

House Bill 2437

Sponsored by Representative YUNKER; Representative WRIGHT, Senator NASH (Pre-session filed.)

SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure as **introduced**. The statement includes a measure digest written in compliance with applicable readability standards.

Digest: The Act requires a taxpayer to list on tax return the name, the date of birth and the Social Security number of the persons for whom taxpayer has deducted pay. The Act taxes the amounts that are paid to the persons for whom this is not listed. (Flesch Readability Score: 65.9).

Requires a taxpayer to list information about persons to whom the taxpayer has paid compensation that is claimed as a business deduction on the taxpayer's federal income tax return. Requires the taxpayer to add back amounts paid to the person for whom the information is not provided.

Applies to tax years beginning on or after January 1, 2026, and before January 1, 2032.

Takes effect on the 91st day following adjournment sine die.

A BILL FOR AN ACT

1 Relating to paid compensation claimed as a business deduction; and prescribing an effective date.

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

3 **SECTION 1. Section 2 of this 2025 Act is added to and made a part of ORS chapter 317.**

4 **SECTION 2. If a taxpayer has claimed, on the taxpayer's federal income tax return, any**
5 **amount for salary or other compensation paid by the taxpayer in the course of a trade or**
6 **business and deducted as a trade or business expense under section 162 of the Internal Re-**
7 **venue Code:**

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9 **(1) For each person to whom the taxpayer has paid compensation during the tax year,**
10 **the taxpayer must list on the taxpayer's Oregon income tax return the recipient's name,**
11 **date of birth, Social Security number and the amount of salary or wages paid to the recipient**
12 **during the tax year.**

13 **(2) For any recipient of compensation for whom the taxpayer does not provide all of the**
14 **information listed in subsection (1) of this section, there shall be added to federal taxable**
15 **income the amount of compensation paid to that recipient and claimed on the federal return.**

16 **SECTION 3. Section 2 of this 2025 Act applies to tax years beginning on or after January**
17 **1, 2026, and before January 1, 2032.**

18 **SECTION 4. This 2025 Act takes effect on the 91st day after the date on which the 2025**
19 **regular session of the Eighty-third Legislative Assembly adjourns sine die.**

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