

# D R A F T

## SUMMARY

Requires, for Oregon tax purposes, addition to federal taxable income of amounts deducted as global intangible low-tax income.

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

1  
2 Relating to tax treatment of foreign earnings; creating new provisions;  
3 amending ORS 317.267; and prescribing an effective date.

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

5 **SECTION 1.** ORS 317.267, as amended by section 28, chapter 101, Oregon  
6 Laws 2018, is amended to read:

7 317.267. (1) To derive Oregon taxable income, there shall be added to  
8 federal taxable income amounts received as dividends from corporations de-  
9 ducted for federal purposes pursuant to section 243 or 245 of the Internal  
10 Revenue Code, except section 245(c) of the Internal Revenue Code, amounts  
11 deducted for income repatriated, deemed or otherwise, **or deducted as**  
12 **global intangible low-taxed income**, under An Act to Provide for Recon-  
13 ciliation Pursuant to Titles II and V of the Concurrent Resolution on the  
14 Budget for Fiscal Year 2018 (P.L. 115-97), amounts paid as dividends by a  
15 public utility or telecommunications utility and deducted for federal purposes  
16 pursuant to section 247 of the Internal Revenue Code or dividends eliminated  
17 under Treasury Regulations adopted under section 1502 of the Internal Rev-  
18 enue Code that are paid by members of an affiliated group that are elimi-  
19 nated from a consolidated federal return pursuant to ORS 317.715 (2).

20 (2) To derive Oregon taxable income, after the modification prescribed

1 under subsection (1) of this section, there shall be subtracted from federal  
2 taxable income an amount equal to 70 percent of dividends (determined  
3 without regard to section 78 of the Internal Revenue Code) received or  
4 deemed received from corporations if such dividends are included in federal  
5 taxable income. However:

6 (a) In the case of any dividend on debt-financed portfolio stock as de-  
7 scribed in section 246A of the Internal Revenue Code, the subtraction al-  
8 lowed under this subsection shall be reduced under the same conditions and  
9 in same amount as the dividends received deduction otherwise allowable for  
10 federal income tax purposes is reduced under section 246A of the Internal  
11 Revenue Code.

12 (b) In the case of any dividend received from a 20 percent owned corpo-  
13 ration, as defined in section 243(c) of the Internal Revenue Code, this sub-  
14 section shall be applied by substituting “80 percent” for “70 percent.”

15 (c) A dividend that is not treated as a dividend under section 243(d) or  
16 965(c)(3) of the Internal Revenue Code may not be treated as a dividend for  
17 purposes of this subsection.

18 (d) If a dividends received deduction is not allowed for federal tax pur-  
19 poses because of section 246(a) or (c) of the Internal Revenue Code, a sub-  
20 traction may not be made under this subsection for received dividends that  
21 are described in section 246(a) or (c) of the Internal Revenue Code.

22 (e) In the case of any dividend received from an alien, domestic or foreign  
23 insurer, as defined in ORS 731.082, that would be included in the taxpayer’s  
24 consolidated Oregon return but for the application of ORS 317.710 (5) or (7),  
25 this subsection shall be applied by substituting “100 percent” for “70  
26 percent.”

27 (3) There shall be excluded from the sales factor of any apportionment  
28 formula employed to attribute income to this state any amount subtracted  
29 from federal taxable income under subsection (2) of this section.

30 **SECTION 2. The amendments to ORS 317.267 by section 1 of this**  
31 **2019 Act apply to tax years beginning on or after January 1, 2018.**

1        **SECTION 3. This 2019 Act takes effect on the 91st day after the date**  
2        **on which the 2019 regular session of the Eightieth Legislative Assem-**  
3        **bly adjourns sine die.**

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