

Senate Bill 487

Sponsored by Senator SMITH DB (Presession 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 would repeal the CAT. (Flesch Readability Score: 100.0).

Repeals the corporate activity tax. Applies to tax years beginning on or after January 1, 2026. Takes effect on the 91st day following adjournment sine die.

A BILL FOR AN ACT

1
2 Relating to the repeal of the corporate activity tax; creating new provisions; amending ORS 327.001
3 and section 79, chapter 122, Oregon Laws 2019; repealing ORS 317A.100, 317A.102, 317A.103,
4 317A.106, 317A.109, 317A.113, 317A.116, 317A.119, 317A.122, 317A.123, 317A.125, 317A.128,
5 317A.131, 317A.134, 317A.137, 317A.140, 317A.143, 317A.146, 317A.149, 317A.152, 317A.155,
6 317A.158 and 317A.161 and section 78, chapter 122, Oregon Laws 2019, and section 8, chapter
7 2, Oregon Laws 2020 (first special session); and prescribing an effective date.

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

9 **SECTION 1. (1) ORS 317A.100, 317A.102, 317A.103, 317A.106, 317A.109, 317A.113, 317A.116,**
10 **317A.119, 317A.122, 317A.123, 317A.125, 317A.128, 317A.131, 317A.134, 317A.137, 317A.140,**
11 **317A.143, 317A.146, 317A.149, 317A.152, 317A.155, 317A.158 and 317A.161 and section 8, chapter**
12 **2, Oregon Laws 2020 (first special session), are repealed.**

13 **(2) Section 78, chapter 122, Oregon Laws 2019, as amended by section 11, chapter 2,**
14 **Oregon Laws 2020 (first special session), and section 14, chapter 572, Oregon Laws 2021, is**
15 **repealed.**

16 **SECTION 2.** Section 79, chapter 122, Oregon Laws 2019, is amended to read:

17 **Sec. 79.** [*Sections 58 to 76 of this 2019 Act*] **ORS 317A.100, 317A.103, 317A.106, 317A.109,**
18 **317A.113, 317A.116, 317A.119, 317A.125, 317A.128, 317A.131, 317A.134, 317A.137, 317A.140,**
19 **317A.143, 317A.146, 317A.149, 317A.152, 317A.155 and 317A.158** apply to tax years beginning on
20 or after January 1, 2020, **and before January 1, 2026.**

21 **SECTION 3.** ORS 327.001, as amended by section 28, chapter 52, Oregon Laws 2024, is amended
22 to read:

23 327.001. (1) The Fund for Student Success is established in the State Treasury, separate and
24 distinct from the General Fund.

25 (2) The Fund for Student Success shall consist of moneys appropriated by the Legislative
26 Assembly[, *moneys transferred to the fund under ORS 317A.155*] and moneys received as provided in
27 subsection (3) of this section.

28 (3) The Department of Education, on behalf of the State of Oregon, may solicit and accept gifts,
29 grants, donations and other moneys from public and private sources for the Fund for Student Suc-
30 cess. Moneys received as provided in this subsection shall be deposited into the Fund for Student

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 Success.

2 (4) Moneys in the Fund for Student Success are continuously appropriated to the department for:

3 (a) Transfer for each biennium to the State School Fund in the amount [*calculated by the division*
 4 *of the Oregon Department of Administrative Services that serves as office of economic analysis to be*
 5 *the sum of:*]

6 [(A) *At least*] of \$40 million, for the purpose of a transfer under ORS 327.008 (10) to the High
 7 Cost Disabilities Account established in ORS 327.348.[: *and*]

8 [(B) *The amount of change in General Fund revenue to be collected in the biennium due to the*
 9 *amendments to ORS 316.037 by section 56, chapter 122, Oregon Laws 2019, and the operation of ORS*
 10 *317A.100 to 317A.158.*]

11 (b) Retention as a reserve for cash flow and revenue shortfall purposes.

12 (c) Of the amount in the Fund for Student Success that is not dedicated for transfer as pre-
 13 scribed by paragraph (a) of this subsection or retained under paragraph (b) of this subsection,
 14 transfer to other education accounts as follows:

15 (A) At least 50 percent to the Student Investment Account established in ORS 327.175.

16 (B) Up to 30 percent to the Statewide Education Initiatives Account established in ORS 327.250.

17 (C) At least 20 percent to the Early Learning Account established in ORS 327.269.

18 (5) The department shall make the transfers prescribed by subsection (4) of this section on a
 19 periodic basis. The transfers must be in amounts that, based on the most recent data available to
 20 the department, ensure that the amounts and percentages identified in subsection (4) of this section
 21 are satisfied by the end of the biennium.

22 **SECTION 4. The repeal of ORS 317A.100, 317A.102, 317A.103, 317A.106, 317A.109, 317A.113,**
 23 **317A.116, 317A.119, 317A.122, 317A.123, 317A.125, 317A.128, 317A.131, 317A.134, 317A.137,**
 24 **317A.140, 317A.143, 317A.146, 317A.149, 317A.152, 317A.155, 317A.158 and 317A.161 and section**
 25 **8, chapter 2, Oregon Laws 2020 (first special session), by section 1 of this 2025 Act and the**
 26 **amendments to ORS 327.001 by section 3 of this 2025 Act apply to tax years beginning on or**
 27 **after January 1, 2026.**

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

30