

DRAFT

SUMMARY

Digest: The Act extends the sunset for the BAIT and the related tax credit. (Flesch Readability Score: 76.5).

Extends the sunsets for the pass-through business alternative income tax and the related personal income tax credit. Applies to tax years beginning on or after January 1, 2022, and before January 1, 2028.

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

A BILL FOR AN ACT

1
2 Relating to the pass-through business alternative income tax; amending
3 sections 10 and 12, chapter 589, Oregon Laws 2021, and section 16, chapter
4 82, Oregon Laws 2022; and prescribing an effective date.

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

5 **SECTION 1.** Section 10, chapter 589, Oregon Laws 2021, as amended by
6 section 1, chapter 399, Oregon Laws 2023, is amended to read:

7 **Sec. 10.** Sections 3 and 8, chapter 589, Oregon Laws 2021, apply to tax
8 years beginning on or after January 1, 2022, and before January 1, [2026]
9 **2028.**

10 **SECTION 2.** Section 12, chapter 589, Oregon Laws 2021, as amended by
11 section 2, chapter 399, Oregon Laws 2023, is amended to read:

12 **Sec. 12.** The repeal of sections 3 and 8, chapter 589, Oregon Laws 2021,
13 by section 11, chapter 589, Oregon Laws 2021, applies to any tax year that
14 begins on or after January 1, 2022, and before January 1, [2026] **2028**, and to
15 which section 164(b)(6) of the Internal Revenue Code is not applicable.

16 **SECTION 3.** Section 16, chapter 82, Oregon Laws 2022, as amended by
17 section 5, chapter 52, Oregon Laws 2024, is amended to read:
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1 **Sec. 16.** (1) The amendments to ORS 284.368 by section 1, chapter 82,
2 Oregon Laws 2022, apply to fiscal years beginning on or after July 1, 2022.

3 (2) The amendments to sections 3 and 5, chapter 589, Oregon Laws 2021,
4 by sections 3 and 4, chapter 82, Oregon Laws 2022, apply to tax years be-
5 ginning on or after January 1, 2022, [*and before January 1, 2026,*] and to es-
6 timated payments due on and after June 15, 2022.

7 (3) The amendments to section 2, chapter 527, Oregon Laws 2021, by sec-
8 tion 8, chapter 82, Oregon Laws 2022, apply to applications for precertif-
9 ication under section 4, chapter 527, Oregon Laws 2021, and applications for
10 exemption under section 5, chapter 527, Oregon Laws 2021, without precer-
11 tification, filed on or after June 3, 2022.

12 (4) Section 10, chapter 82, Oregon Laws 2022, applies to tax years begin-
13 ning on or after January 1, 2022, and before January 1, 2026.

14 (5) Sections 13 and 15, chapter 82, Oregon Laws 2022, apply to tax years
15 beginning on or after January 1, 2023, and before January 1, 2029, and to any
16 tax year to which a net operating loss arising in those tax years is carried
17 back.

18 **SECTION 4. This 2025 Act takes effect on the 91st day after the date**
19 **on which the 2025 regular session of the Eighty-third Legislative As-**
20 **sembly adjourns sine die.**

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