

House Bill 2930

Sponsored by Representative HOLVEY (Pre-session 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**.

Provides that tax-exempt charitable organization is subject to corporate excise tax if organization's expenditures on charitable activities and purposes for tax year do not exceed 30 percent of sum of charitable contributions and other income of organization for tax year.

Applies to tax years beginning on or after January 1, 2012.

A BILL FOR AN ACT

1
2 Relating to charitable organizations; and providing for revenue raising that requires approval by a
3 three-fifths majority.

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

5 **SECTION 1. Section 2 of this 2011 Act is added to and made a part of ORS chapter 317.**

6 **SECTION 2. (1) An organization that is exempt from federal income tax under section**
7 **501(c)(3) of the Internal Revenue Code shall be considered a corporation described in ORS**
8 **317.070 and shall be subject to the tax imposed under this chapter if the organization's**
9 **expenditures on the charitable activities and purposes for which it was established for the**
10 **tax year do not exceed 30 percent of the sum of:**

11 (a) **Charitable contributions received by the organization during the tax year; and**

12 (b) **Other income, including unrelated business income, received by the organization**
13 **during the tax year.**

14 (2) **For purposes of this section, the administrative and staffing costs of the organization**
15 **do not constitute expenditures for charitable activities or purposes.**

16 (3) **An organization that is subject to tax for a tax year under this section remains a**
17 **tax-exempt organization for purposes of charitable contribution deductions claimed under**
18 **section 170 of the Internal Revenue Code.**

19 (4) **The Department of Revenue may establish reporting requirements and adopt rules to**
20 **implement and administer the provisions of this section.**

21 **SECTION 3. Section 2 of this 2011 Act applies to tax years beginning on or after January**
22 **1, 2012.**

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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.