

Senate Bill 111

Printed pursuant to Senate Interim Rule 213.28 by order of the President of the Senate in conformance with pre-session filing rules, indicating neither advocacy nor opposition on the part of the President (at the request of Senate Interim Committee on Finance and Revenue)

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 extends the sunset for the BAIT and the related tax credit. (Flesch Readability Score: 76.5).

Extends the sunsets for the pass-through business alternative income tax and the related personal income tax credit. Applies to tax years beginning on or after January 1, 2022, and before January 1, 2028.

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

A BILL FOR AN ACT

1
2 Relating to the pass-through business alternative income tax; amending sections 10 and 12, chapter
3 589, Oregon Laws 2021, and section 16, chapter 82, Oregon Laws 2022; and prescribing an ef-
4 fective date.

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

5
6 **SECTION 1.** Section 10, chapter 589, Oregon Laws 2021, as amended by section 1, chapter 399,
7 Oregon Laws 2023, is amended to read:

8 **Sec. 10.** Sections 3 and 8, chapter 589, Oregon Laws 2021, apply to tax years beginning on or
9 after January 1, 2022, and before January 1, [2026] **2028**.

10 **SECTION 2.** Section 12, chapter 589, Oregon Laws 2021, as amended by section 2, chapter 399,
11 Oregon Laws 2023, is amended to read:

12 **Sec. 12.** The repeal of sections 3 and 8, chapter 589, Oregon Laws 2021, by section 11, chapter
13 589, Oregon Laws 2021, applies to any tax year that begins on or after January 1, 2022, and before
14 January 1, [2026] **2028**, and to which section 164(b)(6) of the Internal Revenue Code is not applicable.

15 **SECTION 3.** Section 16, chapter 82, Oregon Laws 2022, as amended by section 5, chapter 52,
16 Oregon Laws 2024, is amended to read:

17 **Sec. 16.** (1) The amendments to ORS 284.368 by section 1, chapter 82, Oregon Laws 2022, apply
18 to fiscal years beginning on or after July 1, 2022.

19 (2) The amendments to sections 3 and 5, chapter 589, Oregon Laws 2021, by sections 3 and 4,
20 chapter 82, Oregon Laws 2022, apply to tax years beginning on or after January 1, 2022, [*and before*
21 *January 1, 2026,*] and to estimated payments due on and after June 15, 2022.

22 (3) The amendments to section 2, chapter 527, Oregon Laws 2021, by section 8, chapter 82,
23 Oregon Laws 2022, apply to applications for precertification under section 4, chapter 527, Oregon
24 Laws 2021, and applications for exemption under section 5, chapter 527, Oregon Laws 2021, without
25 precertification, filed on or after June 3, 2022.

26 (4) Section 10, chapter 82, Oregon Laws 2022, applies to tax years beginning on or after January
27 1, 2022, and before January 1, 2026.

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 (5) Sections 13 and 15, chapter 82, Oregon Laws 2022, apply to tax years beginning on or after
2 January 1, 2023, and before January 1, 2029, and to any tax year to which a net operating loss
3 arising in those tax years is carried back.

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

6