

# House Bill 3713

Sponsored by Representative RESCHKE

## 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 allows corporate NOLs to be carried forward to all tax years. (Flesch Readability Score: 61.3).

Removes the 15-year limitation on the carryforward of net operating losses by corporate excise taxpayers. Limits the net operation loss deduction to 95 percent of taxable income in a tax year.

Applies to the determination of Oregon taxable income for all tax years beginning on or after January 1, 2026, and to net losses arising in tax years beginning on or after January 1, 2010.

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

## A BILL FOR AN ACT

1  
2 Relating to tax treatment of net losses; creating new provisions; amending ORS 317.476; and pre-  
3 scribing an effective date.

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

5 **SECTION 1.** ORS 317.476 is amended to read:

6 317.476. (1) In computing Oregon taxable income there shall be allowed as a deduction an  
7 amount equal to the aggregate of the Oregon net losses of prior years to the extent provided in this  
8 section.

9 (2) As used in this section, "Oregon net loss" means Oregon net loss as defined in ORS 317.010  
10 (9).

11 (3) In computing Oregon net loss for any [*taxable*] **tax** year the Oregon net loss for a prior year  
12 [*shall*] **may** not be allowed as a deduction.

13 (4)(a) The Oregon net loss in any [*taxable*] **tax** year shall be allowed as a deduction in any [*of*  
14 *the 15 succeeding taxable years*] **succeeding tax year**.

15 (b) The amount of the Oregon net loss deductible in any [*taxable*] **tax** year shall be the Oregon  
16 net loss of a prior year reduced by the net income (computed without the Oregon net loss deduction)  
17 of any intervening [*taxable*] **tax** year or years between the year of loss and the succeeding  
18 [*taxable*] **tax** year in which the Oregon net loss deduction is claimed, **but may not exceed 95 per-**  
19 **cent of taxable income for the tax year prior to the calculation under this subsection.**

20 (c) The Oregon net loss of the earliest [*taxable*] **tax** year shall be exhausted before an Oregon  
21 net loss from a later year may be deducted.

22 (5) [*No deduction shall be allowed under this section*] **A deduction under this section is not**  
23 **allowed** to a business trust which qualifies as a "real estate investment trust" under sections 856,  
24 857 and 858 of the Internal Revenue Code.

25 **SECTION 2.** **Notwithstanding ORS 315.037, the amendments to ORS 317.476 by section 1**  
26 **of this 2025 Act apply to the determination of Oregon taxable income in all tax years begin-**  
27 **ning on or after January 1, 2026, and to net losses arising in tax years beginning on or after**  
28 **January 1, 2010.**

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

1        **SECTION 3.** This 2025 Act takes effect on the 91st day after the date on which the 2025  
2 regular session of the Eighty-third Legislative Assembly adjourns sine die.  
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