



## SENATE MAJORITY OFFICE

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### NEWS RELEASE

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### **Senate turns \$100 million potential loss into \$140 million gain**

*SB 1529 disconnects from federal tax code regarding repatriation*

SALEM – The Oregon Senate passed a bill today that will turn what would have been a potential \$100 million loss – due to changes to the federal tax code enacted by Congress – into a potential one-time windfall of \$140 million.

Senate Bill 1529 – which passed the Senate on 28-0 vote today – responds to federal policy that multinational corporations now will pay federal taxes on offshore assets not previously taxed in the United States. Due to a technicality in current Oregon law, those multinationals would be able to couple a federal deduction on that income with a current state deduction. The result would be a decrease in state revenue, estimated at \$100 million.

Senate Bill 1529 addresses that issue by specifying that corporations may only use the state deduction to determine their state tax liability. It created a net gain of about \$140 million to the state in one-time revenue. Senate Bill 1529, as currently written, puts that money into the Rainy Day Fund that is used to fund education and other services during lean times.

“The federal tax code changes will have a significant impact on Oregon’s revenue, which funds public education, health and human services and so many other services Oregonians depend on,” said Sen. Mark Hass, D-Beaverton, who carried the bill on the Senate floor.

The bill now goes to the House of Representatives for consideration.

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