

GILTI

What is GILTI?

- Global Intangible Low-Taxed Income
- Reoccurring tax on high-return income earned by controlled foreign corporations
- Eligible for a 50% federal deduction
- Also eligible for a credit of 80% of taxes paid to foreign governments
- Treated similar to Subpart F income at federal level (but is not Subpart F income)

The Problem(s)

- Uncertainty regarding how Oregon will treat GILTI for tax purposes
- Potential for double-deduction and/or litigation

Policy Options

- (1) No new legislation- GILTI shows up in FTI and not apportionment percentage, DOR rulemaking
- (2) Allow GILTI to show up in FTI and clarify whether it should be included in denominator of app. %
- (3) Clarify that Oregon treats GILTI similar to Subpart F income, clarify no double deduction
- (4) Decouple from GILTI entirely