

**REVENUE IMPACT OF
PROPOSED LEGISLATION
Seventy-Eighth Oregon Legislative
Assembly
2015 Regular Session
Legislative Revenue Office**

**Bill Number: SB 61 - A10
Revenue Area: Corporate Income Tax
Economist: Paul Warner
Date: 7-1-15**

***Only Impacts on Original or Engrossed
Versions are Considered Official***

Measure Description:

Modifies list of jurisdictions of incorporation for which income must be included on Oregon corporate excise tax return, if corporation is member of unitary group with Oregon corporation. Specifies that the provisions of ORS 314.667 apply to income reported in listed jurisdictions. ORS 314.667 allows the Department of Revenue to use additional methods to apportion income in those cases when application of the apportionment formula does not represent the taxpayer's business activity in the state. This statute also allows taxpayers to petition for an adjustment.

Revenue Impact (in \$Millions):

| Source | 2015-17 | 2017-19 | 2019-21 |
|----------------------|---------|---------|---------|
| Corporate Income Tax | +\$0.1 | +\$0.2 | +\$0.3 |
| General Fund | +\$0.1 | +\$0.2 | +\$0.3 |

Impact Explanation: Estimate starts from 2013 estimate for jurisdictions listed in HB 2460. This estimate is based on actual Montana revenue collections adjusted for Oregon scale and apportionment formula. The estimate for the revenue associated with the additional jurisdictions (Guatemala and Trinidad and Tobago) is based on data from the Bureau of Economic Analysis on reported income of U.S. affiliates by country. The estimates are adjusted for the GDP of the respective countries in order to capture effects from added sales in Oregon's apportionment formula.

Creates, Extends, or Expands Tax Expenditure: Yes No