of the last five completed calendar  
10 quarters preceding the benefit year.

11 (2) “Benefits” means the money allowances payable to unemployed per-  
12 sons under this chapter.

13 (3) “Benefit year” means a period of 52 consecutive weeks commencing  
14 with the first week with respect to which an individual files an initial valid  
15 claim for benefits, and thereafter the 52 consecutive weeks period beginning  
16 with the first week with respect to which the individual next files an initial  
17 valid claim after the termination of the individual’s last preceding benefit  
18 year except that the benefit year shall be 53 weeks if the filing of an initial  
19 valid claim would result in overlapping any quarter of the base year of a  
20 previously filed initial valid claim.

21 (4) “Calendar quarter” means the period of three consecutive calendar  
22 months ending on March 31, June 30, September 30 or December 31, or the  
23 approximate equivalent thereof, as the Director of the Employment Depart-  
24 ment may, by rule, prescribe.

25 (5) “Contribution” or “contributions” means the taxes that are the money  
26 payments required by this chapter, or voluntary payments permitted, to be  
27 made to the Unemployment Compensation Trust Fund.

28 (6) “Educational institution,” including an institution of higher educa-  
29 tion, means an institution:

30 (a) In which participants, trainees or students are offered an organized  
31 course of study or training designed to transfer to them knowledge, skills,

1 information, doctrines, attitudes or abilities from, by or under the guidance  
2 of an instructor or teacher;

3 (b) That is accredited, registered, approved, licensed or issued a permit  
4 to operate as a school by the Department of Education or other government  
5 agency, or that offers courses for credit that are transferable to an approved,  
6 registered or accredited school;

7 (c) In which the course or courses of study or training that it offers may  
8 be academic, technical, trade or preparation for gainful employment in a re-  
9 cognized occupation; and

10 (d) In which the course or courses of study or training are offered on a  
11 regular and continuing basis.

12 (7) "Employment office" means a free public employment office or branch  
13 thereof, operated by this state or maintained as a part of a state-controlled  
14 system of public employment offices.

15 (8) "Hospital" has the meaning given that term in ORS 442.015.

16 (9) "Institution of higher education" means an educational institution  
17 that:

18 (a) Admits as regular students only individuals having a certificate of  
19 graduation from a high school, or the recognized equivalent of such a cer-  
20 tificate;

21 (b) Is legally authorized in this state to provide a program of education  
22 beyond high school;

23 (c) Provides an educational program for which it awards a bachelor's or  
24 higher degree, or provides a program that is acceptable for full credit toward  
25 such a degree, a program of post-graduate or post-doctoral studies, or a pro-  
26 gram of training to prepare students for gainful employment in a recognized  
27 occupation; and

28 (d) Is a public or other nonprofit institution.

29 (10) "Instructional capacity" does not include services performed as an  
30 instructional assistant as defined in ORS 342.120.

31 (11) "Internal Revenue Code" means the federal Internal Revenue Code,



1 as amended and in effect on December 31, [2023] **2024**.

2 (12) “Nonprofit employing unit” means an organization, or group of or-  
3 ganizations, described in section 501(c)(3) of the Internal Revenue Code that  
4 is exempt from income tax under section 501(a) of the Internal Revenue Code.

5 (13) “State” includes, in addition to the states of the United States of  
6 America, the District of Columbia and Puerto Rico. However, for all pur-  
7 poses of this chapter the Virgin Islands shall be considered a state on and  
8 after the day on which the United States Secretary of Labor first approves  
9 the Virgin Islands’ law under section 3304(a) of the Federal Unemployment  
10 Tax Act as amended by Public Law 94-566.

11 (14) “Taxes” means the money payments to the Unemployment Compen-  
12 sation Trust Fund required, or voluntary payments permitted, by this chap-  
13 ter.

14 (15) “Valid claim” means any claim for benefits made in accordance with  
15 ORS 657.260 if the individual meets the wages-paid-for-employment require-  
16 ments of ORS 657.150.

17 (16) “Week” means any period of seven consecutive calendar days ending  
18 at midnight, as the director may prescribe by rule.

19 **SECTION 31.** ORS 657B.010, as amended by sections 3 and 4, chapter 20,  
20 Oregon Laws 2024, and section 29, chapter 75, Oregon Laws 2024, is amended  
21 to read:

22 657B.010. As used in this chapter:

23 (1) “Alternate base year” means the last four completed calendar quarters  
24 preceding the benefit year.

25 (2) “Average weekly wage” means the amount calculated by the Employ-  
26 ment Department as the state average weekly covered wage under ORS  
27 657.150 (4)(e) as determined not more than once per year.

28 (3) “Base year” means the first four of the last five completed calendar  
29 quarters preceding the benefit year.

30 (4) “Benefits” means family and medical leave insurance benefits.

31 (5)(a) “Benefit year” means, except as provided in paragraph (b) of this

1 subsection, a period of 52 consecutive weeks beginning on the Sunday im-  
2 mediately preceding the date on which family leave, medical leave or safe  
3 leave commences.

4 (b) “Benefit year” means, in the event that the 52-week period described  
5 in paragraph (a) of this subsection would result in an overlap of any quarter  
6 of the base year of a previously filed valid claim, a period of 53 consecutive  
7 weeks beginning on the Sunday immediately preceding the date on which  
8 family leave, medical leave or safe leave commences.

9 (6) “Child” means:

10 (a) A biological child, adopted child, stepchild or foster child of a covered  
11 individual or of the covered individual’s spouse or domestic partner;

12 (b) A person who is or was a legal ward of a covered individual or of the  
13 covered individual’s spouse or domestic partner; or

14 (c) A person who is or was in a relationship of in loco parentis with a  
15 covered individual or with the covered individual’s spouse or domestic part-  
16 ner.

17 (7) “Claimant” means an individual who has submitted an application or  
18 established a claim for benefits.

19 (8) “Contribution” or “contributions” means the money payments made  
20 by any of the following under ORS 657B.150:

21 (a) An employer;

22 (b) An employee;

23 (c) A self-employed individual;

24 (d) A tribal government; or

25 (e) An employee of a tribal government.

26 (9) “Covered individual” means any one of the following who qualifies  
27 under ORS 657B.015 to receive family and medical leave insurance benefits:

28 (a) An eligible employee;

29 (b) A self-employed individual; or

30 (c) An employee of a tribal government.

31 (10) “Domestic partner” means an individual joined in a domestic part-

1 nership.

2 (11) “Domestic partnership” has the meaning given that term in ORS  
3 106.310.

4 (12) “Eligible employee” means:

5 (a)(A) An employee who has earned at least \$1,000 in wages during the  
6 base year; or

7 (B) If an employee has not earned at least \$1,000 in wages during the base  
8 year, an employee who has earned at least \$1,000 in wages during the alter-  
9 nate base year; and

10 (b) An employee to whom paid family and medical leave insurance bene-  
11 fits may be available under ORS 657B.015.

12 (13) “Eligible employee’s average weekly wage” means an amount calcu-  
13 lated by the Director of the Employment Department by dividing the total  
14 wages earned by an eligible employee during the base year by the number  
15 of weeks in the base year.

16 (14)(a) “Employee” means:

17 (A) An individual performing services for an employer for remuneration  
18 or under any contract of hire, written or oral, express or implied.

19 (B) A home care worker as defined in ORS 410.600.

20 (b) “Employee” does not include:

21 (A) An independent contractor as defined in ORS 670.600.

22 (B) A participant in a work training program administered under a state  
23 or federal assistance program.

24 (C) A participant in a work-study program that provides students in sec-  
25 ondary or postsecondary educational institutions with employment opportu-  
26 nities for financial assistance or vocational training.

27 (D) A railroad worker exempted under the federal Railroad Unemployment  
28 Insurance Act.

29 (E) A volunteer.

30 (F) A judge as defined in ORS 260.005.

31 (G) A member of the Legislative Assembly.

1 (H) A holder of public office as defined in ORS 260.005.

2 (15)(a) "Employer" means any person that employs one or more employees  
3 working anywhere in this state or any agent or employee of such person to  
4 whom the duties of the person under this chapter have been delegated.

5 (b) "Employer" includes:

6 (A) A political subdivision of this state or any county, city, district, au-  
7 thority or public corporation, or any instrumentality of a county, city, dis-  
8 trict, authority or public corporation, organized and existing under law or  
9 charter;

10 (B) An individual;

11 (C) Any type of organization, corporation, partnership, limited liability  
12 company, association, trust, estate, joint stock company or insurance com-  
13 pany;

14 (D) Any successor in interest to an entity described in subparagraph (C)  
15 of this paragraph;

16 (E) A trustee, trustee in bankruptcy or receiver; or

17 (F) A trustee or legal representative of a deceased person.

18 (c) "Employer" does not include the federal government or a tribal gov-  
19 ernment.

20 (16) "Employment agency" has the meaning given that term in ORS  
21 658.005.

22 (17) "Family and medical leave insurance benefits" means the wage re-  
23 placement benefits that are available to a covered individual under ORS  
24 657B.050 or under the terms of an employer plan approved under ORS  
25 657B.210, for family leave, medical leave or safe leave.

26 (18)(a) "Family leave" means leave from work taken by a covered indi-  
27 vidual:

28 (A) To care for and bond with a child during the first year after the  
29 child's birth or during the first year after the placement of the child through  
30 foster care or adoption;

31 (B) To effectuate the legal process required for placement of a foster child

1 or the adoption of a child; or

2 (C) To care for a family member with a serious health condition.

3 (b) "Family leave" does not mean:

4 (A) Leave described in ORS 659A.159 (1)(a) except for leave to care for a  
5 child who requires home care due to an illness, injury or condition that is  
6 a serious health condition;

7 (B) Leave described in ORS 659A.159 (1)(b); or

8 (C) Leave authorized under ORS 659A.093.

9 (19) "Family member" means:

10 (a) The spouse of a covered individual;

11 (b) A child or the child's spouse or domestic partner;

12 (c) A parent or the parent's spouse or domestic partner;

13 (d) A sibling or stepsibling of a covered individual or the sibling's or  
14 stepsibling's spouse or domestic partner;

15 (e) A grandparent of a covered individual or the grandparent's spouse or  
16 domestic partner;

17 (f) A grandchild of a covered individual or the grandchild's spouse or  
18 domestic partner;

19 (g) The domestic partner of a covered individual; or

20 (h) Any individual related by blood or affinity whose close association  
21 with a covered individual is the equivalent of a family relationship.

22 (20) "Medical leave" means leave from work taken by a covered individual  
23 that is made necessary by the individual's own serious health condition.

24 (21) "Parent" means:

25 (a) A biological parent, adoptive parent, stepparent or foster parent of a  
26 covered individual;

27 (b) A person who was a foster parent of a covered individual when the  
28 covered individual was a minor;

29 (c) A person designated as the legal guardian of a covered individual at  
30 the time the covered individual was a minor or required a legal guardian;

31 (d) A person with whom a covered individual was or is in a relationship

1 of in loco parentis; or

2 (e) A parent of a covered individual's spouse or domestic partner who  
3 meets a description under paragraphs (a) to (d) of this subsection.

4 (22) "Safe leave" means leave taken for any purpose described in ORS  
5 659A.272.

6 (23) "Self-employed individual" means:

7 (a) An individual who has self-employment income as defined in section  
8 1402(b) of the Internal Revenue Code as amended and in effect on December  
9 31, [2023] **2024**; or

10 (b) An independent contractor as defined in ORS 670.600.

11 (24) "Serious health condition" means:

12 (a) An illness, injury, impairment or physical or mental condition that  
13 requires inpatient care in a hospital, hospice or residential medical care fa-  
14 cility;

15 (b) An illness, disease or condition that in the medical judgment of the  
16 treating health care provider poses an imminent danger of death, is terminal  
17 in prognosis with a reasonable possibility of death in the near future, or  
18 requires constant care;

19 (c) Any period of disability due to pregnancy, or period of absence for  
20 prenatal care; or

21 (d) Any period of absence for the donation of a body part, organ or tissue,  
22 including preoperative or diagnostic services, surgery, post-operative treat-  
23 ment and recovery.

24 (25) "Third party administrator" means a third party that enters into an  
25 agreement with the Director of the Employment Department to implement  
26 and administer the paid family and medical leave program established under  
27 this chapter.

28 (26) "Tribal government" means:

29 (a) A tribal government as defined in ORS 181A.940; or

30 (b) A federally recognized Indian tribe.

31 (27)(a) "Wages" has the meaning given that term in ORS 657.105.

1 (b) “Wages” does not mean contribution amounts paid to the Paid Family  
2 and Medical Leave Insurance Fund by an employer on behalf of an employee  
3 under ORS 657B.150 (5).

4 **SECTION 32. (1) Except as provided in subsections (2) and (3) of this**  
5 **section, the amendments to statutes by sections 1 to 31 of this 2025**  
6 **Act apply to transactions or activities occurring on or after January**  
7 **1, 2025, in tax years beginning on or after January 1, 2025.**

8 (2) The effective and applicable dates, and the exceptions, special  
9 rules and coordination with the Internal Revenue Code, as amended,  
10 relative to those dates, contained in federal law amending the Internal  
11 Revenue Code and enacted before January 1, 2025, apply for Oregon  
12 personal income and corporate excise and income tax purposes, to the  
13 extent they can be made applicable, in the same manner as they are  
14 applied under the Internal Revenue Code and related federal law.

15 (3)(a) If a deficiency is assessed against any taxpayer for a tax year  
16 beginning before January 1, 2025, and the deficiency or any portion  
17 thereof is attributable to any retroactive treatment under the amend-  
18 ments to ORS 178.300, 178.375, 305.239, 305.494, 305.690, 305.842, 314.011,  
19 314.306, 315.004, 316.012, 316.147, 316.157, 317.010, 317.097 and 317A.100 by  
20 sections 1, 2 and 16 to 28 of this 2025 Act, then any interest or penalty  
21 assessed under ORS chapter 305, 314, 315, 316, 317, 317A or 318 with re-  
22 spect to the deficiency or portion thereof shall be canceled.

23 (b) If a refund is due any taxpayer for a tax year beginning before  
24 January 1, 2025, and the refund or any portion thereof is due the tax-  
25 payer on account of any retroactive treatment under the amendments  
26 to ORS 178.300, 178.375, 305.239, 305.494, 305.690, 305.842, 314.011, 314.306,  
27 315.004, 316.012, 316.147, 316.157, 317.010, 317.097 and 317A.100 by sections  
28 1, 2 and 16 to 28 of this 2025 Act for a tax year beginning before Jan-  
29 uary 1, 2025, then notwithstanding ORS 305.270 or 314.415 or any other  
30 law, the refund or portion thereof shall be paid without interest.

31 (c) Any changes required because of the amendments to ORS

1 **178.300, 178.375, 305.239, 305.494, 305.690, 305.842, 314.011, 314.306, 315.004,**  
2 **316.012, 316.147, 316.157, 317.010, 317.097 and 317A.100 by sections 1, 2 and**  
3 **16 to 28 of this 2025 Act for a tax year beginning before January 1, 2025,**  
4 **shall be made by filing an amended return within the time prescribed**  
5 **by law.**

6 **(d) If a taxpayer fails to file an amended return under paragraph**  
7 **(c) of this subsection, the Department of Revenue shall make any**  
8 **changes under paragraph (c) of this subsection on the return to which**  
9 **the changes relate within the period specified for issuing a notice of**  
10 **deficiency or claiming a refund as otherwise provided by law with re-**  
11 **spect to that return, or within one year after a return for a tax year**  
12 **beginning on or after January 1, 2025, and before January 1, 2026, is**  
13 **filed, whichever period expires later.**

14 **SECTION 33. This 2025 Act takes effect on the 91st day after the**  
15 **date on which the 2025 regular session of the Eighty-third Legislative**  
16 **Assembly adjourns sine die.**

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