

SB 1525 STAFF MEASURE SUMMARY

House Committee On Revenue

Prepared By: Kyle Easton, Economist

Meeting Dates: 2/17, 2/18

WHAT THE MEASURE DOES:

Updates connection date to federal Internal Revenue Code and other provisions of federal tax law from April 1, 2021 to December 31, 2021.

ISSUES DISCUSSED:

- Oregon's continuing connection to the federal definition of taxable income and Oregon's point-in-time connection to federal tax law and other federal provisions
- Measure updates Oregon's point-in-time connection
- Background on recent federal tax law changes
- Effect of Oregon connection to federal tax .

EFFECT OF AMENDMENT:

No amendment.

BACKGROUND:

Oregon has had a continuing connection ("rolling reconnect") to the federal definition of taxable income since tax year 2011. Other ties to federal tax law must be updated on a regular basis, with December 31st being the usual connection date. Over the past forty years, the state has rotated between a policy of automatic connection to federal tax base changes and connection to the federal code at a particular point in time