

House Bill 2103

Introduced and printed pursuant to House Rule 12.00. Pre-session filed (at the request of House Interim 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 taxpayer to establish economic substance of transaction if disputed by Department of Revenue. Sets forth elements of economic substance.

Takes effect on 91st day following adjournment sine die.

A BILL FOR AN ACT

1
2 Relating to the economic substance doctrine; and prescribing an effective date.

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

4 **SECTION 1. Section 2 of this 2015 Act is added to and made a part of ORS chapter 314.**

5 **SECTION 2. In the case of any transaction that the Department of Revenue has disputed**
6 **on the basis of a lack of economic substance, the taxpayer shall establish that:**

7 **(1) The transaction had economic substance beyond tax benefits; and**

8 **(2) The taxpayer had a nontax business purpose for entering into the transaction.**

9 **SECTION 3. This 2015 Act takes effect on the 91st day after the date on which the 2015**
10 **regular session of the Seventy-eighth Legislative Assembly adjourns sine die.**

11

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.