

AN ACT

NOTE: Matter in **boldfaced** type in an amended section is new; matter in *bracketed strikethrough italic* type is existing law to be omitted. New sections are in **boldfaced** type.

Relating to corporate minimum tax; creating new provisions; and amending ORS 317.090.

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

1 **SECTION 1.** ORS 317.090 is amended to read:

2 317.090 Minimum tax. (1) As used in this section **and this 2024 Act:**

3 (a) "Oregon sales" means:

4 (A) If the corporation apportions income under ORS 314.650 to 314.665 for Oregon tax purposes,
5 the total sales of the taxpayer in this state during the tax year, as determined for purposes of
6 ORS 314.665;

7 (B) If the corporation does not apportion income for Oregon tax purposes, the total sales in this
8 state that the taxpayer would have had, as determined for purposes of ORS 314.665, if the
9 taxpayer were required to apportion income for Oregon tax purposes; or

10 (C) If the corporation apportions income using a method different from the method prescribed by
11 ORS 314.650 to 314.665, Oregon sales as defined by the Department of Revenue by rule.

12 (b) If the corporation is an agricultural cooperative that is a cooperative organization described in
13 section 1381 of the Internal Revenue Code, "Oregon sales" does not include sales representing
14 business done with or for members of the agricultural cooperative.

15 (c) **"Eligibility year" means the calendar year in which the individual qualifies for the Oregon**
16 **Rebate by residing in this state in the aggregate more than 200 days.**

17 (d) **"Rebate year" means the first calendar year following the eligibility year.**

18 (2) Each corporation or affiliated group of corporations filing a return under ORS 317.710 shall pay
19 annually to the state, for the privilege of carrying on or doing business by it within this state, a
20 minimum tax as follows:

21 (a) If Oregon sales properly reported on a return are:

22 (A) Less than \$500,000, the minimum tax is \$150.

23 (B) \$500,000 or more, but less than \$1 million, the minimum tax is \$500.

24 (C) \$1 million or more, but less than \$2 million, the minimum tax is \$1,000.

25 (D) \$2 million or more, but less than \$3 million, the minimum tax is \$1,500.

26 (E) \$3 million or more, but less than \$5 million, the minimum tax is \$2,000.

27 (F) \$5 million or more, but less than \$7 million, the minimum tax is \$4,000.

28 (G) \$7 million or more, but less than \$10 million, the minimum tax is \$7,500.

29 (H) \$10 million or more, but less than \$25 million, the minimum tax is \$15,000.

30 (I) \$25 million or more, but less than \$50 million, the minimum tax is \$30,000.

31 (J) \$50 million or more, but less than \$75 million, the minimum tax is \$50,000.

32 (K) \$75 million or more, but less than \$100 million, the minimum tax is \$75,000.

33 (L) \$100 million or more, the minimum tax is \$100,000.

34 (b) **If Oregon sales properly reported on a return are \$25 million or more, the minimum tax is 3**
35 **percent of the excess over \$25 million in annual Oregon sales properly reported, in addition**
36 **to the applicable minimum tax amount specified under paragraph (a) of this subsection.**

37 ~~f(b)~~ (c) If a corporation is an S corporation **with Oregon sales properly reported on an annual**
38 **return of less than \$25 million, the minimum tax is \$150.**

39 (3) The minimum tax is not apportionable (except in the case of a change of accounting periods), is
40 payable in full for any part of the year during which a corporation is subject to tax and may not be
41 reduced, paid or otherwise satisfied through the use of any tax credit.

1 **SECTION 2. The Oregon Rebate.**

- 2 (1) The increase in corporate minimum tax revenue attributable to Section 1 of this 2024 Act shall
3 be used to provide an equal rebate to each individual, as defined in ORS 316.022, who has
4 resided in this state in the aggregate more than 200 days of the eligibility year.
- 5 (2) If the sole reason why an individual is not eligible for the rebate for a calendar year is the date
6 of their birth or death, the individual is eligible for the rebate for the calendar year.
- 7 (3) An individual who is eligible to receive a rebate under this section is entitled to receive rebates
8 on behalf of dependents of that individual who qualify for the rebate and on behalf of wards
9 who qualify for the rebate for whom that individual is the guardian.
- 10 (4) The rebate under this section:
- 11 (a) Is in addition to any other tax credit, refund payment or other mechanism by which excess
12 revenue is returned to personal income taxpayers;
- 13 (b) Is not income subject to taxation under ORS chapter 316 or any other provision of Oregon
14 law;
- 15 (c) May not be used to determine the eligibility or amount of need of an applicant for or
16 recipient of benefits, including public assistance, as defined in ORS 411.010, and medical
17 assistance, as defined in ORS 414.025;
- 18 (d) Is inalienable by any assignment or transfer, is exempt from garnishment, levy or execution,
19 and is protected moneys under ORS 423.105; and
- 20 (e) May not be provided to any individual who during the rebate year:
- 21 (A) Declines to receive a rebate; or
- 22 (B) Fails to claim a rebate on or before December 31 of the rebate year.
- 23 (5) A rebate may not be issued under this section, if the amount of the rebate, per individual, is less
24 than \$25.
- 25 (6) Moneys not distributed as a rebate for the reasons described in subparagraph (4)(e)(A) or
26 subsection (5) of this section shall be used to provide additional funding for services for senior
27 citizens, health care, public early childhood education and public kindergarten through grade
28 12 education.
- 29 (7) Funds generated by the increase in corporate minimum tax specified in section 1 of this 2024 Act
30 during the eligibility year which are not spent for rebates or program administration during the
31 rebate year shall be deposited into a program fund available to the rebate program.
- 32 (8) References to an “individual” in this 2024 Act include the estate of an individual who died
33 during the eligibility year.

34 **SECTION 3. Administration of the Oregon Rebate.**

- 35 (1) On or before December 31 of 2025 and each subsequent year, the Department of Revenue shall
36 determine the net amount available for rebates for the following year by estimating for the
37 current calendar year:
- 38 (a) The increase in the amount of corporate minimum tax revenue to be received by the
39 department in the current calendar year attributable to Section 1 of this 2024 Act; plus
- 40 (b) Funds remaining in the program balance due to subparagraph (4)(e)(B) or subsection (7) of
41 Section 2 of this 2024 Act; minus
- 42 (c) The administrative costs of providing the rebate for the current calendar year, including
43 costs under subsection (3)(e) of this section and the cost of the hold harmless program under
44 section 4 of this 2024 Act for the current calendar year.

- 1 **(2) The net amount available for rebates determined under subsection (1) of this section shall be**
2 **adjusted by the difference between the amount estimated pursuant to subsection (1)(a) of this**
3 **section for the prior year and the actual amount of corporate minimum tax revenue received by**
4 **the Department of Revenue attributable to section 1 of this 2024 Act for the prior year.**
- 5 **(3) The Department of Revenue shall:**
- 6 **(a) For each rebate year, estimate the number of individuals eligible to receive a rebate under**
7 **section 2 of this 2024 Act;**
 - 8 **(b) Calculate the per-individual amount of rebate available to individuals under section 2 of this**
9 **2024 Act by dividing the amount determined pursuant to subsections (1) and (2) of this**
10 **section by the number estimated pursuant to subsection (3)(a) of this section;**
 - 11 **(c) Issue the equal rebates to eligible individuals as soon as is practicable;**
 - 12 **(d) Make the rebate available to individuals as:**
 - 13 **(A) A refundable tax credit, if the rebate is requested concurrently with an Oregon personal**
14 **income tax return; or**
 - 15 **(B) A cash payment within forty-five (45) days of the individual claiming the rebate at any**
16 **time during the rebate year, regardless of whether the individual has filed or will file an**
17 **Oregon personal income tax return; and**
 - 18 **(e) Provide information and education in multiple languages to state and local government**
19 **agencies, nonprofit corporations and other organizations that are capable of helping**
20 **individuals to receive a rebate.**
- 21 **(4) The individual must present acceptable documents to prove eligibility under section 2 of this**
22 **2024 Act for the eligibility year for the individual and for any dependent or ward for whom the**
23 **individual claims the rebate. The Department of Revenue shall determine by rule which**
24 **documents satisfy the eligibility requirements.**
- 25 **(a) The Department of Revenue shall require the individual to provide, for the individual and**
26 **for any claimed dependents and wards, the Social Security number(s) assigned by the United**
27 **States Social Security Administration, the Individual Taxpayer Identification number(s)**
28 **assigned by the United States Internal Revenue Service, or a written statement that the**
29 **individual, dependent or ward has not been assigned such number.**
 - 30 **(b) Except as provided in paragraph (4)(c) of this section, acceptable alternative documents to**
31 **prove eligibility include but are not limited to the following for the individual and separately**
32 **for any claimed dependent or ward:**
 - 33 **(A) An unexpired valid passport from the person's country of citizenship;**
 - 34 **(B) An unexpired valid consular identification document issued by the consulate of the**
35 **person's country of citizenship, if the department determines that the procedure used in**
36 **issuing the consular identification document is sufficient to prove the person's identity;**
 - 37 **(C) A driver license, driver permit or identification card issued by this state that is**
38 **unexpired or expired not more than 13 years from the date on which the individual**
39 **claims the rebate; or**
 - 40 **(D) A driver license, driver permit or identification card issued by another state that is**
41 **unexpired or expired not more than one year from the date on which the individual**
42 **claims the rebate.**
 - 43 **(c) The Department of Revenue may refuse to accept any document described in subsection (4)**
44 **of this section, if the department finds that:**
 - 45 **(A) The document is fraudulent or has been altered; or**
 - 46 **(B) The procedures used by the agency that issued the document are not sufficient for**
47 **proving the person's identity or date of birth.**

- 1 (d) The Department of Revenue shall by rule require proof to verify the address of an individual
2 claiming a rebate prior to issuance of a rebate. Verification of proof of address may include,
3 but is not limited to, documents showing the individual's asserted address, such as a utility
4 bill, a tax return, a record from a financial institution, a proof of insurance card, a health
5 benefits card, a selective service card, a mortgage document, or a lease agreement. The
6 individual may provide the proof of address by submitting proof in the form of an original
7 document or a copy of a document, use an electronic device to display proof of address, or
8 provide proof through the use of a third party address verification system or a certification
9 from a third party nonprofit corporation which houses or receives mail on behalf of
10 unboxed individuals.
- 11 (e) The Department of Revenue shall require the individual to provide for verification by the
12 department a statement asserting that the individual and any claimed dependent or ward
13 each resided in this state in the aggregate more than 200 days during the eligibility year.

14 **SECTION 4. Hold Harmless: Avoiding Reduction of Benefits.**

- 15 (1) The Department of Human Services shall seek waivers or other exemptions from the federal
16 government that are necessary to exclude payments under Section 2 of this 2024 Act from
17 consideration for the temporary assistance for needy families program in ORS 412.001 to
18 412.069, the Supplemental Nutrition Assistance Program (as defined in ORS 411.806), medical
19 assistance (as defined in ORS 414.025), and any other need-based program funded in whole or
20 in part with federal funds, including those administered by the Social Security Administration.
- 21 (2) If the federal government denies waivers or other exemptions requested by the department
22 under subsection (1) of this section, the Department of Revenue shall semiannually reimburse a
23 participant receiving payments under Section 2 of this 2024 Act in an amount equal to the
24 reduction, caused by receipt of the Section 2 payments, in the participant's need-based benefits.
- 25 (3) All payments under this section shall be funded entirely by the additional revenue attributable
26 to Section 1 of this 2024 Act.
- 27 (4) Payments under this section are not income subject to taxation under ORS chapter 316 or any
28 other provision of Oregon law.

29 **SECTION 5. Rules.**

30 The Department of Revenue and Department of Human Services shall adopt rules, policies, and
31 procedures necessary to carry out this 2024 Act. Any challenge to such rules, policies, procedures or
32 other elements of implementation may be brought under the original jurisdiction of the Supreme
33 Court of Oregon, in addition to all other remedies.

34 **SECTION 6. Funding.**

35 Moneys shall be continuously appropriated to the Department of Revenue to distribute the rebates
36 and the hold harmless program available under this 2024 Act.

37 **SECTION 7. Operational Date.**

38 The amendments to ORS 317.090 by section 1 of this 2024 Act apply to tax years beginning on or
39 after January 1, 2025.

40 **SECTION 8. Severability.**

41 If any provision of this 2024 Act is held invalid for any reason, all remaining provisions of this 2024
Act shall remain in place and shall be given full force and effect.