

LC 254  
2026 Regular Session  
12/18/25 (CMT/ps)

# D R A F T

## SUMMARY

Digest: The Act makes technical fixes and slight policy updates to some tax statutes. (Flesch Readability Score: 63.4).

Updates the terminology used to describe certain income earned by multinational corporations to reflect a change in the term used in federal law. Aligns sunset dates for earned income tax credit provisions with the underlying sunset date for the credit.

Expands the tax credit for certified film production development contributions to allow the use of contributions for the production of commercials. Applies to fiscal years beginning on or after July 1, 2026.

Provides an exception from the annual filing requirement for the property tax exemption for property burdened by an affordable housing covenant used for owner-occupied housing. Applies to property tax years beginning on or after July 1, 2027.

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

## 1 A BILL FOR AN ACT

2 Relating to taxation; creating new provisions; amending ORS 284.368, 307.162,  
3 314.698 and 317.267 and section 32a, chapter 579, Oregon Laws 2019; and  
4 prescribing an effective date.

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

6 **SECTION 1.** ORS 314.698 is amended to read:

7 314.698. For purposes of ORS 317.267, amounts of [*global intangible low-*  
8 ***taxed]*** **net controlled foreign corporation tested** income described in sec-  
9 tion 951A of the Internal Revenue Code and included in gross income shall  
10 be treated in the same manner as a dividend.

11 **SECTION 2.** ORS 317.267 is amended to read:

12 317.267. (1) To derive Oregon taxable income, there shall be added to  
13 federal taxable income:

**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.

1       (a) Amounts received as dividends from corporations deducted for federal  
2   purposes pursuant to section 243 or 245 of the Internal Revenue Code, except  
3   section 245(c) of the Internal Revenue Code;

4       (b) Amounts deducted for income repatriated, deemed or otherwise, under  
5   section 965 of the Internal Revenue Code;

6       (c) Amounts deducted as *[global intangible low-taxed]* **net controlled**  
7   **foreign corporation tested** income pursuant to section 250 of the Internal  
8   Revenue Code;

9       (d) Amounts paid as dividends by a public utility or telecommunications  
10   utility and deducted for federal purposes pursuant to section 247 of the  
11   Internal Revenue Code; or

12       (e) Dividends eliminated under Treasury Regulations adopted under sec-  
13   tion 1502 of the Internal Revenue Code that are paid by members of an af-  
14   filiated group that are eliminated from a consolidated federal return  
15   pursuant to ORS 317.715 (2).

16       (2) To derive Oregon taxable income, after the modification prescribed  
17   under subsection (1) of this section, there shall be subtracted from federal  
18   taxable income an amount equal to 70 percent of dividends (determined  
19   without regard to section 78 of the Internal Revenue Code) received or  
20   deemed received from corporations if such dividends are included in federal  
21   taxable income. However:

22       (a) In the case of any dividend on debt-financed portfolio stock as de-  
23   scribed in section 246A of the Internal Revenue Code, the subtraction al-  
24   lowed under this subsection shall be reduced under the same conditions and  
25   in same amount as the dividends received deduction otherwise allowable for  
26   federal income tax purposes is reduced under section 246A of the Internal  
27   Revenue Code.

28       (b) In the case of any dividend received from a 20 percent owned corpo-  
29   ration, as defined in section 243(c) of the Internal Revenue Code, or *[global*  
30   *intangible low-taxed]* **net controlled foreign corporation tested** income  
31   included in gross income pursuant to section 951A of the Internal Revenue

1 Code, this subsection shall be applied by substituting “80 percent” for “70  
2 percent.”

3 (c) A dividend that is not treated as a dividend under section 243(d) of the  
4 Internal Revenue Code may not be treated as a dividend for purposes of this  
5 subsection.

6 (d) If a dividends received deduction is not allowed for federal tax pur-  
7 poses because of section 246(a) or (c) of the Internal Revenue Code, a sub-  
8 traction may not be made under this subsection for received dividends that  
9 are described in section 246(a) or (c) of the Internal Revenue Code.

10 (e) In the case of any dividend received from an alien, domestic or foreign  
11 insurer, as defined in ORS 731.082, that would be included in the taxpayer’s  
12 consolidated Oregon return but for the application of ORS 317.710 (5) or (7),  
13 this subsection shall be applied by substituting “100 percent” for “70  
14 percent.”

15 (f) A subtraction under this subsection is not allowed for any amount of  
16 foreign-source dividend income, as described in section 245A of the Internal  
17 Revenue Code, that is included in gross income.

18 (3) There shall be excluded from the sales factor of any apportionment  
19 formula employed to attribute income to this state any amount subtracted  
20 from federal taxable income under subsection (2) of this section or deducted  
21 under section 245A of the Internal Revenue Code. The amount of any divi-  
22 dend or of any global intangible low-taxed income that is apportionable shall  
23 be determined as provided by the apportionment formula applicable to the  
24 taxpayer, as provided in ORS 314.280 and 314.605 to 314.675, but may not in-  
25 clude any amount subtracted under subsection (2) of this section.

26 **SECTION 3.** Section 32a, chapter 579, Oregon Laws 2019, is amended to  
27 read:

28 **Sec. 32a.** The amendments to ORS 315.266 by section 31, **chapter 579,**  
29 **Oregon Laws 2019,** *[of this 2019 Act]* apply to tax years beginning on or  
30 after January 1, 2020*[, and before January 1, 2026].*

31 **SECTION 4.** ORS 284.368 is amended to read:

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

2 (a) "Actual Oregon expenses" means the costs paid in Oregon for principal photography, production or postproduction in Oregon of a film, or for media production services, including but not limited to the purchase or rental cost of equipment, food, lodging, real property and permits and payments made for salaries, wages and benefits for work in Oregon.

7 (b) "Film" means a television movie or one or more episodes of a single television series, *[or]* a movie produced for release to theaters, video or the Internet **or a commercial**. "Film" does not include the production of *[a* 10 *commercial or]* one or more segments of a newscast or sporting event.

11 (c) "Filmmaker" means a person who owns a television or film production company.

13 (d) "Local filmmaker" means a person who owns a television or film production company that has its principal place of business in this state.

15 (e) "Local media production project" means, if made or performed by a local media production services company, a single interactive video game or 17 a portion thereof, **a commercial** or postproduction services for a single film.

18 (f) "Local media production services company" means a media production services company that has its principal place of business in this state.

20 (g) "Media production services" includes postproduction services and 21 interactive video game development. "Media production services" does not 22 include the production of *[a commercial or]* one or more segments of a 23 newscast or sporting event.

24 (h) "Media production services company" means a person who is engaged 25 in media production services.

26 (i) "Portland metropolitan zone" means the area within a 30-mile radius 27 of the center of the Burnside Bridge in Portland.

28 (j) "Resident of this state" has the meaning given that term in ORS 29 316.027.

30 (2)(a) The Oregon Business Development Department may reimburse a 31 filmmaker or local media production services company for a portion of the

1 actual Oregon expenses incurred by the filmmaker or local media production  
2 services company.

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

5 (A) 20 percent of payments made for employee salaries, wages and benefits  
6 for work done in Oregon; and

7 (B) 25 percent of all other actual Oregon expenses.

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

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

15 (3)(a) The department may reimburse a local filmmaker or local media  
16 production services company for all or a portion of the actual Oregon ex-  
17 penses, up to \$1 million, incurred by the local filmmaker or local media  
18 production services company.

19 (b) To qualify for reimbursement under this subsection:

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

22 (B) The local filmmaker or local media production services company must  
23 have spent 80 percent of the film's payroll on employees who are residents  
24 of this state; and

25 (C) The local filmmaker or local media production services company may  
26 have employed or contracted with a certified public accountant licensed by  
27 the Oregon Board of Accountancy for the provision of payroll services.

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

31 (a) A travel and living expenses rebate of \$200 per employee per day, for

1 any day that a film is shot **in Oregon** but entirely outside the Portland  
2 metropolitan zone, not to exceed \$10,000 per day or \$50,000 per film; or

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

7 (5) Reimbursement under this section shall be made from moneys credited  
8 to or deposited in the Oregon Production Investment Fund during the  
9 biennium in which the actual Oregon expenses were paid or any prior  
10 biennium. A reimbursement may not be made to the extent funds are not  
11 available in the fund to make the reimbursement.

12 (6)(a) Total actual Oregon expenses supporting a claim for reimbursement  
13 under this section must be verified by the Oregon Film and Video Office. The  
14 filmmaker or local media production services company must submit to the  
15 office proof of the actual Oregon expenses. The proof must include any doc-  
16 umentation that may be required by the office in its discretion to verify the  
17 actual Oregon expenses.

18 (b) The office may charge the filmmaker or local media production ser-  
19 vices company for costs reasonably incurred to verify the actual Oregon ex-  
20 penses, including but not limited to the cost for a review or audit of the  
21 supporting documentation by an accountant or auditor. The office may re-  
22 quire the department to deduct the costs incurred by the office in performing  
23 its review or audit from any reimbursement made to the filmmaker or local  
24 media production services company under this section.

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

27 **SECTION 5. The amendments to ORS 284.368 by section 4 of this**  
28 **2026 Act apply to fiscal years beginning on or after July 1, 2026.**

29 **SECTION 6.** ORS 307.162 is amended to read:

30 307.162. (1)(a) Before any real or personal property may be exempted from  
31 taxation under ORS 307.092, 307.110 (3)(h), 307.115, 307.118, 307.130 to 307.140,

1 307.145, 307.147, 307.150, 307.160, 307.181 (3), 307.513, 307.555 or 307.580 for any  
2 tax year, the institution, organization or person entitled to claim the ex-  
3 emption must file a claim with the county assessor, on or before April 1  
4 preceding the tax year for which the exemption is claimed. The claim must  
5 contain statements, verified by the oath or affirmation of the president or  
6 other proper officer of the institution or organization or the person, that:

7 (A) List all real property claimed to be exempt and show the purpose for  
8 which the real property is used; and

9 (B) Cite the statutes under which exemption for personal property is  
10 claimed.

11 (b)(A) Notwithstanding paragraph (a) of this subsection, a claim for an  
12 initial year of exemption under ORS 307.140 (4) must be filed with the De-  
13 partment of Revenue.

14 (B) If the ownership of all property, other than property described in ORS  
15 307.110 (3)(h)[,] or 307.140 (4) [or 307.555], included in the claim filed with the  
16 county assessor for a prior year remains unchanged, a new claim is not re-  
17 quired.

18 (c) When the property designated in the claim for exemption is acquired  
19 after March 1 and before July 1, the claim for that year must be filed within  
20 30 days from the date of acquisition of the property.

21 (2)(a) Notwithstanding subsection (1) of this section, a claim may be filed  
22 under this section for the current tax year:

23 (A) On or before December 31 of the tax year, if the claim is accompanied  
24 by a late filing fee of the greater of \$200, or one-tenth of one percent of the  
25 real market value as of the most recent assessment date of the property to  
26 which the claim pertains.

27 (B) On or before April 1 of the tax year, if the claim is accompanied by  
28 a late filing fee of \$200 and the claimant demonstrates good and sufficient  
29 cause for failing to file a timely claim, is a first-time filer or is a public  
30 entity described in ORS 307.090.

31 (b)(A) Notwithstanding subsection (1) of this section, a claimant that

1 demonstrates good and sufficient cause for failing to file a timely claim, is  
2 a first-time filer or is a public entity described in ORS 307.090 may file a  
3 claim under this section for the five tax years prior to the current tax year:

4 (i) Within 60 days after the date on which the county assessor mails no-  
5 tice of additional taxes owing under ORS 311.206 for the property to which  
6 the claim filed under this subparagraph pertains; or

7 (ii) At any time if no notice is mailed.

8 (B) A claim filed under this paragraph must be accompanied by a late  
9 filing fee of the greater of \$200, or one-tenth of one percent of the real  
10 market value as of the most recent assessment date of the property to which  
11 the claim pertains, multiplied by the number of prior tax years for which  
12 exemption is claimed.

13 (c) If a claim filed under this subsection is not accompanied by the late  
14 filing fee or if the late filing fee is not otherwise paid, an exemption may  
15 not be allowed for the tax years sought by the claim. A claim may be filed  
16 under this subsection notwithstanding that there are no grounds for hardship  
17 as required for late filing under ORS 307.475.

18 (d) The value of the property used to determine the late filing fee under  
19 this subsection and the determination of the county assessor relative to a  
20 claim of good and sufficient cause are appealable in the same manner as  
21 other acts of the county assessor.

22 (e) A late filing fee collected under this subsection must be deposited in  
23 the county general fund.

24 (3)(a) In a claim for exemption of property described in ORS 307.110 (3)(h),  
25 the county or city, town or other municipal corporation or political subdi-  
26 vision of this state that is filing the claim must substantiate that the prop-  
27 erty is used for affordable housing or that it is leased or rented to persons  
28 of lower income, as applicable.

29 (b) A claim filed under this subsection must be filed annually on a form  
30 prescribed by the Department of Revenue.

31 (4) As used in this section:

1       (a) "First-time filer" means a claimant that:

2           (A) Has never filed a claim for the property that is the subject of the  
3           current claim; and

4           (B) Did not receive notice from the county assessor on or before December  
5           1 of the tax year for which exemption is claimed regarding the potential  
6           property tax liability of the property.

7       (b)(A) "Good and sufficient cause" means an extraordinary circumstance  
8           beyond the control of the taxpayer or the taxpayer's agent or representative  
9           that causes the failure to file a timely claim.

10      (B) "Good and sufficient cause" does not include hardship, reliance on  
11           misleading information unless the information is provided by an authorized  
12           tax official in the course of the official's duties, lack of knowledge, oversight  
13           or inadvertence.

14      (c) "Ownership" means legal and equitable title.

15      (5)(a) Notwithstanding subsection (1) of this section, if an institution or  
16           organization owns property that is exempt from taxation under a provision  
17           of law listed in subsection (1) of this section and fails to file a timely claim  
18           for exemption under subsection (1) of this section for additions or improve-  
19           ments to the exempt property, the additions or improvements may neverthe-  
20           less qualify for exemption.

21      (b) The organization must file a claim for exemption with the county  
22           assessor to have the additions or improvements to the exempt property be  
23           exempt from taxation. The claim must:

24          (A) Describe the additions or improvements to the exempt property;

25          (B) Describe the current use of the property that is the subject of the  
26           application;

27          (C) Identify the tax year and any preceding tax years for which the ex-  
28           emption is sought;

29          (D) Contain any other information required by the department; and

30          (E) Be accompanied by a late filing fee equal to the product of the number  
31           of tax years for which exemption is sought multiplied by the greater of \$200

1 or one-tenth of one percent of the real market value as of the most recent  
2 assessment date of the property that is the subject of the claim.

3 (c) Upon the county assessor's receipt of a completed claim and late filing  
4 fee, the assessor shall determine for each tax year for which exemption is  
5 sought whether the additions or improvements that are the subject of the  
6 claim would have qualified for exemption had a timely claim been filed under  
7 subsection (1) of this section. Any property that would have qualified for  
8 exemption had a timely claim been filed under subsection (1) of this section  
9 is exempt from taxation for each tax year for which the property would have  
10 qualified.

11 (d) A claim for exemption under this subsection may be filed only for tax  
12 years for which the time for filing a claim under subsections (1) and (2)(a)  
13 of this section has expired. A claim filed under this subsection, however, may  
14 serve as the claim required under subsection (1) of this section for the cur-  
15 rent tax year.

16 (e) A late filing fee collected under this subsection must be deposited in  
17 the county general fund.

18 (6) For each tax year for which an exemption granted pursuant to sub-  
19 section (2) or (5) of this section applies:

20 (a) Any tax, or interest attributable thereto, that was paid with respect  
21 to the property that is declared exempt from taxation must be refunded. Re-  
22 funds must be made without interest from the unsegregated tax collections  
23 account established under ORS 311.385.

24 (b) Any tax, or interest attributable thereto, that remains unpaid as of the  
25 date the exemption is granted must be abated.

26 (7) If an institution, organization or person owns property that is exempt  
27 from taxation under a provision of law listed in subsection (1) of this section  
28 and changes the use of the property to a use that would not entitle the  
29 property to exemption from taxation, the institution or organization must  
30 notify the county assessor of the change to a taxable use within 30 days.

31 **SECTION 7. The amendments to ORS 307.162 by section 6 of this**

1 **2026 Act apply to property tax years beginning on or after July 1, 2027.**  
2       **SECTION 8. This 2026 Act takes effect on the 91st day after the date**  
3 **on which the 2026 regular session of the Eighty-third Legislative As-**  
4 **sembly adjourns sine die.**

5 \_\_\_\_\_