

**Oregon Legislative Assembly – 2026 Short Session
Written Testimony for SB 1510
Senate Committee on Finance and Revenue**

Support

Date: February 12, 2026

Chair Broadman, Vice-Chair McLane and Members of the Senate Committee on Finance and Revenue,

On behalf of the nearly 4,000 members of the OSCP, we respectfully **support SB 1510 Sections #1-#2 and -1 Amendment Sections #10-#13** which address net controlled foreign corporation tested income and pass-through entity. While we do not take a position on the remaining sections, we agree that any changes which create clarity for taxpayers and the state are very helpful.

Background:

Sections #1-#2, Net Controlled Foreign Corporation Tested Income

- We support updating the terminology as it relates to the federal changes of certain foreign revenue.
- HR1 changed the way it treats certain foreign income from the TJCA provisions of 2017. The Legislature spent significant time understanding the implications of these provisions during the 2018 Regular Session.
- This update would allow taxpayers to treat such income in a consistent manner as they have for the past eight years. We believe these changes will ease any administrative burden on the Department of Revenue in administering the tax and they will not be required to implement any new updates.

-1 Amendment Sections #10-#13, Pass-Through Entity

- We support extending the provisions as they relate to pass-through entities. This program does not reduce the state's revenue.
- Similarly, the Legislature spent considerable time during 2018 Regular Session discussing the merits of these provisions.
- Oregon taxpayers have utilized the provisions of this law, and CPAs and tax preparers are very familiar with how to assist their clients in these matters.
- Many states have similar provisions and have proven to be easily administered, and most have either made the provisions permanent or extended them. This bill would make Oregon consistent with most other states.
- This program allows the state to collect tax sooner and at a higher rate than what the ultimate tax will be, essentially an interest-free loan to help the state's cash flow.

- The Department of Revenue has appropriate procedures in place and can continue their current practices without any undue burden. Extending this program could be done at minimal cost to the state, since it was already implemented in previous tax years.

As a reminder, OSCPA's primary objective is to be a technical resource to the Legislature and secondarily to promote taxpayer compliance by striving to keep Oregon tax law tied to the IRS Code.

Recommendation:

On behalf of Oregon Society of CPAs, we respectfully encourage you to **support SB 1510 Sections #1-#2 and -1 Amendment Sections #10-#13** which address net controlled foreign corporation tested income and pass-through entity.

Thank you for the opportunity to submit written testimony.

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