

HB 2274 -2 STAFF MEASURE SUMMARY

House Committee On Revenue

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Meeting Dates: 2/6, 3/30

WHAT THE MEASURE DOES:

Replaces the term "sales" with "receipts", removes the functional test when determining apportioned income, and changes the apportionment method for services/intangibles from cost-of-performance to market-based.

ISSUES DISCUSSED:

- Multistate Tax Commission recommendations
- C-corporation apportionment
- Throwback and throwout rules

EFFECT OF AMENDMENT:

-2

Removes the policy of replacing cost-of-performance apportionment with market-based apportionment

Adds language that confirms the equivalence of the terms 'single sales factor' and 'receipts factor' for purposes of a qualifying investment contract in ORS

BACKGROUND:

These changes align with recommendations from the Multistate Tax Commission (MTC). The MTC is an organization of state tax agencies created in 1967 that promotes tax uniformity among states.