

SB 1507 -1 STAFF MEASURE SUMMARY

Senate Committee On Finance and Revenue

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Meeting Dates: 2/7

WHAT THE MEASURE DOES:

Exempts from commercial activity receipts from the sale of prescription drugs, feminine hygiene products, diapers, and baby formula. Applies to tax years beginning on or after January 1, 2023. Takes effect 91 days following adjournment sine die.

ISSUES DISCUSSED:

EFFECT OF AMENDMENT:

-1 Exempts from commercial activity the sale of prescription drugs. Applies to tax years beginning on or after January 1, 2022.

BACKGROUND:

In 2019, the Legislature passed legislation creating the Corporate Activity Tax (CAT) in Oregon. The tax applies to tax years beginning on or after January 1, 2020. SB 1507 changes statute to indicate that sales of prescription drugs, feminine hygiene products, diapers, and baby formula are not considered commercial activity.