

## **HB 2092 A    STAFF MEASURE SUMMARY**

### **Senate Committee On Finance and Revenue**

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**Prepared By:** Kyle Easton, Senior Economist

**Meeting Dates:** 4/9

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#### **WHAT THE MEASURE DOES:**

Updates connection date to federal Internal Revenue Code and other provisions of federal law by one year. For provisions unrelated to taxable income, updates connection date to December 31, 2024, or January 1, 2025. For tax years beginning on or after January 1, 2025, and before January 1, 2026, suspends continuous connection to the federal definition of taxable income. Sets tax year 2025 taxable income connection to federal law as in effect on December 31, 2024. Restores continuous connection to federal definition of taxable income for tax years beginning on or after January 1, 2026. Takes effect on the 91st day following adjournment sine die.

#### **ISSUES DISCUSSED:**

#### **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 of taxable income and incorporates them into Oregon tax law. Other ties to federal tax law must be updated on a regular basis, with December 31st being the usual connection date. Oregon has had a continuing connection to the federal definition of taxable income since tax year 2011. Over the past forty years, Oregon has fluctuated between a policy of automatic connection to federal tax base changes and connection to the federal code at a particular point in time. A section-by-section description of the measure can be found in the committee meeting materials.