

HOUSE AMENDMENTS TO HOUSE BILL 2092

By COMMITTEE ON REVENUE

March 18

- 1 On page 1 of the printed bill, line 4, after “316.012,” insert “316.013.”
- 2 In line 5, after “317.010,” insert “317.018.”
- 3 On page 16, delete lines 44 and 45.
- 4 Delete pages 17 through 40 and insert:
- 5 “**SECTION 20.** ORS 314.011, as amended by section 18, chapter 75, Oregon Laws 2024, is
- 6 amended to read:
- 7 “314.011. (1) As used in this chapter, unless the context requires otherwise, ‘department’ means
- 8 the Department of Revenue.
- 9 “(2) As used in this chapter:
- 10 “(a) Any term has the same meaning as when used in a comparable context in the laws of the
- 11 United States relating to federal income taxes, unless a different meaning is clearly required or the
- 12 term is specifically defined in this chapter.
- 13 “(b) Except where the Legislative Assembly has provided otherwise, a reference to the laws of
- 14 the United States or to the Internal Revenue Code refers to the laws of the United States or to the
- 15 Internal Revenue Code as they are amended and in effect[:]
- 16 “[*(A)*] on December 31, [2023; or] **2024**.
- 17 “[*(B)*] *If related to the definition of taxable income, as applicable to the tax year of the taxpayer.*]
- 18 “(c) With respect to ORS 314.105, 314.256 (relating to proxy tax on lobbying expenditures),
- 19 314.260 (1)(b), 314.302, 314.306, 314.330, 314.360, 314.362, 314.385, 314.402, 314.410, 314.412, 314.525,
- 20 314.767 (7), 314.771 and 314.772 and other provisions of this chapter, except those described in par-
- 21 agraph (b) of this subsection, any reference to the laws of the United States or to the Internal Re-
- 22 venue Code means the laws of the United States relating to income taxes or the Internal Revenue
- 23 Code as they are amended on or before December 31, [2023] **2024**, even when the amendments take
- 24 effect or become operative after that date, except where the Legislative Assembly has specifically
- 25 provided otherwise.
- 26 “(3) Insofar as is practicable in the administration of this chapter, the department shall apply
- 27 and follow the administrative and judicial interpretations of the federal income tax law. When a
- 28 provision of the federal income tax law is the subject of conflicting opinions by two or more federal
- 29 courts, the department shall follow the rule observed by the United States Commissioner of Internal
- 30 Revenue until the conflict is resolved. Nothing contained in this section limits the right or duty of
- 31 the department to audit the return of any taxpayer or to determine any fact relating to the tax li-
- 32 ability of any taxpayer.
- 33 “(4) When portions of the Internal Revenue Code incorporated by reference as provided in sub-
- 34 section (2) of this section refer to rules or regulations prescribed by the Secretary of the Treasury,
- 35 then such rules or regulations shall be regarded as rules adopted by the department under and in

1 accordance with the provisions of this chapter, whenever they are prescribed or amended.

2 “(5)(a) When portions of the Internal Revenue Code incorporated by reference as provided in
3 subsection (2) of this section are later corrected by an Act or a Title within an Act of the United
4 States Congress designated as an Act or Title making technical corrections, then notwithstanding
5 the date that the Act or Title becomes law, those portions of the Internal Revenue Code, as so
6 corrected, shall be the portions of the Internal Revenue Code incorporated by reference as provided
7 in subsection (2) of this section and shall take effect, unless otherwise indicated by the Act or Title
8 (in which case the provisions shall take effect as indicated in the Act or Title), as if originally in-
9 cluded in the provisions of the Act being technically corrected. If, on account of this subsection, any
10 adjustment is required to an Oregon return that would otherwise be prevented by operation of law
11 or rule, the adjustment shall be made, notwithstanding any law or rule to the contrary, in the
12 manner provided under ORS 314.135.

13 “(b) As used in this subsection, ‘Act or Title’ includes any subtitle, division or other part of an
14 Act or Title.

15 “**SECTION 21.** ORS 314.306, as amended by section 19, chapter 75, Oregon Laws 2024, is
16 amended to read:

17 “314.306. (1) If a taxpayer excludes an amount from federal gross income by reason of the dis-
18 charge of indebtedness of the taxpayer under section 108(a)(1)(A) of the Internal Revenue Code (re-
19 lating to discharge of indebtedness in a bankruptcy declared under U.S.C. Title 11), then, with
20 respect to that portion of the excluded amount that is apportioned to Oregon, the taxpayer shall
21 apply the rules in 11 U.S.C. 346(j), as amended and in effect on December 31, [2023] **2024**.

22 “(2) If a taxpayer excludes an amount from federal gross income by reason of the discharge of
23 indebtedness of the taxpayer under section 108(a)(1)(B) or (C) of the Internal Revenue Code (relating
24 to discharge of indebtedness in insolvency or discharge of qualified farm indebtedness), then, with
25 respect to that portion of the excluded amount that is apportioned to Oregon, the following para-
26 graphs shall apply, in the following order:

27 “(a) If the taxpayer has made the election under section 108(b)(5) of the Internal Revenue Code
28 to first reduce the basis of the depreciable property of the taxpayer, the election shall also be ef-
29 fective for Oregon tax purposes. A corresponding reduction in the basis of the depreciable property
30 of the taxpayer shall be made for Oregon tax purposes.

31 “(b) The amount, if any, by which the following attributes are reduced under section 108(b)(1)
32 of the Internal Revenue Code for federal tax purposes shall be added back for Oregon tax purposes:

33 “(A) Federal net operating loss.

34 “(B) Capital loss carryover.

35 “(C) Basis of the property of the taxpayer, excluding amounts subject to the election under
36 section 108(b)(5) of the Internal Revenue Code.

37 “(D) Passive activity loss carryover.

38 “(c) Excluding amounts subject to the election in section 108(b)(5) of the Internal Revenue Code:

39 “(A) Any Oregon net operating loss of an individual or corporate taxpayer, including a net op-
40 erating loss carryover to the taxpayer, shall be reduced by the amount of discharged indebtedness.

41 “(B) Any net capital loss for the taxable year of the discharge, and any capital loss carryover
42 to the taxable year, shall be reduced by the amount of discharged indebtedness minus the total
43 amount taken into account under subparagraph (A) of this paragraph.

44 “(C) The basis of the property of the taxpayer shall be reduced by the amount of discharged
45 indebtedness minus the total amount taken into account under subparagraphs (A) and (B) of this

1 paragraph.

2 “(D) The passive activity loss carryover under section 469(b) of the Internal Revenue Code from
3 the taxable year of the discharge shall be reduced by the amount of discharged indebtedness minus
4 the total amount taken into account under subparagraphs (A), (B) and (C) of this paragraph.

5 “**SECTION 22.** ORS 315.004, as amended by section 20, chapter 75, Oregon Laws 2024, is
6 amended to read:

7 “315.004. (1) Except when the context requires otherwise, the definitions contained in ORS
8 chapters 314, 316, 317 and 318 are applicable in the construction, interpretation and application of
9 the personal and corporate income and excise tax credits contained in this chapter.

10 “(2)(a) For purposes of the tax credits contained in this chapter, any term has the same meaning
11 as when used in a comparable context in the laws of the United States relating to federal income
12 taxes, unless a different meaning is clearly required or the term is specifically defined for purposes
13 of construing, interpreting and applying the credit.

14 “(b) With respect to the tax credits contained in this chapter, any reference to the laws of the
15 United States or to the Internal Revenue Code means the laws of the United States relating to in-
16 come taxes or the Internal Revenue Code as they are amended on or before December 31, [2023]
17 **2024**, even when the amendments take effect or become operative after that date.

18 “(3) Insofar as is practicable in the administration of this chapter, the Department of Revenue
19 shall apply and follow the administrative and judicial interpretations of the federal income tax law.
20 When a provision of the federal income tax law is the subject of conflicting opinions by two or more
21 federal courts, the department shall follow the rule observed by the United States Commissioner of
22 Internal Revenue until the conflict is resolved. Nothing contained in this section limits the right
23 or duty of the department to audit the return of any taxpayer or to determine any fact relating to
24 the tax liability of any taxpayer.

25 “(4) When portions of the Internal Revenue Code incorporated by reference as provided in sub-
26 section (2) of this section refer to rules or regulations prescribed by the Secretary of the Treasury,
27 then such rules or regulations shall be regarded as rules adopted by the department under and in
28 accordance with the provisions of this chapter, whenever they are prescribed or amended.

29 “(5)(a) When portions of the Internal Revenue Code incorporated by reference as provided in
30 subsection (2) of this section are later corrected by an Act or a Title within an Act of the United
31 States Congress designated as an Act or Title making technical corrections, then notwithstanding
32 the date that the Act or Title becomes law, those portions of the Internal Revenue Code, as so
33 corrected, shall be the portions of the Internal Revenue Code incorporated by reference as provided
34 in subsection (2) of this section and shall take effect, unless otherwise indicated by the Act or Title
35 (in which case the provisions shall take effect as indicated in the Act or Title), as if originally in-
36 cluded in the provisions of the Act being technically corrected. If, on account of this subsection, any
37 adjustment is required to an Oregon return that would otherwise be prevented by operation of law
38 or rule, the adjustment shall be made, notwithstanding any law or rule to the contrary, in the
39 manner provided under ORS 314.135.

40 “(b) As used in this subsection, ‘Act or Title’ includes any subtitle, division or other part of an
41 Act or Title.

42 “**SECTION 23.** ORS 316.012, as amended by section 21, chapter 75, Oregon Laws 2024, is
43 amended to read:

44 “316.012. Any term used in this chapter has the same meaning as when used in a comparable
45 context in the laws of the United States relating to federal income taxes, unless a different meaning

1 is clearly required or the term is specifically defined in this chapter. Except where the Legislative
2 Assembly has provided otherwise, any reference in this chapter to the laws of the United States or
3 to the Internal Revenue Code refers to the laws of the United States or to the Internal Revenue
4 Code as they are amended and in effect[:]

5 “[(1)] on December 31, [2023; or] **2024**.

6 “[(2) *If related to the definition of taxable income, as applicable to the tax year of the taxpayer.*]

7 “**SECTION 24**. ORS 316.013 is amended to read:

8 “316.013. Unless the context requires otherwise and notwithstanding ORS 316.012, whenever, in
9 the calculation of Oregon taxable income, reference to the taxpayer’s federal adjusted gross income
10 is required to be made, the taxpayer’s federal adjusted gross income shall be as determined under
11 the provisions of the Internal Revenue Code as they may be in effect [*for the tax year of the*
12 *taxpayer*] **on December 31, 2024**, without any of the additions, subtractions or other modifications
13 or adjustments required under this chapter and other laws of this state applicable to personal in-
14 come taxation.

15 “**SECTION 25**. ORS 316.147, as amended by section 22, chapter 75, Oregon Laws 2024, is
16 amended to read:

17 “316.147. As used in ORS 316.147 to 316.149, unless the context requires otherwise:

18 “(1) ‘Eligible taxpayer’ includes any individual who must pay taxes otherwise imposed by this
19 chapter and:

20 “(a) Who pays or incurs expenses for the care of a qualified individual, through a payment
21 method determined by rule of the Department of Revenue; and

22 “(b) Who has a household income, for the taxable year, not to exceed the maximum amount of
23 household income allowed in ORS 310.640 (1989 Edition) for a homeowner or renter refund.

24 “(2) ‘Household income’ means the aggregate income of the eligible taxpayer and the spouse of
25 the taxpayer who reside in the household, that was received during a calendar year. ‘Household
26 income’ includes payments received by the eligible taxpayer or the spouse of the taxpayer under the
27 federal Social Security Act for the benefit of a minor child or minor children who reside in the
28 household.

29 “(3) ‘Income’ means ‘adjusted gross income’ as defined in the federal Internal Revenue Code, as
30 amended and in effect on December 31, [2023] **2024**, even when the amendments take effect or be-
31 come operative after that date, relating to the measurement of taxable income of individuals, estates
32 and trusts, with the following modifications:

33 “(a) There shall be added to adjusted gross income the following items of otherwise exempt in-
34 come:

35 “(A) The gross amount of any otherwise exempt pension less return of investment, if any.

36 “(B) Child support received by the taxpayer.

37 “(C) Inheritances.

38 “(D) Gifts and grants, the sum of which are in excess of \$500 per year.

39 “(E) Amounts received by a taxpayer or spouse of a taxpayer for support from a parent who is
40 not a member of the taxpayer’s household.

41 “(F) Life insurance proceeds.

42 “(G) Accident and health insurance proceeds, except reimbursement of incurred medical ex-
43 penses.

44 “(H) Personal injury damages.

45 “(I) Sick pay that is not included in federal adjusted gross income.

1 “(J) Strike benefits excluded from federal gross income.
2 “(K) Worker’s compensation, except for reimbursement of medical expense.
3 “(L) Military pay and benefits.
4 “(M) Veteran’s benefits.
5 “(N) Payments received under the federal Social Security Act that are excluded from federal
6 gross income.
7 “(O) Welfare payments, except as follows:
8 “(i) Payments for medical care, drugs and medical supplies, if the payments are not made di-
9 rectly to the welfare recipient;
10 “(ii) In-home services authorized and approved by the Department of Human Services; and
11 “(iii) Direct or indirect reimbursement of expenses paid or incurred for participation in work
12 or training programs.
13 “(P) Nontaxable dividends.
14 “(Q) Nontaxable interest not included in federal adjusted gross income.
15 “(R) Rental allowance paid to a minister that is excluded from federal gross income.
16 “(S) Income from sources without the United States that is excluded from federal gross income.
17 “(b) Adjusted gross income shall be increased due to the disallowance of the following de-
18 ductions:
19 “(A) The amount of the net loss, in excess of \$1,000, from all dispositions of tangible or intan-
20 gible properties.
21 “(B) The amount of the net loss, in excess of \$1,000, from the operation of a farm or farms.
22 “(C) The amount of the net loss, in excess of \$1,000, from all operations of a trade or business,
23 profession or other activity entered into for the production or collection of income.
24 “(D) The amount of the net loss, in excess of \$1,000, from tangible or intangible property held
25 for the production of rents, royalties or other income.
26 “(E) The amount of any net operating loss carryovers or carrybacks included in federal adjusted
27 gross income.
28 “(F) The amount, in excess of \$5,000, of the combined deductions or other allowances for de-
29 preciation, amortization or depletion.
30 “(G) The amount added or subtracted, as required within the context of this section, for ad-
31 justments made under ORS 316.680 (2)(d) and 316.707 to 316.737.
32 “(c) ‘Income’ does not include the following:
33 “(A) Any governmental grant that must be used by the taxpayer for rehabilitation of the home-
34 stead of the taxpayer.
35 “(B) Any refund of Oregon personal income taxes that were imposed under this chapter.
36 “(4) ‘Qualified individual’ includes an individual at least 60 years of age on the date that the
37 expenses described in subsection (1)(a) of this section are paid or incurred by the eligible taxpayer:
38 “(a) Whose household income does not exceed \$7,500 for the calendar year in which the taxable
39 year of the taxpayer begins;
40 “(b) Who is eligible for authorized services as defined in ORS 410.410 under Oregon Project In-
41 dependence;
42 “(c) Who is certified by the Department of Human Services; and
43 “(d) Whose care or any portion thereof is not paid for under ORS chapter 414.
44 “**SECTION 26.** ORS 316.157, as amended by section 23, chapter 75, Oregon Laws 2024, is
45 amended to read:

1 “316.157. (1) In the case of an eligible individual, there shall be allowed as a credit against the
2 taxes otherwise due under this chapter for the taxable year an amount equal to the lesser of the tax
3 liability of the taxpayer or nine percent of net pension income.

4 “(2) For purposes of this section:

5 “(a) ‘Eligible individual’ means any individual who is receiving pension income and who has at-
6 tained 62 years of age before the close of the taxable year.

7 “(b) ‘Household income’ means the aggregate income of the taxpayer and the spouse of the tax-
8 payer who reside in the household, that was received during the taxable year for which a credit is
9 claimed, except that ‘household income’ does not include Social Security benefits received by the
10 taxpayer or the spouse of the taxpayer.

11 “(c) ‘Income’ means ‘adjusted gross income’ as defined in the federal Internal Revenue Code, as
12 amended and in effect on December 31, [2023] **2024**, even when the amendments take effect or be-
13 come operative after that date, relating to the measurement of taxable income of individuals, estates
14 and trusts, with the following modifications:

15 “(A) There shall be added to adjusted gross income the following items of otherwise exempt in-
16 come:

17 “(i) The gross amount of any otherwise exempt pension less return of investment, if any.

18 “(ii) Child support received by the taxpayer.

19 “(iii) Inheritances.

20 “(iv) Gifts and grants, the sum of which are in excess of \$500 per year.

21 “(v) Amounts received by a taxpayer or spouse of a taxpayer for support from a parent who is
22 not a member of the taxpayer’s household.

23 “(vi) Life insurance proceeds.

24 “(vii) Accident and health insurance proceeds, except reimbursement of incurred medical ex-
25 penses.

26 “(viii) Personal injury damages.

27 “(ix) Sick pay that is not included in federal adjusted gross income.

28 “(x) Strike benefits excluded from federal gross income.

29 “(xi) Worker’s compensation, except for reimbursement of medical expense.

30 “(xii) Military pay and benefits.

31 “(xiii) Veteran’s benefits.

32 “(xiv) Payments received under the federal Social Security Act that are excluded from federal
33 gross income.

34 “(xv) Welfare payments, except as follows:

35 “(I) Payments for medical care, drugs and medical supplies, if the payments are not made di-
36 rectly to the welfare recipient;

37 “(II) In-home services authorized and approved by the Department of Human Services; and

38 “(III) Direct or indirect reimbursement of expenses paid or incurred for participation in work
39 or training programs.

40 “(xvi) Nontaxable dividends.

41 “(xvii) Nontaxable interest not included in federal adjusted gross income.

42 “(xviii) Rental allowance paid to a minister that is excluded from federal gross income.

43 “(xix) Income from sources without the United States that is excluded from federal gross income.

44 “(B) Adjusted gross income shall be increased due to the disallowance of the following de-
45 ductions:

1 “(i) The amount of the net loss, in excess of \$1,000, from all dispositions of tangible or intangible
2 properties.

3 “(ii) The amount of the net loss, in excess of \$1,000, from the operation of a farm or farms.

4 “(iii) The amount of the net loss, in excess of \$1,000, from all operations of a trade or business,
5 profession or other activity entered into for the production or collection of income.

6 “(iv) The amount of the net loss, in excess of \$1,000, from tangible or intangible property held
7 for the production of rents, royalties or other income.

8 “(v) The amount of any net operating loss carryovers or carrybacks included in federal adjusted
9 gross income.

10 “(vi) The amount, in excess of \$5,000, of the combined deductions or other allowances for de-
11preciation, amortization or depletion.

12 “(vii) The amount added or subtracted, as required within the context of this section, for ad-
13justments made under ORS 316.680 (2)(d) and 316.707 to 316.737.

14 “(C) ‘Income’ does not include the following:

15 “(i) Any governmental grant that must be used by the taxpayer for rehabilitation of the home-
16stead of the taxpayer.

17 “(ii) Any refund of Oregon personal income taxes that were imposed under this chapter.

18 “(d) ‘Net pension income’ means:

19 “(A) For eligible individuals filing a joint return, the lesser of the pension income of the eligible
20 individuals received during the taxable year or the excess, if any, of \$15,000 over the sum of the
21 following amounts:

22 “(i) Any Social Security benefits received by the eligible individual, or by the spouse of the in-
23dividual, during the taxable year; and

24 “(ii) The excess, if any, of household income over \$30,000.

25 “(B) For an eligible individual filing a return other than a joint return, the lesser of the pension
26 income of the eligible individual received during the taxable year or the excess, if any, of \$7,500
27 over the sum of the following amounts:

28 “(i) Any Social Security benefits received by the eligible individual during the taxable year; and

29 “(ii) The excess, if any, of household income over \$15,000.

30 “(e) ‘Pension income’ means income included in Oregon taxable income from:

31 “(A) Distributions from or pursuant to an employee pension benefit plan, as defined in section
32 3(2) of the Employee Retirement Income Security Act of 1974, which satisfies the requirements of
33 section 401 of the Internal Revenue Code;

34 “(B) Distributions from or pursuant to a public retirement system of this state or a political
35 subdivision of this state, or a public retirement system created by an Act of this state or a political
36 subdivision of this state, or the public retirement system of any other state or local government;

37 “(C) Distributions from or pursuant to a federal retirement system created by the federal gov-
38 ernment for any officer or employee of the United States, including any person retired from service
39 in the United States Civil Service, the Armed Forces of the United States or any agency or subdi-
40 vision thereof;

41 “(D) Distributions or withdrawals from or pursuant to an eligible deferred compensation plan
42 which satisfies the requirements of section 457 of the Internal Revenue Code;

43 “(E) Distributions or withdrawals from or pursuant to an individual retirement account, annuity
44 or trust or simplified employee pension which satisfies the requirements of section 408 of the Inter-
45 nal Revenue Code; and

1 “(F) Distributions or withdrawals from or pursuant to an employee annuity, including custodial
2 accounts treated as annuities, subject to section 403 (a) or (b) of the Internal Revenue Code.

3 “(f) ‘Social Security benefits’ means Social Security benefits, as defined in section 86 of the
4 Internal Revenue Code (Title II Social Security or tier 1 railroad retirement benefits).

5 “(3) If a change in the taxable year of the eligible individual occurs as described in ORS 314.085,
6 or if the Department of Revenue terminates the tax year of the eligible individual under ORS
7 314.440, the credit allowed by this section shall be prorated or computed in a manner consistent with
8 ORS 314.085.

9 “(4) If a change in the status of the eligible individual from resident to nonresident or from
10 nonresident to resident occurs, the credit allowed by this section shall be determined in a manner
11 consistent with subsection (1) of this section.

12 “**SECTION 27.** ORS 317.010, as amended by section 24, chapter 75, Oregon Laws 2024, is
13 amended to read:

14 “317.010. As used in this chapter, unless the context requires otherwise:

15 “(1) ‘Centrally assessed corporation’ means every corporation the property of which is assessed
16 by the Department of Revenue under ORS 308.505 to 308.674.

17 “(2) ‘Department’ means the Department of Revenue.

18 “(3)(a) ‘Consolidated federal return’ means the return permitted or required to be filed by a
19 group of affiliated corporations under section 1501 of the Internal Revenue Code.

20 “(b) ‘Consolidated state return’ means the return required to be filed under ORS 317.710 (5).

21 “(4) ‘Doing business’ means any transaction or transactions in the course of its activities con-
22 ducted within the state by a national banking association, or any other corporation; provided, how-
23 ever, that a foreign corporation whose activities in this state are confined to purchases of personal
24 property, and the storage thereof incident to shipment outside the state, shall not be deemed to be
25 doing business unless such foreign corporation is an affiliate of another foreign or domestic corpo-
26 ration which is doing business in Oregon. Whether or not corporations are affiliated shall be de-
27 termined as provided in section 1504 of the Internal Revenue Code.

28 “(5) ‘Excise tax’ means a tax measured by or according to net income imposed upon national
29 banking associations, all other banks, and financial, centrally assessed, mercantile, manufacturing
30 and business corporations for the privilege of carrying on or doing business in this state.

31 “(6) ‘Financial institution’ has the meaning given that term in ORS 314.610 except that it does
32 not include a credit union as defined in ORS 723.006, an interstate credit union as defined in ORS
33 723.001 or a federal credit union.

34 “(7) ‘Internal Revenue Code,’ except where the Legislative Assembly has provided otherwise,
35 refers to the laws of the United States or to the Internal Revenue Code as they are amended and
36 in effect[:]

37 “[*(a)*] on December 31, [2023; *or*] **2024**.

38 “[*(b)* *If related to the definition of taxable income, as applicable to the tax year of the taxpayer.*]

39 “(8) ‘Oregon taxable income’ means taxable income, less the deduction allowed under ORS
40 317.476, except as otherwise provided with respect to insurers in subsection (11) of this section and
41 ORS 317.650 to 317.665.

42 “(9) ‘Oregon net loss’ means taxable loss, except as otherwise provided with respect to insurers
43 in subsection (11) of this section and ORS 317.650 to 317.665.

44 “(10) ‘Taxable income or loss’ means the taxable income or loss determined, or in the case of a
45 corporation for which no federal taxable income or loss is determined, as would be determined, un-

1 der chapter 1, Subtitle A of the Internal Revenue Code and any other laws of the United States
2 relating to the determination of taxable income or loss of corporate taxpayers, with the additions,
3 subtractions, adjustments and other modifications as are specifically prescribed by this chapter ex-
4 cept that in determining taxable income or loss for any year, no deduction under ORS 317.476 or
5 317.478 and section 45b, chapter 293, Oregon Laws 1987, shall be allowed. If the corporation is a
6 corporation to which ORS 314.280 or 314.605 to 314.675 (requiring or permitting apportionment of
7 income from transactions or activities carried on both within and without the state) applies, to
8 derive taxable income or loss, the following shall occur:

9 “(a) From the amount otherwise determined under this subsection, subtract nonapportionable
10 income, or add nonapportionable loss, whichever is applicable.

11 “(b) Multiply the amount determined under paragraph (a) of this subsection by the Oregon ap-
12 portionment percentage defined under ORS 314.280, 314.650 or 314.667, whichever is applicable. The
13 resulting product shall be Oregon apportioned income or loss.

14 “(c) To the amount determined as Oregon apportioned income or loss under paragraph (b) of this
15 subsection, add nonapportionable income allocable entirely to Oregon under ORS 314.280 or 314.625
16 to 314.645, or subtract nonapportionable loss allocable entirely to Oregon under ORS 314.280 or
17 314.625 to 314.645. The resulting figure is ‘taxable income or loss’ for those corporations carrying
18 on taxable transactions or activities both within and without Oregon.

19 “(11) As used in ORS 317.122 and 317.650 to 317.665, ‘insurer’ means any domestic, foreign or
20 alien insurer as defined in ORS 731.082 and any interinsurance and reciprocal exchange and its at-
21 torney in fact with respect to its attorney in fact net income as a corporate attorney in fact acting
22 as attorney in compliance with ORS 731.458, 731.462, 731.466 and 731.470 for the reciprocal or
23 interinsurance exchange. However, ‘insurer’ does not include title insurers or health care service
24 contractors operating pursuant to ORS 750.005 to 750.095.

25 “**SECTION 28.** ORS 317.018 is amended to read:

26 “317.018. It is the intent of the Legislative Assembly:

27 “(1) To make the Oregon corporate excise tax law, insofar as it relates to the measurement of
28 taxable income, identical to the provisions of the federal Internal Revenue Code, as in effect and
29 applicable [*for the tax year of the taxpayer*] **on December 31, 2024**, to the end that taxable income
30 of a corporation for Oregon purposes is the same as it is for federal income tax purposes, subject
31 to Oregon’s jurisdiction to tax, and subject to the additions, subtractions, adjustments and modifi-
32 cations contained in this chapter.

33 “(2) To achieve the results desired under subsection (1) of this section by application of the
34 various provisions of the federal Internal Revenue Code relating to the definitions for corporations,
35 of income, deductions, accounting methods, accounting periods, taxation of corporations, basis and
36 other pertinent provisions relating to gross income. It is not the intent of the Legislative Assembly
37 to adopt federal Internal Revenue Code provisions dealing with the computation of tax, tax credits
38 or any other provisions designed to mitigate the amount of tax due.

39 “(3) To impose on each corporation doing business within this state an excise tax for the privi-
40 lege of carrying on or doing that business measured by its federal taxable income as adjusted in this
41 chapter.

42 “**SECTION 29.** ORS 317.097, as amended by section 25, chapter 75, Oregon Laws 2024, is
43 amended to read:

44 “317.097. (1) As used in this section:

45 “(a) ‘Annual rate’ means the yearly interest rate specified on the note, and not the annual per-

1 centage rate, if any, disclosed to the applicant to comply with the federal Truth in Lending Act.

2 “(b) ‘Bonds’ means a bond, as defined in ORS 286A.001, if issued on behalf of the Housing and
3 Community Services Department, or bonds, as defined in ORS 456.055, if issued by a housing au-
4 thority.

5 “(c) ‘Finance charge’ means the total of all interest, loan fees, interest on any loan fees financed
6 by the lending institution, and other charges related to the cost of obtaining credit.

7 “(d) ‘Lending institution’ means any insured institution, as that term is defined in ORS 706.008,
8 any mortgage banking company that maintains an office in this state or any community development
9 corporation that is organized under the Oregon Nonprofit Corporation Law.

10 “(e) ‘Limited equity cooperative’ means a cooperative corporation formed under ORS chapter 62
11 whose articles of incorporation, in addition to the other requirements of ORS chapter 62, prohibit
12 members from selling their ownership interests:

13 “(A) To any person other than a low income person; or

14 “(B) For a sales price that exceeds the sum of:

15 “(i) The price the member paid for the ownership interest;

16 “(ii) The cost of any permanent improvements the member made to the housing unit during the
17 member’s ownership;

18 “(iii) Any special assessments the member paid to the limited equity cooperative during the
19 member’s ownership that were expended to make permanent improvements to the building in which
20 the member’s housing unit is located; and

21 “(iv) A return on the amounts described in sub-subparagraphs (i) to (iii) of this subparagraph,
22 computed from the year in which the respective amount was paid, that equals the greater of the
23 result of adjusting each amount by the percentage increase, if any, in the Consumer Price Index for
24 All Urban Consumers, West Region (All Items), as published by the Bureau of Labor Statistics of the
25 United States Department of Labor, or of increasing each amount by three percent compounded
26 annually.

27 “(f) ‘Manufactured dwelling park’ has the meaning given that term in ORS 446.003.

28 “(g) ‘Nonprofit corporation’ means a corporation that is exempt from income taxes under section
29 501(c)(3) or (4) of the Internal Revenue Code as amended and in effect on December 31, [2023]
30 **2024.**

31 “(h) ‘Preservation project’ means housing that was previously developed as affordable housing
32 with a contract for rent assistance from the United States Department of Housing and Urban De-
33 velopment or the United States Department of Agriculture and that is being acquired by a spon-
34 soring entity.

35 “(i) ‘Qualified assignee’ means any investor participating in the secondary market for real estate
36 loans.

37 “(j) ‘Qualified borrower’ means any borrower that is a sponsoring entity that has a controlling
38 interest in the real property that is financed by a qualified loan. A controlling interest includes a
39 controlling interest in the general partner of a limited partnership that owns the real property.

40 “(k) ‘Qualified loan’ means:

41 “(A) A loan that meets the criteria stated in subsection (5) of this section or that is made to
42 refinance a loan that meets the criteria described in subsection (5) of this section; or

43 “(B) The purchase by a lending institution of bonds, the proceeds of which are used to finance
44 or refinance a loan that meets the criteria described in subsection (5) of this section.

45 “(L) ‘Sponsoring entity’ means a nonprofit corporation, nonprofit cooperative, state govern-

1 mental entity, local unit of government as defined in ORS 466.706, housing authority or any other
2 person, provided that the person has agreed to restrictive covenants imposed by a nonprofit corpo-
3 ration, nonprofit cooperative, state governmental entity, local unit of government or housing au-
4 thority.

5 “(2) The Department of Revenue shall allow a credit against taxes otherwise due under this
6 chapter for the tax year to a lending institution that makes a qualified loan certified by the Housing
7 and Community Services Department as provided in subsection (7) of this section. The amount of the
8 credit is equal to the difference between:

9 “(a) The amount of finance charge charged by the lending institution during the tax year at an
10 annual rate less than the market rate for a qualified loan that is made before January 1, 2026, that
11 complies with the requirements of this section; and

12 “(b) The amount of finance charge that would have been charged during the tax year by the
13 lending institution for the qualified loan for housing construction, development, acquisition or re-
14 habilitation measured at the annual rate charged by the lending institution for nonsubsidized loans
15 made under like terms and conditions at the time the qualified loan for housing construction, de-
16 velopment, acquisition or rehabilitation is made.

17 “(3) The maximum amount of credit for the difference between the amounts described in sub-
18 section (2)(a) and (b) of this section may not exceed four percent of the average unpaid balance of
19 the qualified loan during the tax year for which the credit is claimed.

20 “(4) Any tax credit allowed under this section that is not used by the taxpayer in a particular
21 year may be carried forward and offset against the taxpayer’s tax liability for the next succeeding
22 tax year. Any credit remaining unused in the next succeeding tax year may be carried forward and
23 used in the second succeeding tax year, and likewise, any credit not used in that second succeeding
24 tax year may be carried forward and used in the third succeeding tax year, and any credit not used
25 in that third succeeding tax year may be carried forward and used in the fourth succeeding tax year,
26 and any credit not used in that fourth succeeding tax year may be carried forward and used in the
27 fifth succeeding tax year, but may not be carried forward for any tax year thereafter.

28 “(5) To be eligible for the tax credit allowable under this section, a lending institution must
29 make a qualified loan by either purchasing bonds, the proceeds of which are used to finance or re-
30 finance a loan that meets the criteria stated in this subsection, or making a loan directly to:

31 “(a) An individual or individuals who own a dwelling, participate in an owner-occupied commu-
32 nity rehabilitation program and are certified by the local government or its designated agent as
33 having an income level when the loan is made of 80 percent of the area median income or less;

34 “(b) A qualified borrower who:

35 “(A) Uses the loan proceeds to finance construction, development, acquisition or rehabilitation
36 of housing, including housing in the form of a limited equity cooperative; and

37 “(B) Provides a written certification executed by the Housing and Community Services Depart-
38 ment that the:

39 “(i) Housing created by the loan is or will be occupied by households earning 80 percent of the
40 area median income or less; and

41 “(ii) Full amount of savings from the reduced interest rate provided by the lending institution
42 is or will be passed on, in the form of reduced housing payments, to the tenants or to the holders
43 of proprietary leases in a limited equity cooperative;

44 “(c) Subject to subsection (14) of this section, a qualified borrower who:

45 “(A) Uses the loan proceeds to finance construction, development, acquisition or rehabilitation

1 of housing consisting of a manufactured dwelling park; and

2 “(B) Provides a written certification executed by the Housing and Community Services Depart-
3 ment that the housing will continue to be operated as a manufactured dwelling park during the pe-
4 riod for which the tax credit is allowed;

5 “(d) A qualified borrower who:

6 “(A) Uses the loan proceeds to finance acquisition or rehabilitation of housing consisting of a
7 preservation project; and

8 “(B) Provides a written certification executed by the Housing and Community Services Depart-
9 ment that the housing preserved by the loan:

10 “(i) Is or will be occupied by households earning 80 percent of the area median income or less;
11 and

12 “(ii) Is the subject of a rent assistance contract with the United States Department of Housing
13 and Urban Development or the United States Department of Agriculture that will be maintained by
14 the qualified borrower; or

15 “(e) A qualified borrower who:

16 “(A) Uses the loan proceeds to finance construction, development, acquisition or rehabilitation
17 of housing; and

18 “(B) Provides a written certification executed by the Housing and Community Services Depart-
19 ment or the governmental party to the rent assistance contract that the housing preserved by the
20 loan:

21 “(i) Is or will be occupied by households earning 80 percent of the area median income or less;
22 and

23 “(ii) Is the subject of a rent assistance contract with the federal government or with a state or
24 local government that will be maintained by the qualified borrower and that limits a tenant’s rent
25 to no more than 30 percent of their income.

26 “(6) A loan made to refinance a loan that meets the criteria stated in subsection (5) of this
27 section must be treated the same as a loan that meets the criteria stated in subsection (5) of this
28 section.

29 “(7) For a qualified loan to be eligible for the tax credit allowable under this section, the
30 Housing and Community Services Department must execute a written certification for the qualified
31 loan that:

32 “(a) States that the qualified loan is within the limitation imposed by subsection (8) of this sec-
33 tion; and

34 “(b) Specifies the period, as determined by the Housing and Community Services Department,
35 during which the tax credit is allowed for the qualified loan, not to exceed:

36 “(A) 30 years, for a qualified loan with a contract for rent assistance or financing resources
37 from the United States Department of Agriculture, for new housing construction, acquisition of
38 housing or a preservation project; or

39 “(B) 20 years, for any other type of qualified loan.

40 “(8) The Housing and Community Services Department may certify qualified loans that are eli-
41 gible under subsection (5) of this section if the total credits attributable to all qualified loans eligible
42 for credits under this section and then outstanding do not exceed \$35 million for any fiscal year. In
43 making loan certifications under subsection (7) of this section, the Housing and Community Services
44 Department shall attempt to distribute the tax credits statewide, but shall concentrate the tax
45 credits in those areas of the state that are determined by the Oregon Housing Stability Council to

1 have the greatest need for affordable housing.

2 “(9) The tax credit provided for in this section may be taken whether or not:

3 “(a) The financial institution is eligible to take a federal income tax credit under section 42 of
4 the Internal Revenue Code with respect to the project financed by the qualified loan; or

5 “(b) The project receives financing from bonds, the interest on which is exempt from federal
6 taxation under section 103 of the Internal Revenue Code.

7 “(10) For a qualified loan defined in subsection (1)(k)(B) of this section financed through the
8 purchase of bonds, the interest of which is exempt from federal taxation under section 103 of the
9 Internal Revenue Code, the amount of finance charge that would have been charged under sub-
10 section (2)(b) of this section is determined by reference to the finance charge that would have been
11 charged if the federally tax exempt bonds had been issued and the tax credit under this section did
12 not apply.

13 “(11) A lending institution may sell a qualified loan for which a certification has been executed
14 to a qualified assignee whether or not the lending institution retains servicing of the qualified loan
15 so long as a designated lending institution maintains records, annually verified by a loan servicer,
16 that establish the amount of tax credit earned by the taxpayer throughout each year of eligibility.

17 “(12) Notwithstanding any other provision of law, a lending institution that is a community de-
18 velopment corporation organized under the Oregon Nonprofit Corporation Law may transfer all or
19 part of a tax credit allowed under this section to one or more other lending institutions that are
20 stockholders or members of the community development corporation or that otherwise participate
21 through the community development corporation in the making of one or more qualified loans for
22 which the tax credit under this section is allowed.

23 “(13) The lending institution shall file an annual statement with the Housing and Community
24 Services Department, specifying that it has conformed with all requirements imposed by law to
25 qualify for a tax credit under this section.

26 “(14) Notwithstanding subsection (1)(j) and (L) of this section, a qualified borrower on a loan to
27 finance the construction, development, acquisition or rehabilitation of a manufactured dwelling park
28 under subsection (5)(c) of this section must be:

29 “(a) A nonprofit corporation, manufactured dwelling park nonprofit cooperative, state govern-
30 mental entity, local unit of government as defined in ORS 466.706 or housing authority; or

31 “(b) A nonprofit corporation or housing authority that has a controlling interest in the real
32 property that is financed by a qualified loan. A controlling interest includes a controlling interest
33 in the general partner of a limited partnership that owns the real property.

34 “(15) The Department of Revenue may require that a lending institution that has earned the
35 credit and a lending institution that intends to claim the credit jointly file a notice, as prescribed
36 by the Department of Revenue. The notice must comply with ORS 315.056 (2) or 315.058 (2).

37 “(16) The Housing and Community Services Department shall provide information to the De-
38 partment of Revenue about all certifications executed under this section, if required by ORS 315.058.

39 “(17) The Housing and Community Services Department and the Department of Revenue may
40 adopt rules to carry out the provisions of this section.

41 “**SECTION 30.** ORS 317A.100, as amended by section 26, chapter 75, Oregon Laws 2024, is
42 amended to read:

43 “317A.100. As used in ORS 317A.100 to 317A.158:

44 “(1)(a) ‘Commercial activity’ means:

45 “(A) The total amount realized by a person, arising from transactions and activity in the regular

1 course of the person's trade or business, without deduction for expenses incurred by the trade or
2 business;

3 "(B) If received by a financial institution:

4 "(i) If the reporting person for a financial institution is a holding company, all items of income
5 reported on the FR Y-9 filed by the holding company;

6 "(ii) If the reporting person for a financial institution is a bank organization, all items of income
7 reported on the call report filed by the bank organization; and

8 "(iii) If the reporting person for a financial institution is a nonbank financial organization, all
9 items of income reported in accordance with generally accepted accounting principles; and

10 "(C)(i) If received by an insurer, as reported on the statement of premiums accompanying the
11 annual statement required under ORS 731.574 to be filed with the Director of the Department of
12 Consumer and Business Services, all gross direct life insurance premiums, gross direct accident and
13 health insurance premiums and gross direct property and casualty insurance premiums; and

14 "(ii) The gross amount of surplus lines premiums received on Oregon home state risks as shown
15 in the report required by ORS 735.465.

16 "(b) 'Commercial activity' does not include:

17 "(A) Interest income except:

18 "(i) Interest on credit sales; or

19 "(ii) Interest income, including service charges, received by financial institutions;

20 "(B) Receipts from the sale, exchange or other disposition of an asset described in section 1221
21 or 1231 of the Internal Revenue Code, without regard to the length of time the person held the asset;

22 "(C) If received by an insurer, federally reinsured premiums or income from transactions be-
23 tween a reciprocal insurer and its attorney in fact operating under ORS 731.142;

24 "(D) Receipts from hedging transactions, to the extent that the transactions are entered into
25 primarily to protect a financial position, including transactions intended to manage the risk of ex-
26 posure to foreign currency fluctuations that affect assets, liabilities, profits, losses, equity or in-
27 vestments in foreign operations, risk of exposure to interest rate fluctuations or risk of commodity
28 price fluctuations;

29 "(E) Proceeds received attributable to the repayment, maturity or redemption of the principal
30 of a loan, bond, mutual fund, certificate of deposit or marketable instrument;

31 "(F) The principal amount received under a repurchase agreement or on account of any trans-
32 action properly characterized as a loan to the person;

33 "(G) Contributions received by a trust, plan or other arrangement, any of which is described in
34 section 501(a) of the Internal Revenue Code, or to which title 26, subtitle A, chapter 1, subchapter
35 (D) of the Internal Revenue Code applies;

36 "(H) Compensation, whether current or deferred, and whether in cash or in kind, received or to
37 be received by an employee, a former employee or the employee's legal successor for services ren-
38 dered to or for an employer, including reimbursements received by or for an individual for medical
39 or education expenses, health insurance premiums or employee expenses or on account of a de-
40 pendent care spending account, legal services plan, any cafeteria plan described in section 125 of
41 the Internal Revenue Code or any similar employee reimbursement;

42 "(I) Proceeds received from the issuance of the taxpayer's own stock, options, warrants, puts or
43 calls, or from the sale of the taxpayer's treasury stock;

44 "(J) Proceeds received on the account of payments from insurance policies, including crop in-
45 surance policies, owned by the taxpayer, except those proceeds received for the loss of commercial

1 activity;

2 “(K) Gifts or charitable contributions received, membership dues received by trade, professional,
3 homeowners’ or condominium associations, payments received for educational courses, meetings or
4 meals, or similar payments to a trade, professional or other similar association, and fundraising re-
5 cepts received by any person when any excess receipts are donated or used exclusively for chari-
6 table purposes;

7 “(L) Damages received as the result of litigation in excess of amounts that, if received without
8 litigation, would be treated as commercial activity;

9 “(M) Property, money and other amounts received or acquired by an agent on behalf of another
10 in excess of the agent’s commission, fee or other remuneration;

11 “(N) Tax refunds from any tax program, other tax benefit recoveries and reimbursements for the
12 tax imposed under ORS 317A.100 to 317A.158 made by entities that are part of the same unitary
13 group as provided under ORS 317A.106, and reimbursements made by entities that are not members
14 of a unitary group that are required to be made for economic parity among multiple owners of an
15 entity whose tax obligation under ORS 317A.100 to 317A.158 is required to be reported and paid
16 entirely by one owner, as provided in ORS 317A.106;

17 “(O) Pension reversions;

18 “(P) Contributions to capital;

19 “(Q) Receipts from the sale, transfer, exchange or other disposition of motor vehicle fuel or any
20 other product used for the propulsion of motor vehicles;

21 “(R) In the case of receipts from the sale of cigarettes or tobacco products by a wholesale
22 dealer, retail dealer, distributor, manufacturer or seller, an amount equal to the federal and state
23 excise taxes paid by any person on or for such cigarettes or tobacco products under subtitle E of
24 the Internal Revenue Code or ORS chapter 323;

25 “(S) In the case of receipts from the sale of malt beverages or wine, as defined in ORS 471.001,
26 cider, as defined in ORS 471.023 or distilled liquor, as defined in ORS 471.001, by a person holding
27 a license issued under ORS chapter 471, an amount equal to the federal and state excise taxes paid
28 by any person on or for such malt beverages, wine or distilled liquor under subtitle E of the Internal
29 Revenue Code or ORS chapter 471 or 473, and any amount paid to the Oregon Liquor and Cannabis
30 Commission for sales of distilled spirits by an agent appointed under ORS 471.750;

31 “(T) In the case of receipts from the sale of marijuana items, as defined in ORS 475C.009, by a
32 person holding a license issued under ORS 475C.005 to 475C.525, an amount equal to the federal and
33 state excise taxes paid by any person on or for such marijuana items under subtitle E of the Internal
34 Revenue Code or ORS 475C.670 to 475C.734 and any local retail taxes authorized under ORS
35 475C.453;

36 “(U) Local taxes collected by a restaurant or other food establishment on sales of meals, pre-
37 pared food or beverages;

38 “(V) Tips or gratuities collected by a restaurant or other food establishment and passed on to
39 employees;

40 “(W) Receipts realized by a vehicle dealer certified under ORS 822.020 or a person described in
41 ORS 320.400 (8)(a)(B) from the sale or other transfer of a motor vehicle, as defined in ORS 801.360,
42 to another vehicle dealer for the purpose of resale by the transferee vehicle dealer, but only if the
43 sale or other transfer was based upon the transferee’s need to meet a specific customer’s preference
44 for a motor vehicle or is an exchange of new vehicles between franchised motor vehicle dealerships;

45 “(X) Registration fees or taxes collected by a vehicle dealer certified under ORS 822.020 or a

1 person described in ORS 320.400 (8)(a)(B) at the sale or other transfer of a motor vehicle, as defined
2 in ORS 801.360, that are owed to a third party by the purchaser of the motor vehicle and passed to
3 the third party by the dealer;

4 “(Y) Receipts from a financial institution for services provided to the financial institution in
5 connection with the issuance, processing, servicing and management of loans or credit accounts, if
6 the financial institution and the recipient of the receipts have at least 50 percent of their ownership
7 interests owned or controlled, directly or constructively through related interests, by common own-
8 ers;

9 “(Z) In the case of amounts retained as commissions by a holder of a license under ORS chapter
10 462, an amount equal to the amounts specified under ORS chapter 462 that must be paid to or col-
11 lected by the Department of Revenue as a tax and the amounts specified under ORS chapter 462 to
12 be used as purse money;

13 “(AA) Receipts of residential care facilities as defined in ORS 443.400 or in-home care agencies
14 as defined in ORS 443.305, to the extent that the receipts are derived from or received as compen-
15 sation for providing services to a medical assistance or Medicare recipient;

16 “(BB) Dividends received;

17 “(CC) Distributive income received from a pass-through entity;

18 “(DD) Receipts from sales to a wholesaler in this state, if the seller receives certification at the
19 time of sale from the wholesaler that the wholesaler will sell the purchased property outside this
20 state;

21 “(EE) Receipts from the wholesale or retail sale of groceries, including receipts of a person that
22 owns groceries at the time of sale and compensation of any consignee engaged in effecting the sale
23 of groceries on behalf the owner of the groceries, but only to the extent that the compensation re-
24 lates to grocery sales;

25 “(FF) Receipts from transactions among members of a unitary group;

26 “(GG) Moneys, including public purpose charge moneys collected under ORS 757.612 and moneys
27 collected to plan for and pursue cost-effective energy efficiency resources under ORS 757.054, that
28 are collected from customers, passed to a utility and approved by the Public Utility Commission and
29 that support energy conservation, renewable resource acquisition and low-income assistance pro-
30 grams;

31 “(HH) Moneys collected by a utility from customers for the payment of loans through on-bill fi-
32 nancing;

33 “(II) Surcharges collected under ORS 757.736;

34 “(JJ) Moneys passed to a utility by the Bonneville Power Administration for the purpose of
35 effectuating the Regional Power Act Exchange credits or pursuant to any settlement associated with
36 the exchange credit;

37 “(KK) Moneys collected or recovered, by entities listed in ORS 756.310, cable operators as de-
38 fined in 47 U.S.C. 522(5), telecommunications carriers as defined in 47 U.S.C. 153(51) and providers
39 of information services as defined in 47 U.S.C. 153(24), for fees payable under ORS 756.310, right-of-
40 way fees, franchise fees, privilege taxes, federal taxes and local taxes;

41 “(LL) Charges paid to the Residential Service Protection Fund required by chapter 290, Oregon
42 Laws 1987;

43 “(MM) Universal service surcharge moneys collected or recovered and paid into the universal
44 service fund established in ORS 759.425;

45 “(NN) Moneys collected for public purpose funding as described in ORS 759.430;

1 “(OO) Moneys collected or recovered and paid into the federal universal service fund as deter-
2 mined by the Federal Communications Commission;

3 “(PP) In the case of a seller or provider of telecommunications services, the amount of tax im-
4 posed under ORS 403.200 for access to the emergency communications system that is collected from
5 subscribers or consumers;

6 “(QQ) In the case of a transient lodging tax collector, the amount of tax imposed under ORS
7 320.305 and of any local transient lodging tax imposed upon the occupancy of transit lodging;

8 “(RR) In the case of a seller of bicycles, the amount of tax imposed under ORS 320.415 upon
9 retail sales of bicycles;

10 “(SS) In the case of a qualified heavy equipment provider, the amount of tax imposed under ORS
11 307.872 upon the rental price of heavy equipment;

12 “(TT) Farmer sales to an agricultural cooperative in this state that is a cooperative organization
13 described in section 1381 of the Internal Revenue Code;

14 “(UU) Revenue received by a business entity that is mandated by contract or subcontract to be
15 distributed to another person or entity if the revenue constitutes sales commissions that are paid
16 to a person who is not an employee of the business entity, including, without limitation, a split-fee
17 real estate commission;

18 “(VV) Receipts from the sale of fluid milk by dairy farmers that are not members of an agri-
19 cultural cooperative; and

20 “(WW)(i) Cost paid by a dealer for items of precious metal.

21 “(ii) As used in this subparagraph, ‘item of precious metal’ means an item of gold, silver,
22 platinum, rhodium or palladium that has been put through a process of smelting or refining and that
23 is in a state or condition that its value depends on its contents and not its form.

24 “(2) ‘Cost inputs’ means:

25 “(a) The cost of goods sold as calculated in arriving at federal taxable income under the Internal
26 Revenue Code; or

27 “(b) In the case of a taxpayer that is engaged in a farming operation, as defined in ORS
28 317A.102, and that does not report cost of goods sold for federal tax purposes, the taxpayer’s oper-
29 ating expenses excluding labor costs.

30 “(3) ‘Doing business’ means engaging in any activity, whether legal or illegal, that is conducted
31 for, or results in, the receipt of commercial activity at any time during a calendar year.

32 “(4) ‘Excluded person’ means any of the following:

33 “(a) Organizations described in sections 501(c) and 501(j) of the Internal Revenue Code, unless
34 the exemption is denied under section 501(h), (i) or (m) or under section 502, 503 or 505 of the
35 Internal Revenue Code.

36 “(b) Organizations described in section 501(d) of the Internal Revenue Code, unless the ex-
37emption is denied under section 502 or 503 of the Internal Revenue Code.

38 “(c) Organizations described in section 501(e) of the Internal Revenue Code.

39 “(d) Organizations described in section 501(f) of the Internal Revenue Code.

40 “(e) Charitable risk pools described in section 501(n) of the Internal Revenue Code.

41 “(f) Organizations described in section 521 of the Internal Revenue Code.

42 “(g) Qualified state tuition programs described in section 529 of the Internal Revenue Code.

43 “(h) Foreign or alien insurance companies, but only with respect to the underwriting profit de-
44 rived from writing wet marine and transportation insurance subject to tax under ORS 731.824 and
45 731.828 or if an insurance company is subject to the retaliatory tax under ORS 731.854 and 731.859.

1 “(i) Governmental entities.

2 “(j) Any person with commercial activity that does not exceed \$750,000 for the tax year, other
3 than a person that is part of a unitary group as provided in ORS 317A.106 with commercial activity
4 in excess of \$750,000.

5 “(k) Hospitals subject to assessment under ORS 414.855, long term care facilities subject to as-
6 sessment under ORS 409.801 or any entity subject to assessment under ORS 414.880 or section 3 or
7 5, chapter 538, Oregon Laws 2017.

8 “(L) Manufactured dwelling park nonprofit cooperatives organized under ORS chapter 62.

9 “(5) ‘Financial institution’ has the meaning given that term in ORS 314.610, except that ‘financial
10 institution’ does not include a credit union.

11 “(6)(a) ‘FR Y-9’ means the consolidated or parent-only financial statements that a holding com-
12 pany is required to file with the Federal Reserve Board pursuant to 12 U.S.C. 1844.

13 “(b) In the case of a holding company required to file both consolidated and parent-only financial
14 statements, ‘FR Y-9’ means the consolidated financial statements that the holding company is re-
15 quired to file.

16 “(7) ‘Governmental entity’ means:

17 “(a) The United States and any of its unincorporated agencies and instrumentalities.

18 “(b) Any incorporated agency or instrumentality of the United States wholly owned by the
19 United States or by a corporation wholly owned by the United States.

20 “(c) The State of Oregon and any of its unincorporated agencies and instrumentalities.

21 “(d) Any county, city, district or other political subdivision of the state.

22 “(e) A special government body as defined in ORS 174.117.

23 “(f) A federally recognized Indian tribe.

24 “(8) ‘Groceries’ means food as defined in 7 U.S.C. 2012(k), but does not include cannabinoid
25 edibles or marijuana seeds.

26 “(9)(a) ‘Hedging transaction’ means a hedging transaction as defined in section 1221 of the
27 Internal Revenue Code or a transaction accorded hedge accounting treatment under Financial Ac-
28 counting Standards Board Statement No. 133.

29 “(b) ‘Hedging transaction’ does not include a transaction in which an actual transfer of title of
30 real or tangible property to another entity occurs.

31 “(10) ‘Insurer’ has the meaning given that term in ORS 317.010.

32 “(11) ‘Internal Revenue Code,’ except where the Legislative Assembly has provided otherwise,
33 refers to the laws of the United States or to the Internal Revenue Code as they are amended and
34 in effect on December 31, [2023] **2024**.

35 “(12) ‘Labor costs’ means total compensation of all employees, not to include compensation paid
36 to any single employee in excess of \$500,000.

37 “(13)(a) ‘Motor vehicle fuel or any other product used for the propulsion of motor vehicles’
38 means:

39 “(A) Motor vehicle fuel as defined in ORS 319.010; and

40 “(B) Fuel the use of which in a motor vehicle is subject to taxation under ORS 319.530.

41 “(b) ‘Motor vehicle fuel or any other product used for the propulsion of motor vehicles’ does not
42 mean:

43 “(A) Electricity; or

44 “(B) Electric batteries or any other mechanical or physical component or accessory of a motor
45 vehicle.

1 “(14) ‘Person’ includes individuals, combinations of individuals of any form, receivers, assignees,
2 trustees in bankruptcy, firms, companies, joint-stock companies, business trusts, estates, partner-
3 ships, limited liability partnerships, limited liability companies, associations, joint ventures, clubs,
4 societies, entities organized as for-profit corporations under ORS chapter 60, C corporations, S cor-
5 porations, qualified subchapter S subsidiaries, qualified subchapter S trusts, trusts, entities that are
6 disregarded for federal income tax purposes and any other entities.

7 “(15) ‘Retailer’ means a person doing business by selling tangible personal property to a pur-
8 chaser for a purpose other than:

9 “(a) Resale by the purchaser of the property as tangible personal property in the regular course
10 of business;

11 “(b) Incorporation by the purchaser of the property in the course of regular business as an in-
12 gredient or component of real or personal property; or

13 “(c) Consumption by the purchaser of the property in the production for sale of a new article
14 of tangible personal property.

15 “(16) ‘Taxable commercial activity’ means commercial activity sourced to this state under ORS
16 317A.128, less any subtraction pursuant to ORS 317A.119.

17 “(17)(a) ‘Taxpayer’ means any person or unitary group required to register, file or pay tax under
18 ORS 317A.100 to 317A.158.

19 “(b) ‘Taxpayer’ does not include excluded persons, except to the extent that a tax-exempt entity
20 has unrelated business income as described in the Internal Revenue Code.

21 “(18) ‘Tax year’ means, except as otherwise provided in ORS 317A.103, a taxpayer’s annual ac-
22 counting period used for federal income tax purposes under section 441 of the Internal Revenue
23 Code.

24 “(19)(a) ‘Unitary business’ means a business enterprise in which there exists directly or indi-
25 rectly between the members or parts of the enterprise a sharing or exchange of value as demon-
26 strated by:

27 “(A) Centralized management or a common executive force;

28 “(B) Centralized administrative services or functions resulting in economies of scale; or

29 “(C) Flow of goods, capital resources or services demonstrating functional integration.

30 “(b) ‘Unitary business’ may include a business enterprise the activities of which:

31 “(A) Are in the same general line of business, such as manufacturing, wholesaling or retailing;

32 or

33 “(B) Constitute steps in a vertically integrated process, such as the steps involved in the pro-
34 duction of natural resources, which might include exploration, mining, refining and marketing.

35 “(20) ‘Unitary group’ means a group of persons with more than 50 percent common ownership,
36 either direct or indirect, that is engaged in business activities that constitute a unitary business.

37 “(21) ‘Wholesaler’ means a person primarily doing business by merchant distribution of tangible
38 personal property to retailers or to other wholesalers.

39 “**SECTION 31.** ORS 458.670, as amended by section 27, chapter 75, Oregon Laws 2024, is
40 amended to read:

41 “458.670. As used in this section and ORS 458.675 to 458.700, unless the context requires other-
42 wise:

43 “(1) ‘Account holder’ means a resident of this state who:

44 “(a) Is 12 years of age or older;

45 “(b) Is a member of a lower income household; and

1 “(c) Has established an individual development account with a fiduciary organization.

2 “(2) ‘Fiduciary organization’ means an organization selected under ORS 458.695 to administer
3 state moneys directed to individual development accounts and that is:

4 “(a) A nonprofit, fund raising organization that is exempt from taxation under section 501(c)(3)
5 of the Internal Revenue Code as amended and in effect on December 31, [2023] **2024**; or

6 “(b) A federally recognized Oregon Indian tribe that is located, to a significant degree, within
7 the boundaries of this state.

8 “(3) ‘Financial institution’ means:

9 “(a) An organization regulated under ORS chapters 706 to 716 or 723; or

10 “(b) In the case of individual development accounts established for the purpose described in ORS
11 458.685 (1)(c), a financial institution as defined in ORS 178.300.

12 “(4) ‘Individual development account’ means a contract between an account holder and a
13 fiduciary organization, for the deposit of funds into a financial institution by the account holder and
14 the deposit of matching funds into a designated account by the fiduciary organization, to allow the
15 account holder to accumulate assets for use toward achieving a specific purpose approved by the
16 fiduciary organization.

17 “(5) ‘Lower income household’ means a household having an income equal to or less than the
18 greater of the following:

19 “(a) 80 percent of the median household income for the area as determined by the Housing and
20 Community Services Department. In making the determination, the department shall give consider-
21 ation to any data on area household income published by the United States Department of Housing
22 and Urban Development.

23 “(b) 200 percent of the poverty guidelines as determined by the Housing and Community Ser-
24 vices Department. In making the determination, the department shall give consideration to poverty
25 guidelines published by the United States Department of Health and Human Services and may con-
26 sider other income data periodically published by other federal or Oregon agencies.

27 “(6)(a) ‘Net worth’ means a calculation based on the net value of assets of a household estab-
28 lished by rule by the Housing and Community Services Department.

29 “(b) ‘Net worth’ does not include:

30 “(A) Equity in one residence and in one vehicle.

31 “(B) Holdings in pension accounts valued at less than \$120,000.

32 “(7) ‘Resident of this state’ has the meaning given that term in ORS 316.027.

33 “**SECTION 32.** ORS 657.010, as amended by section 28, chapter 75, Oregon Laws 2024, is
34 amended to read:

35 “657.010. As used in this chapter, unless the context requires otherwise:

36 “(1) ‘Base year’ means the first four of the last five completed calendar quarters preceding the
37 benefit year.

38 “(2) ‘Benefits’ means the money allowances payable to unemployed persons under this chapter.

39 “(3) ‘Benefit year’ means a period of 52 consecutive weeks commencing with the first week with
40 respect to which an individual files an initial valid claim for benefits, and thereafter the 52 consec-
41 utive weeks period beginning with the first week with respect to which the individual next files an
42 initial valid claim after the termination of the individual’s last preceding benefit year except that
43 the benefit year shall be 53 weeks if the filing of an initial valid claim would result in overlapping
44 any quarter of the base year of a previously filed initial valid claim.

45 “(4) ‘Calendar quarter’ means the period of three consecutive calendar months ending on March

1 31, June 30, September 30 or December 31, or the approximate equivalent thereof, as the Director
2 of the Employment Department may, by rule, prescribe.

3 “(5) ‘Contribution’ or ‘contributions’ means the taxes that are the money payments required by
4 this chapter, or voluntary payments permitted, to be made to the Unemployment Compensation Trust
5 Fund.

6 “(6) ‘Educational institution,’ including an institution of higher education, means an institution:

7 “(a) In which participants, trainees or students are offered an organized course of study or
8 training designed to transfer to them knowledge, skills, information, doctrines, attitudes or abilities
9 from, by or under the guidance of an instructor or teacher;

10 “(b) That is accredited, registered, approved, licensed or issued a permit to operate as a school
11 by the Department of Education or other government agency, or that offers courses for credit that
12 are transferable to an approved, registered or accredited school;

13 “(c) In which the course or courses of study or training that it offers may be academic, techni-
14 cal, trade or preparation for gainful employment in a recognized occupation; and

15 “(d) In which the course or courses of study or training are offered on a regular and continuing
16 basis.

17 “(7) ‘Employment office’ means a free public employment office or branch thereof, operated by
18 this state or maintained as a part of a state-controlled system of public employment offices.

19 “(8) ‘Hospital’ has the meaning given that term in ORS 442.015.

20 “(9) ‘Institution of higher education’ means an educational institution that:

21 “(a) Admits as regular students only individuals having a certificate of graduation from a high
22 school, or the recognized equivalent of such a certificate;

23 “(b) Is legally authorized in this state to provide a program of education beyond high school;

24 “(c) Provides an educational program for which it awards a bachelor’s or higher degree, or
25 provides a program that is acceptable for full credit toward such a degree, a program of post-
26 graduate or post-doctoral studies, or a program of training to prepare students for gainful employ-
27 ment in a recognized occupation; and

28 “(d) Is a public or other nonprofit institution.

29 “(10) ‘Instructional capacity’ does not include services performed as an instructional assistant
30 as defined in ORS 342.120.

31 “(11) ‘Internal Revenue Code’ means the federal Internal Revenue Code, as amended and in ef-
32 fect on December 31, [2023] **2024**.

33 “(12) ‘Nonprofit employing unit’ means an organization, or group of organizations, described in
34 section 501(c)(3) of the Internal Revenue Code that is exempt from income tax under section 501(a)
35 of the Internal Revenue Code.

36 “(13) ‘State’ includes, in addition to the states of the United States of America, the District of
37 Columbia and Puerto Rico. However, for all purposes of this chapter the Virgin Islands shall be
38 considered a state on and after the day on which the United States Secretary of Labor first approves
39 the Virgin Islands’ law under section 3304(a) of the Federal Unemployment Tax Act as amended by
40 Public Law 94-566.

41 “(14) ‘Taxes’ means the money payments to the Unemployment Compensation Trust Fund re-
42 quired, or voluntary payments permitted, by this chapter.

43 “(15) ‘Valid claim’ means any claim for benefits made in accordance with ORS 657.260 if the
44 individual meets the wages-paid-for-employment requirements of ORS 657.150.

45 “(16) ‘Week’ means any period of seven consecutive calendar days ending at midnight, as the

1 director may prescribe by rule.

2 **“SECTION 33.** ORS 657B.010, as amended by sections 3 and 4, chapter 20, Oregon Laws 2024,
3 and section 29, chapter 75, Oregon Laws 2024, is amended to read:

4 “657B.010. As used in this chapter:

5 “(1) ‘Alternate base year’ means the last four completed calendar quarters preceding the benefit
6 year.

7 “(2) ‘Average weekly wage’ means the amount calculated by the Employment Department as the
8 state average weekly covered wage under ORS 657.150 (4)(e) as determined not more than once per
9 year.

10 “(3) ‘Base year’ means the first four of the last five completed calendar quarters preceding the
11 benefit year.

12 “(4) ‘Benefits’ means family and medical leave insurance benefits.

13 “(5)(a) ‘Benefit year’ means, except as provided in paragraph (b) of this subsection, a period of
14 52 consecutive weeks beginning on the Sunday immediately preceding the date on which family
15 leave, medical leave or safe leave commences.

16 “(b) ‘Benefit year’ means, in the event that the 52-week period described in paragraph (a) of this
17 subsection would result in an overlap of any quarter of the base year of a previously filed valid
18 claim, a period of 53 consecutive weeks beginning on the Sunday immediately preceding the date
19 on which family leave, medical leave or safe leave commences.

20 “(6) ‘Child’ means:

21 “(a) A biological child, adopted child, stepchild or foster child of a covered individual or of the
22 covered individual’s spouse or domestic partner;

23 “(b) A person who is or was a legal ward of a covered individual or of the covered individual’s
24 spouse or domestic partner; or

25 “(c) A person who is or was in a relationship of in loco parentis with a covered individual or
26 with the covered individual’s spouse or domestic partner.

27 “(7) ‘Claimant’ means an individual who has submitted an application or established a claim for
28 benefits.

29 “(8) ‘Contribution’ or ‘contributions’ means the money payments made by any of the following
30 under ORS 657B.150:

31 “(a) An employer;

32 “(b) An employee;

33 “(c) A self-employed individual;

34 “(d) A tribal government; or

35 “(e) An employee of a tribal government.

36 “(9) ‘Covered individual’ means any one of the following who qualifies under ORS 657B.015 to
37 receive family and medical leave insurance benefits:

38 “(a) An eligible employee;

39 “(b) A self-employed individual; or

40 “(c) An employee of a tribal government.

41 “(10) ‘Domestic partner’ means an individual joined in a domestic partnership.

42 “(11) ‘Domestic partnership’ has the meaning given that term in ORS 106.310.

43 “(12) ‘Eligible employee’ means:

44 “(a)(A) An employee who has earned at least \$1,000 in wages during the base year; or

45 “(B) If an employee has not earned at least \$1,000 in wages during the base year, an employee

1 who has earned at least \$1,000 in wages during the alternate base year; and

2 “(b) An employee to whom paid family and medical leave insurance benefits may be available

3 under ORS 657B.015.

4 “(13) ‘Eligible employee’s average weekly wage’ means an amount calculated by the Director of

5 the Employment Department by dividing the total wages earned by an eligible employee during the

6 base year by the number of weeks in the base year.

7 “(14)(a) ‘Employee’ means:

8 “(A) An individual performing services for an employer for remuneration or under any contract

9 of hire, written or oral, express or implied.

10 “(B) A home care worker as defined in ORS 410.600.

11 “(b) ‘Employee’ does not include:

12 “(A) An independent contractor as defined in ORS 670.600.

13 “(B) A participant in a work training program administered under a state or federal assistance

14 program.

15 “(C) A participant in a work-study program that provides students in secondary or

16 postsecondary educational institutions with employment opportunities for financial assistance or

17 vocational training.

18 “(D) A railroad worker exempted under the federal Railroad Unemployment Insurance Act.

19 “(E) A volunteer.

20 “(F) A judge as defined in ORS 260.005.

21 “(G) A member of the Legislative Assembly.

22 “(H) A holder of public office as defined in ORS 260.005.

23 “(15)(a) ‘Employer’ means any person that employs one or more employees working anywhere in

24 this state or any agent or employee of such person to whom the duties of the person under this

25 chapter have been delegated.

26 “(b) ‘Employer’ includes:

27 “(A) A political subdivision of this state or any county, city, district, authority or public corpo-

28 ration, or any instrumentality of a county, city, district, authority or public corporation, organized

29 and existing under law or charter;

30 “(B) An individual;

31 “(C) Any type of organization, corporation, partnership, limited liability company, association,

32 trust, estate, joint stock company or insurance company;

33 “(D) Any successor in interest to an entity described in subparagraph (C) of this paragraph;

34 “(E) A trustee, trustee in bankruptcy or receiver; or

35 “(F) A trustee or legal representative of a deceased person.

36 “(c) ‘Employer’ does not include the federal government or a tribal government.

37 “(16) ‘Employment agency’ has the meaning given that term in ORS 658.005.

38 “(17) ‘Family and medical leave insurance benefits’ means the wage replacement benefits that

39 are available to a covered individual under ORS 657B.050 or under the terms of an employer plan

40 approved under ORS 657B.210, for family leave, medical leave or safe leave.

41 “(18)(a) ‘Family leave’ means leave from work taken by a covered individual:

42 “(A) To care for and bond with a child during the first year after the child’s birth or during the

43 first year after the placement of the child through foster care or adoption;

44 “(B) To effectuate the legal process required for placement of a foster child or the adoption of

45 a child; or

1 “(C) To care for a family member with a serious health condition.

2 “(b) ‘Family leave’ does not mean:

3 “(A) Leave described in ORS 659A.159 (1)(a) except for leave to care for a child who requires

4 home care due to an illness, injury or condition that is a serious health condition;

5 “(B) Leave described in ORS 659A.159 (1)(b); or

6 “(C) Leave authorized under ORS 659A.093.

7 “(19) ‘Family member’ means:

8 “(a) The spouse of a covered individual;

9 “(b) A child or the child’s spouse or domestic partner;

10 “(c) A parent or the parent’s spouse or domestic partner;

11 “(d) A sibling or stepsibling of a covered individual or the sibling’s or stepsibling’s spouse or

12 domestic partner;

13 “(e) A grandparent of a covered individual or the grandparent’s spouse or domestic partner;

14 “(f) A grandchild of a covered individual or the grandchild’s spouse or domestic partner;

15 “(g) The domestic partner of a covered individual; or

16 “(h) Any individual related by blood or affinity whose close association with a covered individ-

17 ual is the equivalent of a family relationship.

18 “(20) ‘Medical leave’ means leave from work taken by a covered individual that is made neces-

19 sary by the individual’s own serious health condition.

20 “(21) ‘Parent’ means:

21 “(a) A biological parent, adoptive parent, stepparent or foster parent of a covered individual;

22 “(b) A person who was a foster parent of a covered individual when the covered individual was

23 a minor;

24 “(c) A person designated as the legal guardian of a covered individual at the time the covered

25 individual was a minor or required a legal guardian;

26 “(d) A person with whom a covered individual was or is in a relationship of in loco parentis;

27 or

28 “(e) A parent of a covered individual’s spouse or domestic partner who meets a description un-

29 der paragraphs (a) to (d) of this subsection.

30 “(22) ‘Safe leave’ means leave taken for any purpose described in ORS 659A.272.

31 “(23) ‘Self-employed individual’ means:

32 “(a) An individual who has self-employment income as defined in section 1402(b) of the Internal

33 Revenue Code as amended and in effect on December 31, [2023] **2024**; or

34 “(b) An independent contractor as defined in ORS 670.600.

35 “(24) ‘Serious health condition’ means:

36 “(a) An illness, injury, impairment or physical or mental condition that requires inpatient care

37 in a hospital, hospice or residential medical care facility;

38 “(b) An illness, disease or condition that in the medical judgment of the treating health care

39 provider poses an imminent danger of death, is terminal in prognosis with a reasonable possibility

40 of death in the near future, or requires constant care;

41 “(c) Any period of disability due to pregnancy, or period of absence for prenatal care; or

42 “(d) Any period of absence for the donation of a body part, organ or tissue, including preoper-

43 ative or diagnostic services, surgery, post-operative treatment and recovery.

44 “(25) ‘Third party administrator’ means a third party that enters into an agreement with the

45 Director of the Employment Department to implement and administer the paid family and medical

1 leave program established under this chapter.

2 “(26) ‘Tribal government’ means:

3 “(a) A tribal government as defined in ORS 181A.940; or

4 “(b) A federally recognized Indian tribe.

5 “(27)(a) ‘Wages’ has the meaning given that term in ORS 657.105.

6 “(b) ‘Wages’ does not mean contribution amounts paid to the Paid Family and Medical Leave
7 Insurance Fund by an employer on behalf of an employee under ORS 657B.150 (5).

8 “**SECTION 34.** ORS 314.011, as amended by section 18, chapter 75, Oregon Laws 2024, and
9 section 20 of this 2025 Act, is amended to read:

10 “314.011. (1) As used in this chapter, unless the context requires otherwise, ‘department’ means
11 the Department of Revenue.

12 “(2) As used in this chapter:

13 “(a) Any term has the same meaning as when used in a comparable context in the laws of the
14 United States relating to federal income taxes, unless a different meaning is clearly required or the
15 term is specifically defined in this chapter.

16 “(b) Except where the Legislative Assembly has provided otherwise, a reference to the laws of
17 the United States or to the Internal Revenue Code refers to the laws of the United States or to the
18 Internal Revenue Code as they are amended and in effect:

19 “(A) On December 31, 2024[.]; or

20 “(B) **If related to the definition of taxable income, as applicable to the tax year of the**
21 **taxpayer.**

22 “(c) With respect to ORS 314.105, 314.256 (relating to proxy tax on lobbying expenditures),
23 314.260 (1)(b), 314.302, 314.306, 314.330, 314.360, 314.362, 314.385, 314.402, 314.410, 314.412, 314.525,
24 314.767 (7), 314.771 and 314.772 and other provisions of this chapter, except those described in par-
25 agraph (b) of this subsection, any reference to the laws of the United States or to the Internal Re-
26 venue Code means the laws of the United States relating to income taxes or the Internal Revenue
27 Code as they are amended on or before December 31, 2024, even when the amendments take effect
28 or become operative after that date, except where the Legislative Assembly has specifically provided
29 otherwise.

30 “(3) Insofar as is practicable in the administration of this chapter, the department shall apply
31 and follow the administrative and judicial interpretations of the federal income tax law. When a
32 provision of the federal income tax law is the subject of conflicting opinions by two or more federal
33 courts, the department shall follow the rule observed by the United States Commissioner of Internal
34 Revenue until the conflict is resolved. Nothing contained in this section limits the right or duty of
35 the department to audit the return of any taxpayer or to determine any fact relating to the tax li-
36 ability of any taxpayer.

37 “(4) When portions of the Internal Revenue Code incorporated by reference as provided in sub-
38 section (2) of this section refer to rules or regulations prescribed by the Secretary of the Treasury,
39 then such rules or regulations shall be regarded as rules adopted by the department under and in
40 accordance with the provisions of this chapter, whenever they are prescribed or amended.

41 “(5)(a) When portions of the Internal Revenue Code incorporated by reference as provided in
42 subsection (2) of this section are later corrected by an Act or a Title within an Act of the United
43 States Congress designated as an Act or Title making technical corrections, then notwithstanding
44 the date that the Act or Title becomes law, those portions of the Internal Revenue Code, as so
45 corrected, shall be the portions of the Internal Revenue Code incorporated by reference as provided

1 in subsection (2) of this section and shall take effect, unless otherwise indicated by the Act or Title
2 (in which case the provisions shall take effect as indicated in the Act or Title), as if originally in-
3 cluded in the provisions of the Act being technically corrected. If, on account of this subsection, any
4 adjustment is required to an Oregon return that would otherwise be prevented by operation of law
5 or rule, the adjustment shall be made, notwithstanding any law or rule to the contrary, in the
6 manner provided under ORS 314.135.

7 “(b) As used in this subsection, ‘Act or Title’ includes any subtitle, division or other part of an
8 Act or Title.

9 “**SECTION 35.** ORS 316.012, as amended by section 21, chapter 75, Oregon Laws 2024, and
10 section 23 of this 2025 Act, is amended to read:

11 “316.012. Any term used in this chapter has the same meaning as when used in a comparable
12 context in the laws of the United States relating to federal income taxes, unless a different meaning
13 is clearly required or the term is specifically defined in this chapter. Except where the Legislative
14 Assembly has provided otherwise, any reference in this chapter to the laws of the United States or
15 to the Internal Revenue Code refers to the laws of the United States or to the Internal Revenue
16 Code as they are amended and in effect:

17 “(1) On December 31, 2024[.]; or

18 “(2) **If related to the definition of taxable income, as applicable to the tax year of the**
19 **taxpayer.**

20 “**SECTION 36.** ORS 316.013, as amended by section 24 of this 2025 Act, is amended to read:

21 “316.013. Unless the context requires otherwise and notwithstanding ORS 316.012, whenever, in
22 the calculation of Oregon taxable income, reference to the taxpayer’s federal adjusted gross income
23 is required to be made, the taxpayer’s federal adjusted gross income shall be as determined under
24 the provisions of the Internal Revenue Code as they may be in effect [on December 31, 2024] **for the**
25 **tax year of the taxpayer** without any of the additions, subtractions or other modifications or ad-
26 justments required under this chapter and other laws of this state applicable to personal income
27 taxation.

28 “**SECTION 37.** ORS 317.010, as amended by section 24, chapter 75, Oregon Laws 2024, and
29 section 27 of this 2025 Act, is amended to read:

30 “317.010. As used in this chapter, unless the context requires otherwise:

31 “(1) ‘Centrally assessed corporation’ means every corporation the property of which is assessed
32 by the Department of Revenue under ORS 308.505 to 308.674.

33 “(2) ‘Department’ means the Department of Revenue.

34 “(3)(a) ‘Consolidated federal return’ means the return permitted or required to be filed by a
35 group of affiliated corporations under section 1501 of the Internal Revenue Code.

36 “(b) ‘Consolidated state return’ means the return required to be filed under ORS 317.710 (5).

37 “(4) ‘Doing business’ means any transaction or transactions in the course of its activities con-
38 ducted within the state by a national banking association, or any other corporation; provided, how-
39 ever, that a foreign corporation whose activities in this state are confined to purchases of personal
40 property, and the storage thereof incident to shipment outside the state, shall not be deemed to be
41 doing business unless such foreign corporation is an affiliate of another foreign or domestic corpo-
42 ration which is doing business in Oregon. Whether or not corporations are affiliated shall be de-
43 termined as provided in section 1504 of the Internal Revenue Code.

44 “(5) ‘Excise tax’ means a tax measured by or according to net income imposed upon national
45 banking associations, all other banks, and financial, centrally assessed, mercantile, manufacturing

1 and business corporations for the privilege of carrying on or doing business in this state.

2 “(6) ‘Financial institution’ has the meaning given that term in ORS 314.610 except that it does
3 not include a credit union as defined in ORS 723.006, an interstate credit union as defined in ORS
4 723.001 or a federal credit union.

5 “(7) ‘Internal Revenue Code,’ except where the Legislative Assembly has provided otherwise,
6 refers to the laws of the United States or to the Internal Revenue Code as they are amended and
7 in effect:

8 “(a) On December 31, 2024[.]; or

9 “(b) **If related to the definition of taxable income, as applicable to the tax year of the
10 taxpayer.**

11 “(8) ‘Oregon taxable income’ means taxable income, less the deduction allowed under ORS
12 317.476, except as otherwise provided with respect to insurers in subsection (11) of this section and
13 ORS 317.650 to 317.665.

14 “(9) ‘Oregon net loss’ means taxable loss, except as otherwise provided with respect to insurers
15 in subsection (11) of this section and ORS 317.650 to 317.665.

16 “(10) ‘Taxable income or loss’ means the taxable income or loss determined, or in the case of a
17 corporation for which no federal taxable income or loss is determined, as would be determined, un-
18 der chapter 1, Subtitle A of the Internal Revenue Code and any other laws of the United States
19 relating to the determination of taxable income or loss of corporate taxpayers, with the additions,
20 subtractions, adjustments and other modifications as are specifically prescribed by this chapter ex-
21 cept that in determining taxable income or loss for any year, no deduction under ORS 317.476 or
22 317.478 and section 45b, chapter 293, Oregon Laws 1987, shall be allowed. If the corporation is a
23 corporation to which ORS 314.280 or 314.605 to 314.675 (requiring or permitting apportionment of
24 income from transactions or activities carried on both within and without the state) applies, to
25 derive taxable income or loss, the following shall occur:

26 “(a) From the amount otherwise determined under this subsection, subtract nonapportionable
27 income, or add nonapportionable loss, whichever is applicable.

28 “(b) Multiply the amount determined under paragraph (a) of this subsection by the Oregon ap-
29 portionment percentage defined under ORS 314.280, 314.650 or 314.667, whichever is applicable. The
30 resulting product shall be Oregon apportioned income or loss.

31 “(c) To the amount determined as Oregon apportioned income or loss under paragraph (b) of this
32 subsection, add nonapportionable income allocable entirely to Oregon under ORS 314.280 or 314.625
33 to 314.645, or subtract nonapportionable loss allocable entirely to Oregon under ORS 314.280 or
34 314.625 to 314.645. The resulting figure is ‘taxable income or loss’ for those corporations carrying
35 on taxable transactions or activities both within and without Oregon.

36 “(11) As used in ORS 317.122 and 317.650 to 317.665, ‘insurer’ means any domestic, foreign or
37 alien insurer as defined in ORS 731.082 and any interinsurance and reciprocal exchange and its at-
38 torney in fact with respect to its attorney in fact net income as a corporate attorney in fact acting
39 as attorney in compliance with ORS 731.458, 731.462, 731.466 and 731.470 for the reciprocal or
40 interinsurance exchange. However, ‘insurer’ does not include title insurers or health care service
41 contractors operating pursuant to ORS 750.005 to 750.095.

42 “**SECTION 38.** ORS 317.018, as amended by section 28 of this 2025 Act, is amended to read:

43 “317.018. It is the intent of the Legislative Assembly:

44 “(1) To make the Oregon corporate excise tax law, insofar as it relates to the measurement of
45 taxable income, identical to the provisions of the federal Internal Revenue Code, as in effect and

1 applicable [on December 31, 2024] for the tax year of the taxpayer, to the end that taxable income
2 of a corporation for Oregon purposes is the same as it is for federal income tax purposes, subject
3 to Oregon’s jurisdiction to tax, and subject to the additions, subtractions, adjustments and modifi-
4 cations contained in this chapter.

5 “(2) To achieve the results desired under subsection (1) of this section by application of the
6 various provisions of the federal Internal Revenue Code relating to the definitions for corporations,
7 of income, deductions, accounting methods, accounting periods, taxation of corporations, basis and
8 other pertinent provisions relating to gross income. It is not the intent of the Legislative Assembly
9 to adopt federal Internal Revenue Code provisions dealing with the computation of tax, tax credits
10 or any other provisions designed to mitigate the amount of tax due.

11 “(3) To impose on each corporation doing business within this state an excise tax for the privi-
12 lege of carrying on or doing that business measured by its federal taxable income as adjusted in this
13 chapter.

14 **“SECTION 39. (1) Except as provided in subsections (2) and (3) of this section:**

15 **“(a) The amendments to statutes by sections 1 to 19, 21, 22, 25, 26, and 29 to 33 of this**
16 **2025 Act apply to transactions or activities occurring on or after January 1, 2025, in tax years**
17 **beginning on or after January 1, 2025.**

18 **“(b) The amendments to ORS 314.011, 316.012, 316.013, 317.010 and 317.018 by sections 20,**
19 **23, 24, 27 and 28 of this 2025 Act apply to transactions or activities occurring on or after**
20 **January 1, 2025, and before January 1, 2026, in tax years beginning on or after January 1,**
21 **2025, and before January 1, 2026.**

22 **“(2) The effective and applicable dates, and the exceptions, special rules and coordination**
23 **with the Internal Revenue Code, as amended, relative to those dates, contained in federal law**
24 **amending the Internal Revenue Code and enacted before January 1, 2025, apply for Oregon**
25 **personal income and corporate excise and income tax purposes, to the extent they can be**
26 **made applicable, in the same manner as they are applied under the Internal Revenue Code**
27 **and related federal law.**

28 **“(3)(a) If a deficiency is assessed against any taxpayer for a tax year beginning before**
29 **January 1, 2025, and the deficiency or any portion thereof is attributable to any retroactive**
30 **treatment under the amendments to ORS 178.300, 178.375, 305.239, 305.494, 305.690, 305.842,**
31 **314.011, 314.306, 315.004, 316.012, 316.013, 316.147, 316.157, 317.010, 317.018, 317.097 and 317A.100**
32 **by sections 1, 2 and 16 to 30 of this 2025 Act, then any interest or penalty assessed under**
33 **ORS chapter 305, 314, 315, 316, 317, 317A or 318 with respect to the deficiency or portion**
34 **thereof shall be canceled.**

35 **“(b) If a refund is due any taxpayer for a tax year beginning before January 1, 2025, and**
36 **the refund or any portion thereof is due the taxpayer on account of any retroactive treat-**
37 **ment under the amendments to ORS 178.300, 178.375, 305.239, 305.494, 305.690, 305.842, 314.011,**
38 **314.306, 315.004, 316.012, 316.013, 316.147, 316.157, 317.010, 317.018, 317.097 and 317A.100 by**
39 **sections 1, 2 and 16 to 30 of this 2025 Act for a tax year beginning before January 1, 2025,**
40 **then notwithstanding ORS 305.270 or 314.415 or any other law, the refund or portion thereof**
41 **shall be paid without interest.**

42 **“(c) Any changes required because of the amendments to ORS 178.300, 178.375, 305.239,**
43 **305.494, 305.690, 305.842, 314.011, 314.306, 315.004, 316.012, 316.013, 316.147, 316.157, 317.010,**
44 **317.018, 317.097 and 317A.100 by sections 1, 2 and 16 to 30 of this 2025 Act for a tax year be-**
45 **ginning before January 1, 2025, shall be made by filing an amended return within the time**

1 prescribed by law.

2 “(d) If a taxpayer fails to file an amended return under paragraph (c) of this subsection,
3 the Department of Revenue shall make any changes under paragraph (c) of this subsection
4 on the return to which the changes relate within the period specified for issuing a notice of
5 deficiency or claiming a refund as otherwise provided by law with respect to that return, or
6 within one year after a return for a tax year beginning on or after January 1, 2025, and be-
7 fore January 1, 2026, is filed, whichever period expires later.

8 “SECTION 40. The amendments to ORS 314.011, 316.012, 316.013, 317.010 and 317.018 by
9 sections 34 to 38 of this 2025 Act apply to transactions or activities occurring on or after
10 January 1, 2026, in tax years beginning on or after January 1, 2026.

11 “SECTION 41. This 2025 Act takes effect on the 91st day after the date on which the 2025
12 regular session of the Eighty-third Legislative Assembly adjourns sine die.”.

13
