

**SB 153 A STAFF MEASURE SUMMARY**

**Carrier:** Sen. Hass

**Senate Committee On Finance and Revenue**

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**Action Date:** 04/24/17

**Action:** Do pass with amendments. (Printed A-Eng.)

**Vote:** 5-0-0-0

**Yeas:** 5 - Boquist, DeBoer, Hass, Riley, Taylor

**Fiscal:** No fiscal impact

**Revenue:** Has minimal revenue impact

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**WHAT THE MEASURE DOES:**

Clarifies the method of determining taxable income on corporation tax returns when an insurance company is a member of an affiliated group. Allows a 100 percent deduction for dividend payments made by the insurer to the parent company. Applies to open tax years and takes effect on the 91st day following sine die.

**ISSUES DISCUSSED:**

- Federal consolidated tax returns and payments among affiliated members
- Requirement of insurers to file a separate tax return
- Recent court case related to insurer dividend payments

**EFFECT OF AMENDMENT:**

Replaces bill

**BACKGROUND:**

Insurance companies that are members of a consolidated group for purposes of filing federal income taxes are required to file a separate tax return for Oregon. This bill clarifies how dividend income is to be treated when determining Oregon taxable income for the insurance company and the parent company, or the rest of the affiliated group.