

DRAFT

**REVENUE IMPACT OF
PROPOSED LEGISLATION
80th Oregon Legislative Assembly
2019 Regular Session
Legislative Revenue Office**

Bill Number:	SB 193 - 3
Revenue Area:	Corporate Tax
Economist:	Chris Allanach
Date:	3-14-2019

***Only Impacts on Original or Engrossed
Versions are Considered Official***

The revenue impact of this measure is indeterminate for the following reasons:

This bill extends for two years a policy that changes how income for interstate broadcasters is apportioned to Oregon. The policy was first put into place for tax year 2014 and then extended in 2018, through tax year 2018. A 2017 Legislative Office Report cited uncertainty regarding the interpretation of current law, thereby leading to an indeterminate revenue impact. The report cited three areas of uncertainty: 1) lack of clarity regarding which companies are interstate broadcasters, 2) which business activities would cause an interstate broadcaster to have nexus in Oregon, and 3) which portion of company's income is subject to apportionment under the interstate broadcaster provisions. There are currently several cases pending in the Oregon court system that could affect the interpretation of current law. Depending on these court decisions the extension of this policy could be either a revenue loss or revenue gain. The affected tax years range across several companies and tax years 2006 through 2013. There are 18 tax years affected with an average tax liability (in dispute) of roughly \$4 million; there may also be penalty and interest, depending on the timing of payments. Given the dependence on the outcome of these court cases, the revenue impact is deemed to be indeterminate.