

D R A F T

SUMMARY

Requires addition to taxable income for Oregon tax purposes of amount of gain attributable to sale or exchange of taxpayer's principal residence and excluded from federal taxable income, if in excess of certain threshold.

Applies to tax years beginning on or after January 1, 2018.

Takes effect on 91st day following adjournment sine die.

A BILL FOR AN ACT

Relating to exclusion of capital gain attributable to sale of principal residence; and prescribing an effective date.

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

SECTION 1. Section 2 of this 2017 Act is added to and made a part of ORS chapter 316.

SECTION 2. To derive Oregon taxable income, there shall be added to federal taxable income a positive amount equal to the amount of gain from the sale or exchange of the taxpayer's principal residence excluded under section 121 of the Internal Revenue Code, to the extent that the amount excluded on the federal return exceeds:

(1) \$250,000 for joint return filers, a surviving spouse or a head of household; or

(2) \$125,000 for an individual who is not a married individual and is not a surviving spouse, or is a married individual who files a separate return.

SECTION 3. Section 2 of this 2017 Act applies to tax years beginning on or after January 1, 2018.

SECTION 4. This 2017 Act takes effect on the 91st day after the date

1 **on which the 2017 regular session of the Seventy-ninth Legislative**
2 **Assembly adjourns sine die.**

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