

HB 4014 -2 STAFF MEASURE SUMMARY

House Committee On Revenue

Prepared By: Chris Allanach, Legislative Revenue Officer

Meeting Dates: 2/2, 2/11, 2/20

WHAT THE MEASURE DOES:

Requires the Legislative Revenue Officer to study Oregon's financial system. Requires a report be submitted to the interim Revenue Committees by December 1, 2027. The report may include recommendations for legislation.

Repeals the measure on January 2, 2028

ISSUES DISCUSSED:

The study should explore how new spending should be funded, such as exploring the elimination of tax expenditures.

EFFECT OF AMENDMENT:

-2 Replaces the bill.

Creates the Task Force on Taxation of International Income, consisting of 11 members including four Representatives, two Senators, and one member each from Oregon based labor unions, Oregon based businesses, and international corporations based in Oregon, plus an Oregon based expert on international income tax policy and a nationally recognized expert on international income tax policy. Specifies that, other than the Senators, the Speaker of the House of Representatives appoints all members, including the chair and vice chair. Requires the Task Forces to investigate whether changes to Oregon's tax code could improve or simplify the state's tax treatment of international income as well as explore other statutory changes. Requires a majority of voting members to transact business. Requires the Task Force to submit a report to the legislative interim committees on revenue by December 1, 2026. Requires the Legislative Revenue Officer to provide staff support. Takes effect upon passage. Repeals the measure on December 31, 2027.

BACKGROUND:

The subject of how Oregon's taxes apply to international businesses has been the subject of legislative debate for several years. For a few years, Oregon incorporated the use of Listed Jurisdictions to address the issue of corporate profit-shifting. In 2018, the Legislature moved away from that approach and adopted the newly enacted federal policies related, in part, to Global Intangible Low-Taxed Income (GILTI) and Foreign-Derived Intangible Income (FDII). These policies were modified by Congress in 2025 and renamed as Net Controlled Foreign Corporation Tested Income (NCTI) and Foreign-Derived Deduction Eligible Income (FDDEI). Part of the debate centers on whether corporate taxes should be structured using a Worldwide or Territorial system of taxation.