

SB 141 STAFF MEASURE SUMMARY
Senate Committee On Finance and Revenue

Carrier: Sen. Boquist

Action Date: 02/21/23
Action: Do pass.
Vote: 5-0-0-0
Yeas: 5 - Boquist, Findley, Golden, Jama, Meek
Fiscal: Has minimal fiscal impact
Revenue: Has minimal revenue impact
Prepared By: Jonathan Hart, Economist
Meeting Dates: 2/7, 2/21

WHAT THE MEASURE DOES:

Updates connection date to federal Internal Revenue Code and other provisions of federal law. Updates provisions by one year to December 31, 2022 or January 1, 2023. Takes effect on 91st day following adjournment sine die.

ISSUES DISCUSSED:

- Oregon law's continuing connection to definition of income in Internal Revenue Code
- Need to update point-in-time connection for other definitions in Internal Revenue Code
- Changes in federal law, in particular the SECURE 2.0 Act of 2022
- Benefits of state conformity with Internal Revenue Code

EFFECT OF AMENDMENT:

No amendment.

BACKGROUND:

Oregon has a continuing connection to the federal definition of taxable income (“rolling reconnect”) for personal and corporate income taxes. The rolling reconnect automatically adopts federal changes to the definition and incorporates them into the respective tax calculations. Ties to federal law other than the definition of taxable income must be updated regularly to incorporate changes.