

SB 1510 -1, -2, -3, -4 STAFF MEASURE SUMMARY

Senate Committee On Finance and Revenue

Prepared By: Kyle Easton, Senior Economist

Meeting Dates: 2/11, 2/16

WHAT THE MEASURE DOES:

Measure is an omnibus tax measure containing policies related to the corporate income and excise tax, personal income tax and property tax.

Makes technical modifications to statutory references by changing “global intangible low-taxed income” to “net controlled foreign corporation tested income” in reflection of federal tax law changes made by H.R. 1 enacted in 2025. Expands use of Oregon Production Investment Fund (OPIF) reimbursements to include commercials. Applies to fiscal years 2026-27 and later. For the affordable housing covenant property tax exemption, removes annual filing requirement (initial year claim still required), except if property ownership changed since prior year. Applies to property tax years 2027-28 and later. Takes effect on the 91st day following adjournment sine die.

ISSUES DISCUSSED:

- Contents of measure and amendments
- Enrolled agents, credentials and federal regulations
- Tax preparation of clergy members
- Business alternative income tax and associated income tax credit
- Global intangible low-taxed income (GILTI)
- Cargo containers property tax exemption

EFFECT OF AMENDMENT:

-1 Extends cargo container property tax exemption six years by moving sunset date from June 30, 2026, to June 30, 2032. For an Indian tribe qualifying for exemption from fuel license tax, removes the requirement that motor vehicle taxes must be expended in accordance with Oregon Constitution which requires expenditures of such revenues on transportation. Extends applicability of pass-through business alternative income tax (BAIT) and related personal income tax credit by two years (tax years 2026 and 2027). Allows BAIT overpayments to be credited as estimated payment for subsequent year.

-2 Requires the State Board of Tax Practitioners to register as an enrolled agent any individual who is an enrolled agent and applies for registration and pays registration fees. Defines terms.

-3 Drafted as a full replacement of measure but reflects combination of -1 and -2 amendments with the following changes.

Makes additional technical adjustment to statutory reference change of "global intangible low-taxed income". Makes additional technical change regarding earned income tax credit. Removes proposed change to annual filing requirement of affordable housing covenant property tax exemption.

-4 Identical to -3 with one additional change regarding the timing of when a pass-through entity is allowed to apply BAIT overpayments to a subsequent tax year.

BACKGROUND:

See meeting materials for a section-by-section description of policies contained in introduced version of measure and respective amendments.