House Bill 3372

Sponsored by COMMITTEE ON REVENUE

SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure **as introduced.**

Requires addition to taxable income for Oregon tax purposes of amounts attributable to controlled foreign corporations and excluded from federal taxable income because of operation of certain federal law. Requires corresponding subtraction from taxable income if amounts are included in federal taxable income in later tax year.

Applies to tax years beginning on or after January 1, 2014.

A BILL FOR AN ACT

Relating to tax treatment of income attributable to controlled foreign corporations; and providing for revenue raising that requires approval by a three-fifths majority.

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

SECTION 1. Section 2 of this 2013 Act is added to and made a part of ORS chapter 317.

SECTION 2. (1) To derive Oregon taxable income, there shall be added to federal taxable income a positive amount equal to the difference between the amount of income that is attributable to a controlled foreign corporation of the taxpayer for federal tax purposes and the amount that would be attributable to the controlled foreign corporation for federal tax purposes if sections 11(d), 882 and 951 to 965 of the Internal Revenue Code did not apply.

(2) To derive Oregon taxable income, there shall be subtracted from federal taxable income any amount that was taken into account as an addition under subsection (1) of this section in a prior tax year and that is included in federal taxable income for federal tax purposes in the current tax year.

SECTION 3. Section 2 of this 2013 Act applies to tax years beginning on or after January 1, 2014.

NOTE: Matter in **boldfaced** type in an amended section is new; matter [*italic and bracketed*] is existing law to be omitted. New sections are in **boldfaced** type.