## 76TH OREGON LEGISLATIVE ASSEMBLY 2011 Regular Session PRELIMINARY STAFF MEASURE SUMMARY SENATE FINANCE AND REVENUE COMMITTEE

MEASURE: SB 883-2 CARRIER:

REVENUE: FISCAL:			
Action:		 	<del></del>
Vote:			
Yeas:			
Nays:			
Exc.:			
Prepared By:	Paul Warner, Economist		
Meeting Dates:	3/23,5/3		

WHAT THE BILL DOES: Creates a subtraction for income derived from long term capital gains. Defines long term capital gain as income resulting from the sale of assets that have been held for more than 60 months. Establishes 50% subtraction for long term capital gains resulting from the sale of real property held in Oregon that has a primary purpose of producing income. 50% subtraction applies to assets sold on or after 1-1-13. Establishes subtraction schedule for all other capital gains as defined by IRS code section 1222 held for more than 60 months. Phases in subtraction for these assets over eight year period starting in 2013. Subtraction starts at 5% in 2013, increases at 5% increments until reaching 40% for the 2020 tax year.

**ISSUES DISCUSSED:** 

EFFECT OF COMMITTEE AMENDMENTS: -2 replaces bill.

**BACKGROUND:** 

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