

# House Bill 2113

Sponsored by Representative RESCHKE (Pre-session filed.)

## 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**. The statement includes a measure digest written in compliance with applicable readability standards.

Digest: The Act cuts off the connection to some tax deductions for business and ties to 2017 tax law. (Flesch Readability Score: 62.8).

Establishes December 21, 2017, as the connection date for the Internal Revenue Code sections governing bonus depreciation and deduction of net business interest. Allows full bonus depreciation in the first year of service and provides for the addition in later year of excess amounts subtracted from federal taxable income. Applies to tax years beginning on or after January 1, 2025, and to property placed in service on or after January 1, 2025.

Allows the deduction of certain net business interest without limitation. Applies to tax years beginning on or after January 1, 2025.

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

## A BILL FOR AN ACT

1  
2 Relating to connection to federal tax allowing business deductions; and prescribing an effective date.

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

4 **SECTION 1. Sections 2 and 3 of this 2025 Act are added to and made a part of ORS**  
5 **chapter 317.**

6 **SECTION 2. (1) There may be subtracted from federal taxable income for Oregon tax**  
7 **purposes the difference between the amount allowable as a deduction under section 168(k)**  
8 **of the Internal Revenue Code as applicable to the tax year of the taxpayer and the amount**  
9 **allowable as a deduction under section 168(k) of the Internal Revenue Code as amended and**  
10 **in effect on December 21, 2017, and as applicable to tax years beginning before January 1,**  
11 **2023, and to property placed in service after September 27, 2017, and before January 1, 2023.**

12 **(2) Amounts subtracted from federal taxable income for Oregon tax purposes under**  
13 **subsection (1) of this section shall thereafter be added to federal taxable income for Oregon**  
14 **tax purposes in the tax year for which the amounts would have been allowed as a deduction**  
15 **on the taxpayer's federal income tax return under section 168(k) of the Internal Revenue**  
16 **Code as amended and in effect on December 23, 2017, and applicable to tax years beginning**  
17 **on or after January 1, 2022.**

18 **SECTION 3. There may be subtracted from federal taxable income for Oregon tax pur-**  
19 **poses the amount disallowable as a deduction for business interest under section 163(j) of the**  
20 **Internal Revenue Code, as applicable to the tax year of the taxpayer.**

21 **SECTION 4. (1) There may be subtracted from federal taxable income for Oregon tax**  
22 **purposes the difference between the amount allowable as a deduction under section 174 of**  
23 **the Internal Revenue Code as applicable to the tax year of the taxpayer and the amount al-**  
24 **lowable as a deduction under section 174 of the Internal Revenue Code as amended and in**  
25 **effect on December 20, 2017, and applicable to tax years beginning before January 1, 2022.**

26 **(2) Amounts subtracted from federal taxable income for Oregon tax purposes under**

**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 subsection (1) of this section shall thereafter be added to federal taxable income for Oregon  
2 tax purposes in the tax year for which the amounts would have been allowed as a deduction  
3 on the taxpayer's federal income tax return under section 174 of the Internal Revenue Code  
4 as amended and in effect on December 31, 2017, and applicable to tax years beginning on or  
5 after January 1, 2022.

6 SECTION 5. (1) Section 2 this 2025 Act applies to tax years beginning on or after January  
7 1, 2025, and to property placed in service on or after January 1, 2025.

8 (2) Sections 3 and 4 of this 2025 Act apply to tax years beginning on or after January 1,  
9 2025.

10 SECTION 6. This 2025 Act takes effect on the 91st day after the date on which the 2025  
11 regular session of the Eighty-third Legislative Assembly adjourns sine die.

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