

HB 2274 -3, -4 STAFF MEASURE SUMMARY

House Committee On Revenue

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Meeting Dates: 2/6, 6/12

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:

-3 Limits the bill to the removal of the functional test for determining Oregon sales

-4 Limits the bill to the removal of the functional test for determining Oregon sales and adds clarifying language for the definition of sales

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.