House Bill 3508

Sponsored by Representative CHAICHI

SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor’s brief statement of the essential features of the measure as introduced.

Requires publicly traded corporation to deliver each year to Secretary of State for filing statement that identifies corporation and provides information about corporation’s income, sales, tax liabilities and other information. Provides that information in statement is public record that Secretary of State must make available to public by means of keyword searchable database accessible by Internet. Specifies date by which Secretary of State may make information available.

Provides that for violation of Act Secretary of State may impose civil penalty in amount equivalent to not more than lesser of $1 million or 0.25 percent of corporation’s gross sales in this state.

Takes effect on 91st day following adjournment sine die.

A BILL FOR AN ACT

Relating to disclosures of information about publicly traded corporations in this state; and prescribing an effective date.

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

SECTION 1. Section 2 of this 2023 Act is added to and made a part of ORS chapter 317.

SECTION 2. (1) As used in this section:

(a) “Affiliate” means a corporation, nonprofit corporation, limited liability company, partnership, limited partnership, limited liability partnership, professional corporation, business trust or cooperative that controls, is controlled by or is under common control with a subject corporation, whether or not the corporation, nonprofit corporation, limited liability company, partnership, limited partnership, limited liability partnership, professional corporation, business trust or cooperative is subject.

(b) “Subject corporation” means a corporation the securities of which are traded on an established securities market such as the New York Stock Exchange, the American Stock Exchange, the Midwest Stock Exchange, the Pacific Stock Exchange, the NASDAQ Stock Market or any other exchange or market that the Secretary of State, in consultation with the Director of the Department of Consumer and Business Services, designates by rule as an established securities market.

(2) A subject corporation that must file an income tax or excise tax return under this chapter or under ORS chapter 318, and all affiliates and subsidiaries of the subject corporation that must file an income tax or excise tax return under this chapter or under ORS chapter 318, each year shall deliver to the Secretary of State for filing the statement described in subsection (3) of this section not later than the date each year on which the subject corporation, affiliate or subsidiary must submit an income tax or excise tax return under this chapter or under ORS chapter 318.

(3) The Secretary of State by rule shall specify the form, format and contents of the statement required under subsection (2) of this section and may require or permit electronic delivery of the statement. At a minimum, the statement must:

NOTE: Matter in boldfaced type in an amended section is new; matter [italic and bracketed] is existing law to be omitted. New sections are in boldfaced type.

LC 4284
(a) Identify the subject corporation and the subject corporation’s registered agent by name, list the street address of the subject corporation’s principal executive office and of the subject corporation’s registered agent and specify the primary business in which the subject corporation engages;

(b) Specify the North American Industry Classification System Code that describes the subject corporation’s primary business;

(c) List the names and street addresses of each of the subject corporation’s affiliates and of any persons that own or control, directly or indirectly, more than 50 percent of the voting shares of the subject corporation; and

(d) Include information from income tax or excise tax returns the subject corporation files under this chapter or under ORS chapter 318, from a consolidated return that includes tax information about the subject corporation or from other sources when necessary, which at a minimum discloses:

   (A) The subject corporation’s federal taxable income and taxable income in this state;

   (B) The apportionment percentages the subject corporation used to calculate the subject corporation’s taxable income in this state, with each apportionment percentage the subject corporation used for property, payroll and sales that were subject to taxation in this state;

   (C) All additions and subtractions the subject corporation claimed, with each addition or subtraction individually identified;

   (D) Any net operating loss deductions the subject corporation reported;

   (E) The subject corporation’s total tax liability in this state before credits and deductions;

   (F) All tax credits the subject corporation claimed, including credits carried forward from previous tax years;

   (G) All deductions the subject corporation reported for fees the subject corporation paid to an affiliate, other than an affiliate included in a consolidated return that discloses fees and the names and domiciles of fee recipients, for management services, royalties, interest, licenses or similar compensation for the use of intangible property;

   (H) The total amount of income tax and excise tax due from the subject corporation for the tax year specified in the submission to the Secretary of State;

   (I) The total income the subject corporation derived from property, sales and interest in this state; and

   (J) The total amount of wages and other compensation the subject corporation paid to residents of this state.

(4) The chief executive officer, chief operating officer or an officer with equivalent responsibilities shall attest in a signed writing to the accuracy of the statement the subject corporation delivers to the Secretary of State for filing under this section.

(5) A subject corporation that delivers the statement described in subsection (3) of this section may submit additional information that in the subject corporation’s sole judgment will aid in proper interpretation of the information the subject corporation submits in the statement.

(6) If a subject corporation files an amended income tax or excise tax return, or if the subject corporation’s tax liability for a tax year changes as a result of an uncontested audit adjustment or a final determination of the Oregon Tax Court, the Oregon Court of Appeals or the Oregon Supreme Court, the subject corporation shall deliver a revised version of the
statement described in subsection (3) of this section to the Secretary of State for filing within 60 calendar days after the date on which the subject corporation files the amended return or after the date of the court's final determination.

(7) The Department of Revenue may audit any statement a subject corporation delivers to the Secretary of State for filing under this section.

(8)(a) A statement that a subject corporation delivers to the Secretary of State for filing under this section is a public record subject to disclosure under ORS 192.311 to 192.478. In addition to providing for disclosure of a specific record upon request, as provided in paragraph (b) of this subsection the Secretary of State shall make all information the Secretary of State receives in the statement described in subsection (3) of this section available to the public on an ongoing basis by means of a keyword searchable electronic database that is accessible from the Secretary of State's website.

(b) Notwithstanding disclosure requirements that apply to public records under ORS 192.311 to 192.478, the Secretary of State may not make information from a statement described in subsection (3) of this section available in accordance with paragraph (a) of this subsection before the first day of the third calendar year following the date on which the subject corporation delivers the statement to the Secretary of State for filing.

(9)(a) The Secretary of State may impose a civil penalty on a subject corporation for a violation of this section in an amount that is equivalent to not more than the lesser of:

(A) $1 million; or
(B) 0.25 percent of the subject corporation's gross sales in this state.

(b) The Secretary of State shall list on the Secretary of State's website the name of any subject corporation on which the Secretary of State imposes a civil penalty under this subsection.

(10) The Secretary of State may adopt rules to implement the provisions of this section.

SECTION 3. Section 2 of this 2023 Act applies to the 2023 tax year and all subsequent tax years.

SECTION 4. (1) Section 2 of this 2023 Act becomes operative on January 1, 2024.

(2) The Secretary of State may adopt rules and take any other action before the operative date specified in subsection (1) of this section that is necessary to enable the Secretary of State, on and after the operative date specified in subsection (1) of this section, to undertake and exercise all of the duties, functions and powers conferred on the Secretary of State by section 2 of this 2023 Act.

SECTION 5. This 2023 Act takes effect on the 91st day after the date on which the 2023 regular session of the Eighty-second Legislative Assemblyadjourns sine die.