

House Bill 3039

Sponsored by Representative VALDERRAMA (Pre-session filed.)

SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure **as introduced**.

Requires addition to federal taxable income of amounts excluded as gain attributable to investment in federal qualified opportunity zone. Allows subtraction in later tax year if gain is temporarily deferred at federal level.

Applies to tax years beginning on or after January 1, 2023.

Takes effect on 91st day following adjournment sine die.

A BILL FOR AN ACT

1 Relating to opportunity zones; and prescribing an effective date.

2 **Be It Enacted by the People of the State of Oregon:**

3 **SECTION 1. Section 2 of this 2023 Act is added to and made a part of ORS chapter 316.**

4 **SECTION 2. (1) There shall be added to federal taxable income for Oregon tax purposes**
5 **any gain that is excluded from federal taxable income under section 1400Z-2 of the Internal**
6 **Revenue Code for the tax year.**

7 **(2) Any amount added to federal taxable income for Oregon tax purposes under sub-**
8 **section (1) of this section that under section 1400Z of the Internal Revenue Code is tempo-**
9 **rarily deferred gain may thereafter be subtracted from federal taxable income for Oregon tax**
10 **purposes for the year in which the amount is includible in federal taxable income under**
11 **section 1400Z-2(b) of the Internal Revenue Code.**

12 **(3) Any adjustment in basis of opportunity zone property allowed under section 1400Z of**
13 **the Internal Revenue Code for federal tax purposes shall be disregarded for Oregon tax pur-**
14 **poses.**

15 **SECTION 3. Section 4 of this 2023 Act is added to and made a part of ORS chapter 317.**

16 **SECTION 4. (1) There shall be added to federal taxable income for Oregon tax purposes**
17 **any gain that is excluded from federal taxable income under section 1400Z-2 of the Internal**
18 **Revenue Code for the tax year.**

19 **(2) Any amount added to federal taxable income for Oregon tax purposes under sub-**
20 **section (1) of this section that under section 1400Z of the Internal Revenue Code is tempo-**
21 **rarily deferred gain may thereafter be subtracted from federal taxable income for Oregon tax**
22 **purposes for the year in which the amount is includible in federal taxable income under**
23 **section 1400Z-2(b) of the Internal Revenue Code.**

24 **(3) Any adjustment in basis of opportunity zone property allowed under section 1400Z of**
25 **the Internal Revenue Code for federal tax purposes shall be disregarded for Oregon tax pur-**
26 **poses.**

27 **SECTION 5. Sections 2 and 4 of this 2023 Act apply to tax years beginning on or after**
28 **January 1, 2023.**

29 **SECTION 6. This 2023 Act takes effect on the 91st day after the date on which the 2023**
30

NOTE: Matter in **boldfaced** type in an amended section is new; matter [*italic and bracketed*] is existing law to be omitted. New sections are in **boldfaced** type.

1 **regular session of the Eighty-second Legislative Assembly adjourns sine die.**

2
