

HB 2092-5
(LC 3528)
3/6/25 (CMT/ps)

Requested by HOUSE COMMITTEE ON REVENUE (at the request of Representative Nancy Nathanson)

**PROPOSED AMENDMENTS TO
HOUSE BILL 2092**

1 On page 1 of the printed bill, line 4, after “316.012,” insert “316.013,”.

2 In line 5, after “317.010,” insert “317.018,”.

3 On page 16, delete lines 44 and 45.

4 Delete pages 17 through 40 and insert:

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

7 “314.011. (1) As used in this chapter, unless the context requires other-
8 wise, ‘department’ means the Department of Revenue.

9 “(2) As used in this chapter:

10 “(a) Any term has the same meaning as when used in a comparable con-
11 text in the laws of the United States relating to federal income taxes, unless
12 a different meaning is clearly required or the term is specifically defined in
13 this chapter.

14 “(b) Except where the Legislative Assembly has provided otherwise, a
15 reference to the laws of the United States or to the Internal Revenue Code
16 refers to the laws of the United States or to the Internal Revenue Code as
17 they are amended and in effect[:]

18 “[A)] on December 31, [2023; or] **2024.**

19 “[B) *If related to the definition of taxable income, as applicable to the tax*
20 *year of the taxpayer.*]

21 “(c) With respect to ORS 314.105, 314.256 (relating to proxy tax on lob-

1 bying expenditures), 314.260 (1)(b), 314.302, 314.306, 314.330, 314.360, 314.362,
2 314.385, 314.402, 314.410, 314.412, 314.525, 314.767 (7), 314.771 and 314.772 and
3 other provisions of this chapter, except those described in paragraph (b) of
4 this subsection, any reference to the laws of the United States or to the
5 Internal Revenue Code means the laws of the United States relating to in-
6 come taxes or the Internal Revenue Code as they are amended on or before
7 December 31, [2023] **2024**, even when the amendments take effect or become
8 operative after that date, except where the Legislative Assembly has specif-
9 ically provided otherwise.

10 “(3) Insofar as is practicable in the administration of this chapter, the
11 department shall apply and follow the administrative and judicial interpre-
12 tations of the federal income tax law. When a provision of the federal income
13 tax law is the subject of conflicting opinions by two or more federal courts,
14 the department shall follow the rule observed by the United States Commis-
15 sioner of Internal Revenue until the conflict is resolved. Nothing contained
16 in this section limits the right or duty of the department to audit the return
17 of any taxpayer or to determine any fact relating to the tax liability of any
18 taxpayer.

19 “(4) When portions of the Internal Revenue Code incorporated by refer-
20 ence as provided in subsection (2) of this section refer to rules or regulations
21 prescribed by the Secretary of the Treasury, then such rules or regulations
22 shall be regarded as rules adopted by the department under and in accord-
23 ance with the provisions of this chapter, whenever they are prescribed or
24 amended.

25 “(5)(a) When portions of the Internal Revenue Code incorporated by ref-
26 erence as provided in subsection (2) of this section are later corrected by an
27 Act or a Title within an Act of the United States Congress designated as an
28 Act or Title making technical corrections, then notwithstanding the date
29 that the Act or Title becomes law, those portions of the Internal Revenue
30 Code, as so corrected, shall be the portions of the Internal Revenue Code

1 incorporated by reference as provided in subsection (2) of this section and
2 shall take effect, unless otherwise indicated by the Act or Title (in which
3 case the provisions shall take effect as indicated in the Act or Title), as if
4 originally included in the provisions of the Act being technically corrected.
5 If, on account of this subsection, any adjustment is required to an Oregon
6 return that would otherwise be prevented by operation of law or rule, the
7 adjustment shall be made, notwithstanding any law or rule to the contrary,
8 in the manner provided under ORS 314.135.

9 “(b) As used in this subsection, ‘Act or Title’ includes any subtitle, divi-
10 sion or other part of an Act or Title.

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

13 “314.306. (1) If a taxpayer excludes an amount from federal gross income
14 by reason of the discharge of indebtedness of the taxpayer under section
15 108(a)(1)(A) of the Internal Revenue Code (relating to discharge of indebt-
16 edness in a bankruptcy declared under U.S.C. Title 11), then, with respect
17 to that portion of the excluded amount that is apportioned to Oregon, the
18 taxpayer shall apply the rules in 11 U.S.C. 346(j), as amended and in effect
19 on December 31, [2023] **2024.**

20 “(2) If a taxpayer excludes an amount from federal gross income by reason
21 of the discharge of indebtedness of the taxpayer under section 108(a)(1)(B)
22 or (C) of the Internal Revenue Code (relating to discharge of indebtedness
23 in insolvency or discharge of qualified farm indebtedness), then, with respect
24 to that portion of the excluded amount that is apportioned to Oregon, the
25 following paragraphs shall apply, in the following order:

26 “(a) If the taxpayer has made the election under section 108(b)(5) of the
27 Internal Revenue Code to first reduce the basis of the depreciable property
28 of the taxpayer, the election shall also be effective for Oregon tax purposes.
29 A corresponding reduction in the basis of the depreciable property of the
30 taxpayer shall be made for Oregon tax purposes.

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

4 “(A) Federal net operating loss.

5 “(B) Capital loss carryover.

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

8 “(D) Passive activity loss carryover.

9 “(c) Excluding amounts subject to the election in section 108(b)(5) of the
10 Internal Revenue Code:

11 “(A) Any Oregon net operating loss of an individual or corporate tax-
12 payer, including a net operating loss carryover to the taxpayer, shall be re-
13 duced by the amount of discharged indebtedness.

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

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

21 “(D) The passive activity loss carryover under section 469(b) of the
22 Internal Revenue Code from the taxable year of the discharge shall be re-
23 duced by the amount of discharged indebtedness minus the total amount
24 taken into account under subparagraphs (A), (B) and (C) of this paragraph.

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

27 “315.004. (1) Except when the context requires otherwise, the definitions
28 contained in ORS chapters 314, 316, 317 and 318 are applicable in the con-
29 struction, interpretation and application of the personal and corporate in-
30 come and excise tax credits contained in this chapter.

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

6 “(b) With respect to the tax credits contained in this chapter, any refer-
7 ence to the laws of the United States or to the Internal Revenue Code means
8 the laws of the United States relating to income taxes or the Internal Rev-
9 enue Code as they are amended on or before December 31, [2023] **2024**, even
10 when the amendments take effect or become operative after that date.

11 “(3) Insofar as is practicable in the administration of this chapter, the
12 Department of Revenue shall apply and follow the administrative and judi-
13 cial interpretations of the federal income tax law. When a provision of the
14 federal income tax law is the subject of conflicting opinions by two or more
15 federal courts, the department shall follow the rule observed by the United
16 States Commissioner of Internal Revenue until the conflict is resolved.
17 Nothing contained in this section limits the right or duty of the department
18 to audit the return of any taxpayer or to determine any fact relating to the
19 tax liability of any taxpayer.

20 “(4) When portions of the Internal Revenue Code incorporated by refer-
21 ence as provided in subsection (2) of this section refer to rules or regulations
22 prescribed by the Secretary of the Treasury, then such rules or regulations
23 shall be regarded as rules adopted by the department under and in accord-
24 ance with the provisions of this chapter, whenever they are prescribed or
25 amended.

26 “(5)(a) When portions of the Internal Revenue Code incorporated by ref-
27 erence as provided in subsection (2) of this section are later corrected by an
28 Act or a Title within an Act of the United States Congress designated as an
29 Act or Title making technical corrections, then notwithstanding the date
30 that the Act or Title becomes law, those portions of the Internal Revenue

1 Code, as so corrected, shall be the portions of the Internal Revenue Code
2 incorporated by reference as provided in subsection (2) of this section and
3 shall take effect, unless otherwise indicated by the Act or Title (in which
4 case the provisions shall take effect as indicated in the Act or Title), as if
5 originally included in the provisions of the Act being technically corrected.
6 If, on account of this subsection, any adjustment is required to an Oregon
7 return that would otherwise be prevented by operation of law or rule, the
8 adjustment shall be made, notwithstanding any law or rule to the contrary,
9 in the manner provided under ORS 314.135.

10 “(b) As used in this subsection, ‘Act or Title’ includes any subtitle, divi-
11 sion or other part of an Act or Title.

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

14 “316.012. Any term used in this chapter has the same meaning as when
15 used in a comparable context in the laws of the United States relating to
16 federal income taxes, unless a different meaning is clearly required or the
17 term is specifically defined in this chapter. Except where the Legislative
18 Assembly has provided otherwise, any reference in this chapter to the laws
19 of the United States or to the Internal Revenue Code refers to the laws of
20 the United States or to the Internal Revenue Code as they are amended and
21 in effect[:]

22 “[*(1)*] on December 31, [*2023*; or] **2024**.

23 “[*(2)* *If related to the definition of taxable income, as applicable to the tax*
24 *year of the taxpayer.*]

25 **“SECTION 24.** ORS 316.013 is amended to read:

26 “316.013. Unless the context requires otherwise and notwithstanding ORS
27 316.012, whenever, in the calculation of Oregon taxable income, reference to
28 the taxpayer’s federal adjusted gross income is required to be made, the
29 taxpayer’s federal adjusted gross income shall be as determined under the
30 provisions of the Internal Revenue Code as they may be in effect [*for the tax*

1 *year of the taxpayer]* **on December 31, 2024**, without any of the additions,
2 subtractions or other modifications or adjustments required under this
3 chapter and other laws of this state applicable to personal income taxation.

4 **“SECTION 25.** ORS 316.147, as amended by section 22, chapter 75, Oregon
5 Laws 2024, is amended to read:

6 “316.147. As used in ORS 316.147 to 316.149, unless the context requires
7 otherwise:

8 “(1) ‘Eligible taxpayer’ includes any individual who must pay taxes oth-
9 erwise imposed by this chapter and:

10 “(a) Who pays or incurs expenses for the care of a qualified individual,
11 through a payment method determined by rule of the Department of Revenue;
12 and

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

16 “(2) ‘Household income’ means the aggregate income of the eligible tax-
17 payer and the spouse of the taxpayer who reside in the household, that was
18 received during a calendar year. ‘Household income’ includes payments re-
19 ceived by the eligible taxpayer or the spouse of the taxpayer under the fed-
20 eral Social Security Act for the benefit of a minor child or minor children
21 who reside in the household.

22 “(3) ‘Income’ means ‘adjusted gross income’ as defined in the federal
23 Internal Revenue Code, as amended and in effect on December 31, [2023]
24 **2024**, even when the amendments take effect or become operative after that
25 date, relating to the measurement of taxable income of individuals, estates
26 and trusts, with the following modifications:

27 “(a) There shall be added to adjusted gross income the following items
28 of otherwise exempt income:

29 “(A) The gross amount of any otherwise exempt pension less return of
30 investment, if any.

1 “(B) Child support received by the taxpayer.
2 “(C) Inheritances.
3 “(D) Gifts and grants, the sum of which are in excess of \$500 per year.
4 “(E) Amounts received by a taxpayer or spouse of a taxpayer for support
5 from a parent who is not a member of the taxpayer’s household.
6 “(F) Life insurance proceeds.
7 “(G) Accident and health insurance proceeds, except reimbursement of
8 incurred medical expenses.
9 “(H) Personal injury damages.
10 “(I) Sick pay that is not included in federal adjusted gross income.
11 “(J) Strike benefits excluded from federal gross income.
12 “(K) Worker’s compensation, except for reimbursement of medical ex-
13 pense.
14 “(L) Military pay and benefits.
15 “(M) Veteran’s benefits.
16 “(N) Payments received under the federal Social Security Act that are
17 excluded from federal gross income.
18 “(O) Welfare payments, except as follows:
19 “(i) Payments for medical care, drugs and medical supplies, if the pay-
20 ments are not made directly to the welfare recipient;
21 “(ii) In-home services authorized and approved by the Department of Hu-
22 man Services; and
23 “(iii) Direct or indirect reimbursement of expenses paid or incurred for
24 participation in work or training programs.
25 “(P) Nontaxable dividends.
26 “(Q) Nontaxable interest not included in federal adjusted gross income.
27 “(R) Rental allowance paid to a minister that is excluded from federal
28 gross income.
29 “(S) Income from sources without the United States that is excluded from
30 federal gross income.

1 “(b) Adjusted gross income shall be increased due to the disallowance of
2 the following deductions:

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

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

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

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

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

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

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

19 “(c) ‘Income’ does not include the following:

20 “(A) Any governmental grant that must be used by the taxpayer for re-
21 habilitation of the homestead of the taxpayer.

22 “(B) Any refund of Oregon personal income taxes that were imposed under
23 this chapter.

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

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

29 “(b) Who is eligible for authorized services as defined in ORS 410.410
30 under Oregon Project Independence;

1 “(c) Who is certified by the Department of Human Services; and
2 “(d) Whose care or any portion thereof is not paid for under ORS chapter
3 414.

4 “**SECTION 26.** ORS 316.157, as amended by section 23, chapter 75, Oregon
5 Laws 2024, is amended to read:

6 “316.157. (1) In the case of an eligible individual, there shall be allowed
7 as a credit against the taxes otherwise due under this chapter for the taxable
8 year an amount equal to the lesser of the tax liability of the taxpayer or nine
9 percent of net pension income.

10 “(2) For purposes of this section:

11 “(a) ‘Eligible individual’ means any individual who is receiving pension
12 income and who has attained 62 years of age before the close of the taxable
13 year.

14 “(b) ‘Household income’ means the aggregate income of the taxpayer and
15 the spouse of the taxpayer who reside in the household, that was received
16 during the taxable year for which a credit is claimed, except that ‘household
17 income’ does not include Social Security benefits received by the taxpayer
18 or the spouse of the taxpayer.

19 “(c) ‘Income’ means ‘adjusted gross income’ as defined in the federal
20 Internal Revenue Code, as amended and in effect on December 31, [2023]
21 **2024**, even when the amendments take effect or become operative after that
22 date, relating to the measurement of taxable income of individuals, estates
23 and trusts, with the following modifications:

24 “(A) There shall be added to adjusted gross income the following items
25 of otherwise exempt income:

26 “(i) The gross amount of any otherwise exempt pension less return of in-
27 vestment, if any.

28 “(ii) Child support received by the taxpayer.

29 “(iii) Inheritances.

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

1 “(v) Amounts received by a taxpayer or spouse of a taxpayer for support
2 from a parent who is not a member of the taxpayer’s household.

3 “(vi) Life insurance proceeds.

4 “(vii) Accident and health insurance proceeds, except reimbursement of
5 incurred medical expenses.

6 “(viii) Personal injury damages.

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

8 “(x) Strike benefits excluded from federal gross income.

9 “(xi) Worker’s compensation, except for reimbursement of medical ex-
10 pense.

11 “(xii) Military pay and benefits.

12 “(xiii) Veteran’s benefits.

13 “(xiv) Payments received under the federal Social Security Act that are
14 excluded from federal gross income.

15 “(xv) Welfare payments, except as follows:

16 “(I) Payments for medical care, drugs and medical supplies, if the pay-
17 ments are not made directly to the welfare recipient;

18 “(II) In-home services authorized and approved by the Department of Hu-
19 man Services; and

20 “(III) Direct or indirect reimbursement of expenses paid or incurred for
21 participation in work or training programs.

22 “(xvi) Nontaxable dividends.

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

24 “(xviii) Rental allowance paid to a minister that is excluded from federal
25 gross income.

26 “(xix) Income from sources without the United States that is excluded
27 from federal gross income.

28 “(B) Adjusted gross income shall be increased due to the disallowance of
29 the following deductions:

30 “(i) The amount of the net loss, in excess of \$1,000, from all dispositions

1 of tangible or intangible properties.

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

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

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

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

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

13 “(vii) The amount added or subtracted, as required within the context of
14 this section, for adjustments made under ORS 316.680 (2)(d) and 316.707 to
15 316.737.

16 “(C) ‘Income’ does not include the following:

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

19 “(ii) Any refund of Oregon personal income taxes that were imposed under
20 this chapter.

21 “(d) ‘Net pension income’ means:

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

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

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

28 “(B) For an eligible individual filing a return other than a joint return,
29 the lesser of the pension income of the eligible individual received during the
30 taxable year or the excess, if any, of \$7,500 over the sum of the following

1 amounts:

2 “(i) Any Social Security benefits received by the eligible individual during
3 the taxable year; and

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

5 “(e) ‘Pension income’ means income included in Oregon taxable income
6 from:

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

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

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

19 “(D) Distributions or withdrawals from or pursuant to an eligible deferred
20 compensation plan which satisfies the requirements of section 457 of the
21 Internal Revenue Code;

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

25 “(F) Distributions or withdrawals from or pursuant to an employee an-
26 nuity, including custodial accounts treated as annuities, subject to section
27 403 (a) or (b) of the Internal Revenue Code.

28 “(f) ‘Social Security benefits’ means Social Security benefits, as defined
29 in section 86 of the Internal Revenue Code (Title II Social Security or tier
30 1 railroad retirement benefits).

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

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

10 **“SECTION 27.** ORS 317.010, as amended by section 24, chapter 75, Oregon
11 Laws 2024, is amended to read:

12 “317.010. As used in this chapter, unless the context requires otherwise:

13 “(1) ‘Centrally assessed corporation’ means every corporation the property
14 of which is assessed by the Department of Revenue under ORS 308.505 to
15 308.674.

16 “(2) ‘Department’ means the Department of Revenue.

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

20 “(b) ‘Consolidated state return’ means the return required to be filed un-
21 der ORS 317.710 (5).

22 “(4) ‘Doing business’ means any transaction or transactions in the course
23 of its activities conducted within the state by a national banking association,
24 or any other corporation; provided, however, that a foreign corporation
25 whose activities in this state are confined to purchases of personal property,
26 and the storage thereof incident to shipment outside the state, shall not be
27 deemed to be doing business unless such foreign corporation is an affiliate
28 of another foreign or domestic corporation which is doing business in
29 Oregon. Whether or not corporations are affiliated shall be determined as
30 provided in section 1504 of the Internal Revenue Code.

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

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

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

12 “[*a*] on December 31, [2023; or] **2024**.

13 “[*b*] *If related to the definition of taxable income, as applicable to the tax*
14 *year of the taxpayer.*]

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

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

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

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 un-
12 der paragraph (b) of this subsection, add nonapportionable income allocable
13 entirely 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 28.** ORS 317.018 is amended to read:

27 “317.018. It is the intent of the Legislative Assembly:

28 “(1) To make the Oregon corporate excise tax law, insofar as it relates
29 to the measurement of taxable income, identical to the provisions of the
30 federal Internal Revenue Code, as in effect and applicable [*for the tax year*

1 *of the taxpayer]* **on December 31, 2024**, to the end that taxable income of a
2 corporation for Oregon purposes is the same as it is for federal income tax
3 purposes, subject to Oregon’s jurisdiction to tax, and subject to the addi-
4 tions, subtractions, adjustments and modifications contained in this chapter.

5 “(2) To achieve the results desired under subsection (1) of this section by
6 application of the various provisions of the federal Internal Revenue Code
7 relating to the definitions for corporations, of income, deductions, accounting
8 methods, accounting periods, taxation of corporations, basis and other perti-
9 nent provisions relating to gross income. It is not the intent of the Legisla-
10 tive Assembly to adopt federal Internal Revenue Code provisions dealing
11 with the computation of tax, tax credits or any other provisions designed to
12 mitigate the amount of tax due.

13 “(3) To impose on each corporation doing business within this state an
14 excise tax for the privilege of carrying on or doing that business measured
15 by its federal taxable income as adjusted in this chapter.

16 **“SECTION 29.** ORS 317.097, as amended by section 25, chapter 75, Oregon
17 Laws 2024, is amended to read:

18 “317.097. (1) As used in this section:

19 “(a) ‘Annual rate’ means the yearly interest rate specified on the note,
20 and not the annual percentage rate, if any, disclosed to the applicant to
21 comply with the federal Truth in Lending Act.

22 “(b) ‘Bonds’ means a bond, as defined in ORS 286A.001, if issued on behalf
23 of the Housing and Community Services Department, or bonds, as defined in
24 ORS 456.055, if issued by a housing authority.

25 “(c) ‘Finance charge’ means the total of all interest, loan fees, interest
26 on any loan fees financed by the lending institution, and other charges re-
27 lated to the cost of obtaining credit.

28 “(d) ‘Lending institution’ means any insured institution, as that term is
29 defined in ORS 706.008, any mortgage banking company that maintains an
30 office in this state or any community development corporation that is or-

1 ganized under the Oregon Nonprofit Corporation Law.

2 “(e) ‘Limited equity cooperative’ means a cooperative corporation formed
3 under ORS chapter 62 whose articles of incorporation, in addition to the
4 other requirements of ORS chapter 62, prohibit members from selling their
5 ownership interests:

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

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

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

9 “(ii) The cost of any permanent improvements the member made to the
10 housing unit during the member’s ownership;

11 “(iii) Any special assessments the member paid to the limited equity co-
12 operative during the member’s ownership that were expended to make per-
13 manent improvements to the building in which the member’s housing unit is
14 located; and

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

22 “(f) ‘Manufactured dwelling park’ has the meaning given that term in
23 ORS 446.003.

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

27 “(h) ‘Preservation project’ means housing that was previously developed
28 as affordable housing with a contract for rent assistance from the United
29 States Department of Housing and Urban Development or the United States
30 Department of Agriculture and that is being acquired by a sponsoring entity.

1 “(i) ‘Qualified assignee’ means any investor participating in the secondary
2 market for real estate loans.

3 “(j) ‘Qualified borrower’ means any borrower that is a sponsoring entity
4 that has a controlling interest in the real property that is financed by a
5 qualified loan. A controlling interest includes a controlling interest in the
6 general partner of a limited partnership that owns the real property.

7 “(k) ‘Qualified loan’ means:

8 “(A) A loan that meets the criteria stated in subsection (5) of this section
9 or that is made to refinance a loan that meets the criteria described in sub-
10 section (5) of this section; or

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

14 “(L) ‘Sponsoring entity’ means a nonprofit corporation, nonprofit cooper-
15 ative, state governmental entity, local unit of government as defined in ORS
16 466.706, housing authority or any other person, provided that the person has
17 agreed to restrictive covenants imposed by a nonprofit corporation, nonprofit
18 cooperative, state governmental entity, local unit of government or housing
19 authority.

20 “(2) The Department of Revenue shall allow a credit against taxes other-
21 wise due under this chapter for the tax year to a lending institution that
22 makes a qualified loan certified by the Housing and Community Services
23 Department as provided in subsection (7) of this section. The amount of the
24 credit is equal to the difference between:

25 “(a) The amount of finance charge charged by the lending institution
26 during the tax year at an annual rate less than the market rate for a quali-
27 fied loan that is made before January 1, 2026, that complies with the re-
28 quirements of this section; and

29 “(b) The amount of finance charge that would have been charged during
30 the tax year by the lending institution for the qualified loan for housing

1 construction, development, acquisition or rehabilitation measured at the an-
2 nual rate charged by the lending institution for nonsubsidized loans made
3 under like terms and conditions at the time the qualified loan for housing
4 construction, development, acquisition or rehabilitation is made.

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

9 “(4) Any tax credit allowed under this section that is not used by the
10 taxpayer in a particular year may be carried forward and offset against the
11 taxpayer’s tax liability for the next succeeding tax year. Any credit remain-
12 ing unused in the next succeeding tax year may be carried forward and used
13 in the second succeeding tax year, and likewise, any credit not used in that
14 second succeeding tax year may be carried forward and used in the third
15 succeeding tax year, and any credit not used in that third succeeding tax
16 year may be carried forward and used in the fourth succeeding tax year, and
17 any credit not used in that fourth succeeding tax year may be carried for-
18 ward and used in the fifth succeeding tax year, but may not be carried for-
19 ward for any tax year thereafter.

20 “(5) To be eligible for the tax credit allowable under this section, a
21 lending institution must make a qualified loan by either purchasing bonds,
22 the proceeds of which are used to finance or refinance a loan that meets the
23 criteria stated in this subsection, or making a loan directly to:

24 “(a) An individual or individuals who own a dwelling, participate in an
25 owner-occupied community rehabilitation program and are certified by the
26 local government or its designated agent as having an income level when the
27 loan is made of 80 percent of the area median income or less;

28 “(b) A qualified borrower who:

29 “(A) Uses the loan proceeds to finance construction, development, acqui-
30 sition or rehabilitation of housing, including housing in the form of a limited

1 equity cooperative; and

2 “(B) Provides a written certification executed by the Housing and Com-
3 munity Services Department that the:

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

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

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

11 “(A) Uses the loan proceeds to finance construction, development, acqui-
12 sition or rehabilitation of housing consisting of a manufactured dwelling
13 park; and

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

18 “(d) A qualified borrower who:

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

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

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

25 “(ii) Is the subject of a rent assistance contract with the United States
26 Department of Housing and Urban Development or the United States De-
27 partment of Agriculture that will be maintained by the qualified borrower;
28 or

29 “(e) A qualified borrower who:

30 “(A) Uses the loan proceeds to finance construction, development, acqui-

1 sition or rehabilitation of housing; and

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

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

7 “(ii) Is the subject of a rent assistance contract with the federal govern-
8 ment or with a state or local government that will be maintained by the
9 qualified borrower and that limits a tenant’s rent to no more than 30 percent
10 of their income.

11 “(6) A loan made to refinance a loan that meets the criteria stated in
12 subsection (5) of this section must be treated the same as a loan that meets
13 the criteria stated in subsection (5) of this section.

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

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

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

22 “(A) 30 years, for a qualified loan with a contract for rent assistance or
23 financing resources from the United States Department of Agriculture, for
24 new housing construction, acquisition of housing or a preservation project;
25 or

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

27 “(8) The Housing and Community Services Department may certify quali-
28 fied loans that are eligible under subsection (5) of this section if the total
29 credits attributable to all qualified loans eligible for credits under this sec-
30 tion and then outstanding do not exceed \$35 million for any fiscal year. In

1 making loan certifications under subsection (7) of this section, the Housing
2 and Community Services Department shall attempt to distribute the tax
3 credits statewide, but shall concentrate the tax credits in those areas of the
4 state that are determined by the Oregon Housing Stability Council to have
5 the greatest need for affordable housing.

6 “(9) The tax credit provided for in this section may be taken whether or
7 not:

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

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

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

20 “(11) A lending institution may sell a qualified loan for which a certi-
21 fication has been executed to a qualified assignee whether or not the lending
22 institution retains servicing of the qualified loan so long as a designated
23 lending institution maintains records, annually verified by a loan servicer,
24 that establish the amount of tax credit earned by the taxpayer throughout
25 each year of eligibility.

26 “(12) Notwithstanding any other provision of law, a lending institution
27 that is a community development corporation organized under the Oregon
28 Nonprofit Corporation Law may transfer all or part of a tax credit allowed
29 under this section to one or more other lending institutions that are stock-
30 holders or members of the community development corporation or that oth-

1 erwise participate through the community development corporation in the
2 making of one or more qualified loans for which the tax credit under this
3 section is allowed.

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

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

12 “(a) A nonprofit corporation, manufactured dwelling park nonprofit co-
13 operative, state governmental entity, local unit of government as defined in
14 ORS 466.706 or housing authority; or

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

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

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

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

28 “**SECTION 30.** ORS 317A.100, as amended by section 26, chapter 75,
29 Oregon Laws 2024, is amended to read:

30 “317A.100. As used in ORS 317A.100 to 317A.158:

1 “(1)(a) ‘Commercial activity’ means:

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

5 “(B) If received by a financial institution:

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

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

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

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

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

23 “(b) ‘Commercial activity’ does not include:

24 “(A) Interest income except:

25 “(i) Interest on credit sales; or

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

28 “(B) Receipts from the sale, exchange or other disposition of an asset
29 described in section 1221 or 1231 of the Internal Revenue Code, without re-
30 gard to the length of time the person held the asset;

1 “(C) If received by an insurer, federally reinsured premiums or income
2 from transactions between a reciprocal insurer and its attorney in fact op-
3 erating 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 re-
11 demption of the principal of a loan, bond, mutual fund, certificate of deposit
12 or 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
16 of 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 poli-

1 cies, including crop insurance policies, owned by the taxpayer, except those
2 proceeds received for the loss of commercial activity;

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

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

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

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

22 “(O) Pension reversions;

23 “(P) Contributions to capital;

24 “(Q) Receipts from the sale, transfer, exchange or other disposition of
25 motor vehicle fuel or any other product used for the propulsion of motor
26 vehicles;

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

1 Revenue Code or ORS chapter 323;

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

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

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

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

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

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

1 party by the dealer;

2 “(Y) Receipts from a financial institution for services provided to the fi-
3 nancial institution in connection with the issuance, processing, servicing and
4 management of loans or credit accounts, if the financial institution and the
5 recipient of the receipts have at least 50 percent of their ownership interests
6 owned or controlled, directly or constructively through related interests, by
7 common owners;

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

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

17 “(BB) Dividends received;

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

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

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

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

28 “(GG) Moneys, including public purpose charge moneys collected under
29 ORS 757.612 and moneys collected to plan for and pursue cost-effective en-
30 ergy efficiency resources under ORS 757.054, that are collected from cus-

1 tomers, passed to a utility and approved by the Public Utility Commission
2 and that support energy conservation, renewable resource acquisition and
3 low-income assistance programs;

4 “(HH) Moneys collected by a utility from customers for the payment of
5 loans through on-bill financing;

6 “(II) Surcharges collected under ORS 757.736;

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

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

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

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

19 “(NN) Moneys collected for public purpose funding as described in ORS
20 759.430;

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

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

26 “(QQ) In the case of a transient lodging tax collector, the amount of tax
27 imposed under ORS 320.305 and of any local transient lodging tax imposed
28 upon the occupancy of transit lodging;

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

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

3 “(TT) Farmer sales to an agricultural cooperative in this state that is a
4 cooperative organization described in section 1381 of the Internal Revenue
5 Code;

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

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

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

14 “(ii) As used in this subparagraph, ‘item of precious metal’ means an item
15 of gold, silver, platinum, rhodium or palladium that has been put through a
16 process of smelting or refining and that is in a state or condition that its
17 value depends on its contents and not its form.

18 “(2) ‘Cost inputs’ means:

19 “(a) The cost of goods sold as calculated in arriving at federal taxable
20 income under the Internal Revenue Code; or

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

24 “(3) ‘Doing business’ means engaging in any activity, whether legal or
25 illegal, that is conducted for, or results in, the receipt of commercial activity
26 at any time during a calendar year.

27 “(4) ‘Excluded person’ means any of the following:

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

1 “(b) Organizations described in section 501(d) of the Internal Revenue
2 Code, unless the exemption is denied under section 502 or 503 of the Internal
3 Revenue Code.

4 “(c) Organizations described in section 501(e) of the Internal Revenue
5 Code.

6 “(d) Organizations described in section 501(f) of the Internal Revenue
7 Code.

8 “(e) Charitable risk pools described in section 501(n) of the Internal Rev-
9 enue Code.

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

11 “(g) Qualified state tuition programs described in section 529 of the
12 Internal Revenue Code.

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

17 “(i) Governmental entities.

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

21 “(k) Hospitals subject to assessment under ORS 414.855, long term care
22 facilities subject to assessment under ORS 409.801 or any entity subject to
23 assessment under ORS 414.880 or section 3 or 5, chapter 538, Oregon Laws
24 2017.

25 “(L) Manufactured dwelling park nonprofit cooperatives organized under
26 ORS chapter 62.

27 “(5) ‘Financial institution’ has the meaning given that term in ORS
28 314.610, except that ‘financial institution’ does not include a credit union.

29 “(6)(a) ‘FR Y-9’ means the consolidated or parent-only financial state-
30 ments that a holding company is required to file with the Federal Reserve

1 Board pursuant to 12 U.S.C. 1844.

2 “(b) In the case of a holding company required to file both consolidated
3 and parent-only financial statements, ‘FR Y-9’ means the consolidated finan-
4 cial statements that the holding company is required to file.

5 “(7) ‘Governmental entity’ means:

6 “(a) The United States and any of its unincorporated agencies and in-
7 strumentalities.

8 “(b) Any incorporated agency or instrumentality of the United States
9 wholly owned by the United States or by a corporation wholly owned by the
10 United States.

11 “(c) The State of Oregon and any of its unincorporated agencies and in-
12 strumentalities.

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

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

15 “(f) A federally recognized Indian tribe.

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

18 “(9)(a) ‘Hedging transaction’ means a hedging transaction as defined in
19 section 1221 of the Internal Revenue Code or a transaction accorded hedge
20 accounting treatment under Financial Accounting Standards Board State-
21 ment No. 133.

22 “(b) ‘Hedging transaction’ does not include a transaction in which an
23 actual transfer of title of real or tangible property to another entity occurs.

24 “(10) ‘Insurer’ has the meaning given that term in ORS 317.010.

25 “(11) ‘Internal Revenue Code,’ except where the Legislative Assembly has
26 provided otherwise, refers to the laws of the United States or to the Internal
27 Revenue Code as they are amended and in effect on December 31, [2023]
28 **2024**.

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

1 “(13)(a) ‘Motor vehicle fuel or any other product used for the propulsion
2 of motor vehicles’ means:

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

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

6 “(b) ‘Motor vehicle fuel or any other product used for the propulsion of
7 motor vehicles’ does not mean:

8 “(A) Electricity; or

9 “(B) Electric batteries or any other mechanical or physical component or
10 accessory of a motor vehicle.

11 “(14) ‘Person’ includes individuals, combinations of individuals of any
12 form, receivers, assignees, trustees in bankruptcy, firms, companies, joint-
13 stock companies, business trusts, estates, partnerships, limited liability
14 partnerships, limited liability companies, associations, joint ventures, clubs,
15 societies, entities organized as for-profit corporations under ORS chapter 60,
16 C corporations, S corporations, qualified subchapter S subsidiaries, qualified
17 subchapter S trusts, trusts, entities that are disregarded for federal income
18 tax purposes and any other entities.

19 “(15) ‘Retailer’ means a person doing business by selling tangible personal
20 property to a purchaser for a purpose other than:

21 “(a) Resale by the purchaser of the property as tangible personal property
22 in the regular course of business;

23 “(b) Incorporation by the purchaser of the property in the course of reg-
24 ular business as an ingredient or component of real or personal property; or

25 “(c) Consumption by the purchaser of the property in the production for
26 sale of a new article of tangible personal property.

27 “(16) ‘Taxable commercial activity’ means commercial activity sourced to
28 this state under ORS 317A.128, less any subtraction pursuant to ORS
29 317A.119.

30 “(17)(a) ‘Taxpayer’ means any person or unitary group required to regis-

1 ter, file or pay tax under ORS 317A.100 to 317A.158.

2 “(b) ‘Taxpayer’ does not include excluded persons, except to the extent
3 that a tax-exempt entity has unrelated business income as described in the
4 Internal Revenue Code.

5 “(18) ‘Tax year’ means, except as otherwise provided in ORS 317A.103, a
6 taxpayer’s annual accounting period used for federal income tax purposes
7 under section 441 of the Internal Revenue Code.

8 “(19)(a) ‘Unitary business’ means a business enterprise in which there
9 exists directly or indirectly between the members or parts of the enterprise
10 a sharing or exchange of value as demonstrated by:

11 “(A) Centralized management or a common executive force;

12 “(B) Centralized administrative services or functions resulting in econo-
13 mies of scale; or

14 “(C) Flow of goods, capital resources or services demonstrating functional
15 integration.

16 “(b) ‘Unitary business’ may include a business enterprise the activities
17 of which:

18 “(A) Are in the same general line of business, such as manufacturing,
19 wholesaling or retailing; or

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

23 “(20) ‘Unitary group’ means a group of persons with more than 50 percent
24 common ownership, either direct or indirect, that is engaged in business ac-
25 tivities that constitute a unitary business.

26 “(21) ‘Wholesaler’ means a person primarily doing business by merchant
27 distribution of tangible personal property to retailers or to other whole-
28 salers.

29 **“SECTION 31.** ORS 458.670, as amended by section 27, chapter 75, Oregon
30 Laws 2024, is amended to read:

1 “458.670. As used in this section and ORS 458.675 to 458.700, unless the
2 context requires otherwise:

3 “(1) ‘Account holder’ means a resident of this state who:

4 “(a) Is 12 years of age or older;

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

6 “(c) Has established an individual development account with a fiduciary
7 organization.

8 “(2) ‘Fiduciary organization’ means an organization selected under ORS
9 458.695 to administer state moneys directed to individual development ac-
10 counts and that is:

11 “(a) A nonprofit, fund raising organization that is exempt from taxation
12 under section 501(c)(3) of the Internal Revenue Code as amended and in ef-
13 fect on December 31, [2023] **2024**; or

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

16 “(3) ‘Financial institution’ means:

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

18 “(b) In the case of individual development accounts established for the
19 purpose described in ORS 458.685 (1)(c), a financial institution as defined in
20 ORS 178.300.

21 “(4) ‘Individual development account’ means a contract between an ac-
22 count holder and a fiduciary organization, for the deposit of funds into a fi-
23 nancial institution by the account holder and the deposit of matching funds
24 into a designated account by the fiduciary organization, to allow the account
25 holder to accumulate assets for use toward achieving a specific purpose ap-
26 proved by the fiduciary organization.

27 “(5) ‘Lower income household’ means a household having an income equal
28 to or less than the greater of the following:

29 “(a) 80 percent of the median household income for the area as determined
30 by the Housing and Community Services Department. In making the deter-

1 mination, the department shall give consideration to any data on area
2 household income published by the United States Department of Housing and
3 Urban Development.

4 “(b) 200 percent of the poverty guidelines as determined by the Housing
5 and Community Services Department. In making the determination, the de-
6 partment shall give consideration to poverty guidelines published by the
7 United States Department of Health and Human Services and may consider
8 other income data periodically published by other federal or Oregon agen-
9 cies.

10 “(6)(a) ‘Net worth’ means a calculation based on the net value of assets
11 of a household established by rule by the Housing and Community Services
12 Department.

13 “(b) ‘Net worth’ does not include:

14 “(A) Equity in one residence and in one vehicle.

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

16 “(7) ‘Resident of this state’ has the meaning given that term in ORS
17 316.027.

18 **“SECTION 32.** ORS 657.010, as amended by section 28, chapter 75, Oregon
19 Laws 2024, is amended to read:

20 “657.010. As used in this chapter, unless the context requires otherwise:

21 “(1) ‘Base year’ means the first four of the last five completed calendar
22 quarters preceding the benefit year.

23 “(2) ‘Benefits’ means the money allowances payable to unemployed per-
24 sons under this chapter.

25 “(3) ‘Benefit year’ means a period of 52 consecutive weeks commencing
26 with the first week with respect to which an individual files an initial valid
27 claim for benefits, and thereafter the 52 consecutive weeks period beginning
28 with the first week with respect to which the individual next files an initial
29 valid claim after the termination of the individual’s last preceding benefit
30 year except that the benefit year shall be 53 weeks if the filing of an initial

1 valid claim would result in overlapping any quarter of the base year of a
2 previously filed initial valid claim.

3 “(4) ‘Calendar quarter’ means the period of three consecutive calendar
4 months ending on March 31, June 30, September 30 or December 31, or the
5 approximate equivalent thereof, as the Director of the Employment Depart-
6 ment may, by rule, prescribe.

7 “(5) ‘Contribution’ or ‘contributions’ means the taxes that are the money
8 payments required by this chapter, or voluntary payments permitted, to be
9 made to the Unemployment Compensation Trust Fund.

10 “(6) ‘Educational institution,’ including an institution of higher educa-
11 tion, means an institution:

12 “(a) In which participants, trainees or students are offered an organized
13 course of study or training designed to transfer to them knowledge, skills,
14 information, doctrines, attitudes or abilities from, by or under the guidance
15 of an instructor or teacher;

16 “(b) That is accredited, registered, approved, licensed or issued a permit
17 to operate as a school by the Department of Education or other government
18 agency, or that offers courses for credit that are transferable to an approved,
19 registered or accredited school;

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

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

25 “(7) ‘Employment office’ means a free public employment office or branch
26 thereof, operated by this state or maintained as a part of a state-controlled
27 system of public employment offices.

28 “(8) ‘Hospital’ has the meaning given that term in ORS 442.015.

29 “(9) ‘Institution of higher education’ means an educational institution
30 that:

1 “(a) Admits as regular students only individuals having a certificate of
2 graduation from a high school, or the recognized equivalent of such a cer-
3 tificate;

4 “(b) Is legally authorized in this state to provide a program of education
5 beyond high school;

6 “(c) Provides an educational program for which it awards a bachelor’s or
7 higher degree, or provides a program that is acceptable for full credit toward
8 such a degree, a program of post-graduate or post-doctoral studies, or a pro-
9 gram of training to prepare students for gainful employment in a recognized
10 occupation; and

11 “(d) Is a public or other nonprofit institution.

12 “(10) ‘Instructional capacity’ does not include services performed as an
13 instructional assistant as defined in ORS 342.120.

14 “(11) ‘Internal Revenue Code’ means the federal Internal Revenue Code,
15 as amended and in effect on December 31, [2023] **2024**.

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

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

25 “(14) ‘Taxes’ means the money payments to the Unemployment Compens-
26 ation Trust Fund required, or voluntary payments permitted, by this chap-
27 ter.

28 “(15) ‘Valid claim’ means any claim for benefits made in accordance with
29 ORS 657.260 if the individual meets the wages-paid-for-employment require-
30 ments of ORS 657.150.

1 “(16) ‘Week’ means any period of seven consecutive calendar days ending
2 at midnight, as the director may prescribe by rule.

3 **“SECTION 33.** ORS 657B.010, as amended by sections 3 and 4, chapter
4 20, Oregon Laws 2024, and section 29, chapter 75, Oregon Laws 2024, is
5 amended to read:

6 “657B.010. As used in this chapter:

7 “(1) ‘Alternate base year’ means the last four completed calendar quarters
8 preceding the benefit year.

9 “(2) ‘Average weekly wage’ means the amount calculated by the Employ-
10 ment Department as the state average weekly covered wage under ORS
11 657.150 (4)(e) as determined not more than once per year.

12 “(3) ‘Base year’ means the first four of the last five completed calendar
13 quarters preceding the benefit year.

14 “(4) ‘Benefits’ means family and medical leave insurance benefits.

15 “(5)(a) ‘Benefit year’ means, except as provided in paragraph (b) of this
16 subsection, a period of 52 consecutive weeks beginning on the Sunday im-
17 mediately preceding the date on which family leave, medical leave or safe
18 leave commences.

19 “(b) ‘Benefit year’ means, in the event that the 52-week period described
20 in paragraph (a) of this subsection would result in an overlap of any quarter
21 of the base year of a previously filed valid claim, a period of 53 consecutive
22 weeks beginning on the Sunday immediately preceding the date on which
23 family leave, medical leave or safe leave commences.

24 “(6) ‘Child’ means:

25 “(a) A biological child, adopted child, stepchild or foster child of a cov-
26 ered individual or of the covered individual’s spouse or domestic partner;

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

29 “(c) A person who is or was in a relationship of in loco parentis with a
30 covered individual or with the covered individual’s spouse or domestic part-

1 ner.

2 “(7) ‘Claimant’ means an individual who has submitted an application or
3 established a claim for benefits.

4 “(8) ‘Contribution’ or ‘contributions’ means the money payments made by
5 any of the following under ORS 657B.150:

6 “(a) An employer;

7 “(b) An employee;

8 “(c) A self-employed individual;

9 “(d) A tribal government; or

10 “(e) An employee of a tribal government.

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

13 “(a) An eligible employee;

14 “(b) A self-employed individual; or

15 “(c) An employee of a tribal government.

16 “(10) ‘Domestic partner’ means an individual joined in a domestic part-
17 nership.

18 “(11) ‘Domestic partnership’ has the meaning given that term in ORS
19 106.310.

20 “(12) ‘Eligible employee’ means:

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

23 “(B) If an employee has not earned at least \$1,000 in wages during the
24 base year, an employee who has earned at least \$1,000 in wages during the
25 alternate base year; and

26 “(b) An employee to whom paid family and medical leave insurance ben-
27 efits may be available under ORS 657B.015.

28 “(13) ‘Eligible employee’s average weekly wage’ means an amount calcu-
29 lated by the Director of the Employment Department by dividing the total
30 wages earned by an eligible employee during the base year by the number

1 of weeks in the base year.

2 “(14)(a) ‘Employee’ means:

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

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

6 “(b) ‘Employee’ does not include:

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

8 “(B) A participant in a work training program administered under a state
9 or federal assistance program.

10 “(C) A participant in a work-study program that provides students in
11 secondary or postsecondary educational institutions with employment op-
12 portunities for financial assistance or vocational training.

13 “(D) A railroad worker exempted under the federal Railroad Unemploy-
14 ment Insurance Act.

15 “(E) A volunteer.

16 “(F) A judge as defined in ORS 260.005.

17 “(G) A member of the Legislative Assembly.

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

19 “(15)(a) ‘Employer’ means any person that employs one or more employees
20 working anywhere in this state or any agent or employee of such person to
21 whom the duties of the person under this chapter have been delegated.

22 “(b) ‘Employer’ includes:

23 “(A) A political subdivision of this state or any county, city, district,
24 authority or public corporation, or any instrumentality of a county, city,
25 district, authority or public corporation, organized and existing under law
26 or charter;

27 “(B) An individual;

28 “(C) Any type of organization, corporation, partnership, limited liability
29 company, association, trust, estate, joint stock company or insurance com-
30 pany;

1 “(D) Any successor in interest to an entity described in subparagraph (C)
2 of this paragraph;

3 “(E) A trustee, trustee in bankruptcy or receiver; or

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

5 “(c) ‘Employer’ does not include the federal government or a tribal gov-
6 ernment.

7 “(16) ‘Employment agency’ has the meaning given that term in ORS
8 658.005.

9 “(17) ‘Family and medical leave insurance benefits’ means the wage re-
10 placement benefits that are available to a covered individual under ORS
11 657B.050 or under the terms of an employer plan approved under ORS
12 657B.210, for family leave, medical leave or safe leave.

13 “(18)(a) ‘Family leave’ means leave from work taken by a covered indi-
14 vidual:

15 “(A) To care for and bond with a child during the first year after the
16 child’s birth or during the first year after the placement of the child through
17 foster care or adoption;

18 “(B) To effectuate the legal process required for placement of a foster
19 child or the adoption of a child; or

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

21 “(b) ‘Family leave’ does not mean:

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

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

26 “(C) Leave authorized under ORS 659A.093.

27 “(19) ‘Family member’ means:

28 “(a) The spouse of a covered individual;

29 “(b) A child or the child’s spouse or domestic partner;

30 “(c) A parent or the parent’s spouse or domestic partner;

1 “(d) A sibling or stepsibling of a covered individual or the sibling’s or
2 stepsibling’s spouse or domestic partner;

3 “(e) A grandparent of a covered individual or the grandparent’s spouse
4 or domestic partner;

5 “(f) A grandchild of a covered individual or the grandchild’s spouse or
6 domestic partner;

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

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

10 “(20) ‘Medical leave’ means leave from work taken by a covered individual
11 that is made necessary by the individual’s own serious health condition.

12 “(21) ‘Parent’ means:

13 “(a) A biological parent, adoptive parent, stepparent or foster parent of
14 a covered individual;

15 “(b) A person who was a foster parent of a covered individual when the
16 covered individual was a minor;

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

19 “(d) A person with whom a covered individual was or is in a relationship
20 of in loco parentis; or

21 “(e) A parent of a covered individual’s spouse or domestic partner who
22 meets a description under paragraphs (a) to (d) of this subsection.

23 “(22) ‘Safe leave’ means leave taken for any purpose described in ORS
24 659A.272.

25 “(23) ‘Self-employed individual’ means:

26 “(a) An individual who has self-employment income as defined in section
27 1402(b) of the Internal Revenue Code as amended and in effect on December
28 31, [2023] **2024**; or

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

30 “(24) ‘Serious health condition’ means:

1 “(a) An illness, injury, impairment or physical or mental condition that
2 requires inpatient care in a hospital, hospice or residential medical care fa-
3 cility;

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

8 “(c) Any period of disability due to pregnancy, or period of absence for
9 prenatal care; or

10 “(d) Any period of absence for the donation of a body part, organ or tis-
11 sue, including preoperative or diagnostic services, surgery, post-operative
12 treatment and recovery.

13 “(25) ‘Third party administrator’ means a third party that enters into an
14 agreement with the Director of the Employment Department to implement
15 and administer the paid family and medical leave program established under
16 this chapter.

17 “(26) ‘Tribal government’ means:

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

19 “(b) A federally recognized Indian tribe.

20 “(27)(a) ‘Wages’ has the meaning given that term in ORS 657.105.

21 “(b) ‘Wages’ does not mean contribution amounts paid to the Paid Family
22 and Medical Leave Insurance Fund by an employer on behalf of an employee
23 under ORS 657B.150 (5).

24 “**SECTION 34.** ORS 314.011, as amended by section 18, chapter 75, Oregon
25 Laws 2024, and section 20 of this 2025 Act, is amended to read:

26 “314.011. (1) As used in this chapter, unless the context requires other-
27 wise, ‘department’ means the Department of Revenue.

28 “(2) As used in this chapter:

29 “(a) Any term has the same meaning as when used in a comparable con-
30 text in the laws of the United States relating to federal income taxes, unless

1 a different meaning is clearly required or the term is specifically defined in
2 this chapter.

3 “(b) Except where the Legislative Assembly has provided otherwise, a
4 reference to the laws of the United States or to the Internal Revenue Code
5 refers to the laws of the United States or to the Internal Revenue Code as
6 they are amended and in effect:

7 “(A) On December 31, 2024[.]; or

8 “(B) **If related to the definition of taxable income, as applicable to**
9 **the tax year of the taxpayer.**

10 “(c) With respect to ORS 314.105, 314.256 (relating to proxy tax on lob-
11 bing expenditures), 314.260 (1)(b), 314.302, 314.306, 314.330, 314.360, 314.362,
12 314.385, 314.402, 314.410, 314.412, 314.525, 314.767 (7), 314.771 and 314.772 and
13 other provisions of this chapter, except those described in paragraph (b) of
14 this subsection, any reference to the laws of the United States or to the
15 Internal Revenue Code means the laws of the United States relating to in-
16 come taxes or the Internal Revenue Code as they are amended on or before
17 December 31, 2024, even when the amendments take effect or become opera-
18 tive after that date, except where the Legislative Assembly has specifically
19 provided otherwise.

20 “(3) Insofar as is practicable in the administration of this chapter, the
21 department shall apply and follow the administrative and judicial interpre-
22 tations of the federal income tax law. When a provision of the federal income
23 tax law is the subject of conflicting opinions by two or more federal courts,
24 the department shall follow the rule observed by the United States Commis-
25 sioner of Internal Revenue until the conflict is resolved. Nothing contained
26 in this section limits the right or duty of the department to audit the return
27 of any taxpayer or to determine any fact relating to the tax liability of any
28 taxpayer.

29 “(4) When portions of the Internal Revenue Code incorporated by refer-
30 ence as provided in subsection (2) of this section refer to rules or regulations

1 prescribed by the Secretary of the Treasury, then such rules or regulations
2 shall be regarded as rules adopted by the department under and in accord-
3 ance with the provisions of this chapter, whenever they are prescribed or
4 amended.

5 “(5)(a) When portions of the Internal Revenue Code incorporated by ref-
6 erence as provided in subsection (2) of this section are later corrected by an
7 Act or a Title within an Act of the United States Congress designated as an
8 Act or Title making technical corrections, then notwithstanding the date
9 that the Act or Title becomes law, those portions of the Internal Revenue
10 Code, as so corrected, shall be the portions of the Internal Revenue Code
11 incorporated by reference as provided in subsection (2) of this section and
12 shall take effect, unless otherwise indicated by the Act or Title (in which
13 case the provisions shall take effect as indicated in the Act or Title), as if
14 originally included in the provisions of the Act being technically corrected.
15 If, on account of this subsection, any adjustment is required to an Oregon
16 return that would otherwise be prevented by operation of law or rule, the
17 adjustment shall be made, notwithstanding any law or rule to the contrary,
18 in the manner provided under ORS 314.135.

19 “(b) As used in this subsection, ‘Act or Title’ includes any subtitle, divi-
20 sion or other part of an Act or Title.

21 **“SECTION 35.** ORS 316.012, as amended by section 21, chapter 75, Oregon
22 Laws 2024, and section 23 of this 2025 Act, is amended to read:

23 “316.012. Any term used in this chapter has the same meaning as when
24 used in a comparable context in the laws of the United States relating to
25 federal income taxes, unless a different meaning is clearly required or the
26 term is specifically defined in this chapter. Except where the Legislative
27 Assembly has provided otherwise, any reference in this chapter to the laws
28 of the United States or to the Internal Revenue Code refers to the laws of
29 the United States or to the Internal Revenue Code as they are amended and
30 in effect:

1 “(1) On December 31, 2024[.]; or

2 “(2) **If related to the definition of taxable income, as applicable to**
3 **the tax year of the taxpayer.**

4 “**SECTION 36.** ORS 316.013, as amended by section 24 of this 2025 Act,
5 is amended to read:

6 “316.013. Unless the context requires otherwise and notwithstanding ORS
7 316.012, whenever, in the calculation of Oregon taxable income, reference to
8 the taxpayer’s federal adjusted gross income is required to be made, the
9 taxpayer’s federal adjusted gross income shall be as determined under the
10 provisions of the Internal Revenue Code as they may be in effect [*on De-*
11 *cember 31, 2024*] **for the tax year of the taxpayer** without any of the ad-
12 ditions, subtractions or other modifications or adjustments required under
13 this chapter and other laws of this state applicable to personal income tax-
14 ation.

15 “**SECTION 37.** ORS 317.010, as amended by section 24, chapter 75, Oregon
16 Laws 2024, and section 27 of this 2025 Act, is amended to read:

17 “317.010. As used in this chapter, unless the context requires otherwise:

18 “(1) ‘Centrally assessed corporation’ means every corporation the property
19 of which is assessed by the Department of Revenue under ORS 308.505 to
20 308.674.

21 “(2) ‘Department’ means the Department of Revenue.

22 “(3)(a) ‘Consolidated federal return’ means the return permitted or re-
23 quired to be filed by a group of affiliated corporations under section 1501 of
24 the Internal Revenue Code.

25 “(b) ‘Consolidated state return’ means the return required to be filed un-
26 der ORS 317.710 (5).

27 “(4) ‘Doing business’ means any transaction or transactions in the course
28 of its activities conducted within the state by a national banking association,
29 or any other corporation; provided, however, that a foreign corporation
30 whose activities in this state are confined to purchases of personal property,

1 and the storage thereof incident to shipment outside the state, shall not be
2 deemed to be doing business unless such foreign corporation is an affiliate
3 of another foreign or domestic corporation which is doing business in
4 Oregon. Whether or not corporations are affiliated shall be determined as
5 provided in section 1504 of the Internal Revenue Code.

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

10 “(6) ‘Financial institution’ has the meaning given that term in ORS
11 314.610 except that it does not include a credit union as defined in ORS
12 723.006, an interstate credit union as defined in ORS 723.001 or a federal
13 credit union.

14 “(7) ‘Internal Revenue Code,’ except where the Legislative Assembly has
15 provided otherwise, refers to the laws of the United States or to the Internal
16 Revenue Code as they are amended and in effect:

17 “(a) On December 31, 2024[.]; or

18 **“(b) If related to the definition of taxable income, as applicable to
19 the tax year of the taxpayer.**

20 “(8) ‘Oregon taxable income’ means taxable income, less the deduction
21 allowed under ORS 317.476, except as otherwise provided with respect to
22 insurers in subsection (11) of this section and ORS 317.650 to 317.665.

23 “(9) ‘Oregon net loss’ means taxable loss, except as otherwise provided
24 with respect to insurers in subsection (11) of this section and ORS 317.650
25 to 317.665.

26 “(10) ‘Taxable income or loss’ means the taxable income or loss deter-
27 mined, or in the case of a corporation for which no federal taxable income
28 or loss is determined, as would be determined, under chapter 1, Subtitle A
29 of the Internal Revenue Code and any other laws of the United States re-
30 lating to the determination of taxable income or loss of corporate taxpayers,

1 with the additions, subtractions, adjustments and other modifications as are
2 specifically prescribed by this chapter except that in determining taxable
3 income or loss for any year, no deduction under ORS 317.476 or 317.478 and
4 section 45b, chapter 293, Oregon Laws 1987, shall be allowed. If the corpo-
5 ration is a corporation to which ORS 314.280 or 314.605 to 314.675 (requiring
6 or permitting apportionment of income from transactions or activities carried
7 on both within and without the state) applies, to derive taxable income or
8 loss, the following shall occur:

9 “(a) From the amount otherwise determined under this subsection, sub-
10 tract nonapportionable income, or add nonapportionable loss, whichever is
11 applicable.

12 “(b) Multiply the amount determined under paragraph (a) of this sub-
13 section by the Oregon apportionment percentage defined under ORS 314.280,
14 314.650 or 314.667, whichever is applicable. The resulting product shall be
15 Oregon apportioned income or loss.

16 “(c) To the amount determined as Oregon apportioned income or loss un-
17 der paragraph (b) of this subsection, add nonapportionable income allocable
18 entirely to Oregon under ORS 314.280 or 314.625 to 314.645, or subtract
19 nonapportionable loss allocable entirely to Oregon under ORS 314.280 or
20 314.625 to 314.645. The resulting figure is ‘taxable income or loss’ for those
21 corporations carrying on taxable transactions or activities both within and
22 without Oregon.

23 “(11) As used in ORS 317.122 and 317.650 to 317.665, ‘insurer’ means any
24 domestic, foreign or alien insurer as defined in ORS 731.082 and any inter-
25 insurance and reciprocal exchange and its attorney in fact with respect to
26 its attorney in fact net income as a corporate attorney in fact acting as at-
27 torney in compliance with ORS 731.458, 731.462, 731.466 and 731.470 for the
28 reciprocal or interinsurance exchange. However, ‘insurer’ does not include
29 title insurers or health care service contractors operating pursuant to ORS
30 750.005 to 750.095.

1 **“SECTION 38.** ORS 317.018, as amended by section 28 of this 2025 Act,
2 is amended to read:

3 “317.018. It is the intent of the Legislative Assembly:

4 “(1) To make the Oregon corporate excise tax law, insofar as it relates
5 to the measurement of taxable income, identical to the provisions of the
6 federal Internal Revenue Code, as in effect and applicable [*on December 31,*
7 *2024*] **for the tax year of the taxpayer**, to the end that taxable income of
8 a corporation for Oregon purposes is the same as it is for federal income tax
9 purposes, subject to Oregon’s jurisdiction to tax, and subject to the addi-
10 tions, subtractions, adjustments and modifications contained in this chapter.

11 “(2) To achieve the results desired under subsection (1) of this section by
12 application of the various provisions of the federal Internal Revenue Code
13 relating to the definitions for corporations, of income, deductions, accounting
14 methods, accounting periods, taxation of corporations, basis and other perti-
15 nent provisions relating to gross income. It is not the intent of the Legisla-
16 tive Assembly to adopt federal Internal Revenue Code provisions dealing
17 with the computation of tax, tax credits or any other provisions designed to
18 mitigate the amount of tax due.

19 “(3) To impose on each corporation doing business within this state an
20 excise tax for the privilege of carrying on or doing that business measured
21 by its federal taxable income as adjusted in this chapter.

22 **“SECTION 39. (1) Except as provided in subsections (2) and (3) of**
23 **this section:**

24 **“(a) The amendments to statutes by sections 1 to 19, 25, 26, and 29**
25 **to 33 of this 2025 Act apply to transactions or activities occurring on**
26 **or after January 1, 2025, in tax years beginning on or after January**
27 **1, 2025.**

28 **“(b) The amendments to ORS 314.011, 316.012, 316.013, 317.010 and**
29 **317.018 by sections 20, 23, 24, 27 and 28 of this 2025 Act apply to trans-**
30 **actions or activities occurring on or after January 1, 2025, and before**

1 **January 1, 2026, in tax years beginning on or after January 1, 2025, and**
2 **before January 1, 2026.**

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

10 **“(3)(a) If a deficiency is assessed against any taxpayer for a tax year**
11 **beginning before January 1, 2025, and the deficiency or any portion**
12 **thereof is attributable to any retroactive treatment under the amend-**
13 **ments to ORS 178.300, 178.375, 305.239, 305.494, 305.690, 305.842, 314.011,**
14 **314.306, 315.004, 316.012, 316.013, 316.147, 316.157, 317.010, 317.018, 317.097**
15 **and 317A.100 by sections 1, 2 and 16 to 30 of this 2025 Act, then any**
16 **interest or penalty assessed under ORS chapter 305, 314, 315, 316, 317,**
17 **317A or 318 with respect to the deficiency or portion thereof shall be**
18 **canceled.**

19 **“(b) If a refund is due any taxpayer for a tax year beginning before**
20 **January 1, 2025, and the refund or any portion thereof is due the tax-**
21 **payer on account of any retroactive treatment under the amendments**
22 **to ORS 178.300, 178.375, 305.239, 305.494, 305.690, 305.842, 314.011, 314.306,**
23 **315.004, 316.012, 316.013, 316.147, 316.157, 317.010, 317.018, 317.097 and**
24 **317A.100 by sections 1, 2 and 16 to 30 of this 2025 Act for a tax year**
25 **beginning before January 1, 2025, then notwithstanding ORS 305.270 or**
26 **314.415 or any other law, the refund or portion thereof shall be paid**
27 **without interest.**

28 **“(c) Any changes required because of the amendments to ORS**
29 **178.300, 178.375, 305.239, 305.494, 305.690, 305.842, 314.011, 314.306, 315.004,**
30 **316.012, 316.013, 316.147, 316.157, 317.010, 317.018, 317.097 and 317A.100 by**

1 sections 1, 2 and 16 to 30 of this 2025 Act for a tax year beginning be-
2 fore January 1, 2025, shall be made by filing an amended return within
3 the time prescribed by law.

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

12 “SECTION 40. The amendments to ORS 314.011, 316.012, 316.013,
13 317.010 and 317.018 by sections 34 to 38 of this 2025 Act apply to trans-
14 actions or activities occurring on or after January 1, 2026, in tax years
15 beginning on or after January 1, 2026.

16 “SECTION 41. This 2025 Act takes effect on the 91st day after the
17 date on which the 2025 regular session of the Eighty-third Legislative
18 Assembly adjourns sine die.”

19
