

## Background

[Senate Bill 136A](#) modifies the method of apportionment of broadcaster income to Oregon for purposes of the corporate excise tax. An amendment approved in Senate Finance and Revenue clarifies the sales factor computation for taxpayers with broadcaster sales, simplifies department administration, and reduces the chance of disputes in the future.

This bill, as introduced, was identical to [SB 1529A](#) which was discussed during the 2020 Regular legislative session. On February 1, the House Revenue Committee also heard a similar bill, [HB 2455](#), for which the department testified it could be implemented as drafted. After the committee hearing, the department noted a lack of clarity in language in SB 136 and HB 2455 prescribing the contents of the sales factor for a taxpayer with broadcaster sales. For example, some language could be read to mean that a taxpayer with broadcasting sales would calculate two sales factors.

The department brought its concerns to the Legislative Revenue Office (LRO) with a view toward clarifying how the sales factor for a taxpayer with broadcasting sales is calculated. The resulting amendment to SB 136 fully addressed concerns the department raised with LRO.

The department appreciates the chance to work with LRO, MPA, and other broadcasters on this issue. The department will seek out input from MPA and other broadcasters during any rulemaking required during implementation.

## Implementation

Senate Bill 136A applies to tax years beginning on or after January 1, 2020, therefore the department will develop a plan to communicate the retroactive change in tax law to affected taxpayers who will begin filing returns in May 2021. However, most affected taxpayers will file returns in November 2021 which may allow them additional time to comply with changes proposed in SB 136A. The department will be able to implement SB 136A with existing resources.

## Contacts

Marjorie Taylor, Legislative Director – [marjorie.taylor@oregon.gov](mailto:marjorie.taylor@oregon.gov) (503)476-6744

Joe Royston, Corporation/Estate Section Manager - [joseph.royston@oregon.gov](mailto:joseph.royston@oregon.gov) (503)949-6840