

# House Bill 2077

Introduced and printed pursuant to House Rule 12.00. Pre-session filed (at the request of House Interim Committee on Revenue)

## 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**.

Requires corporations doing business in Oregon to file tax disclosure statements with Secretary of State. Specifies information that must be disclosed by corporations. Declares that tax disclosure statements filed by corporations are public records. Directs Secretary of State to make tax disclosure statements publicly available via Internet. Allows Secretary of State to impose penalty for noncompliance with filing requirements.

## A BILL FOR AN ACT

1  
2 Relating to corporate tax disclosure.

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

4 **SECTION 1. Sections 2 to 5 of this 2015 Act are added to and made a part of ORS chapter**  
5 **317.**

6 **SECTION 2. (1) The following corporations that are doing business in this state, and that**  
7 **are required to file an excise or income tax return under ORS chapter 317 or 318, shall file**  
8 **with the Secretary of State the statement described in section 3 of this 2015 Act:**

9 (a) **All publicly traded corporations, including corporations traded on foreign stock ex-**  
10 **changes;**

11 (b) **All affiliates of publicly traded corporations;**

12 (c) **All financial corporations and insurers; and**

13 (d) **Any other corporation if such corporation employs 25 or more full-time equivalent**  
14 **employees in this state as of January 1 preceding the date a statement is required to be filed**  
15 **under this section, or if such corporation had sales to customers located in this state in ex-**  
16 **cess of \$10 million in the tax year immediately preceding the year for which a statement is**  
17 **required to be filed under this section.**

18 (2) **Personal service corporations, as defined in section 269A of the Internal Revenue**  
19 **Code, are exempt from the requirement of filing a statement under this section.**

20 (3) **For the fiscal year ending June 30, 2015, the statement required by this section must**  
21 **be filed with the Secretary of State on or before March 15, 2016. Thereafter, the statement**  
22 **must be filed at the same time as the corporation's state tax return is filed, but no later**  
23 **than March 15 of the year following the end of the previous tax year.**

24 **SECTION 3. The statement required under section 2 of this 2015 Act shall be on a form**  
25 **and filed in a manner prescribed by the Secretary of State and shall contain:**

26 (1) **The name of the corporation, the address of its principal executive office, the**  
27 **corporation's business activity code, the type of corporation and the name and address of its**  
28 **registered agent;**

29 (2) **The state excise or income tax liability of the corporation under ORS chapter 317 or**

**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.

1 318 for the tax year ending in the period beginning July 1 and ending June 30 immediately  
 2 preceding the date the statement is required to be filed;

3 (3) The name and principal address of any corporation or other entity that owns, directly  
 4 or indirectly, more than 50 percent of the voting stock of the corporation filing the state-  
 5 ment;

6 (4) The most recent assessed value of real and personal property of the corporation lo-  
 7 cated in Oregon and the amount of tax assessed on that property;

8 (5) The following information reported on the corporation's income or excise tax return  
 9 filed under ORS chapter 317 or 318, or, in the case of a corporation included in a consolidated  
 10 state return, reported on the consolidated state return:

11 (a) Total receipts of the corporation or consolidated group;

12 (b) Taxable income of the corporation or the consolidated group prior to net operating  
 13 loss deductions or apportionment;

14 (c) Sales apportionment factors of the corporation or consolidated group;

15 (d) Calculated overall apportionment factor for the corporation or consolidated group;

16 (e) Total business income apportioned to the state;

17 (f) Net operating loss deduction, if any, of the corporation or the consolidated group ap-  
 18 portioned to the state;

19 (g) Total nonbusiness income of the corporation and the amount of nonbusiness income  
 20 allocated to the state;

21 (h) Total taxable income;

22 (i) Total tax before credits;

23 (j) Tax credits claimed, each credit individually enumerated;

24 (k) Tax due; and

25 (L) Tax paid; and

26 (6) The following additional information:

27 (a) Total deductions for management services fees and for royalty, interest, license fees  
 28 and similar payments made for the use of intangible property to any affiliated entity that is  
 29 not included in the consolidated state return, if any, that includes the corporation and the  
 30 names of the entities to which the payments were made;

31 (b) The sales factor that would be calculated for this state if the corporation or consol-  
 32 idated group were required to treat as sales in this state sales of tangible personal property  
 33 to the federal government and sales of tangible personal property shipped or delivered to a  
 34 customer in a state in which the selling corporation is neither subject to a state corporate  
 35 income tax or state franchise tax measured by net income nor could be subjected to such a  
 36 tax were the state to impose the tax;

37 (c) A description of the source of any nonbusiness income reported on the return and the  
 38 identification of the state or states to which such income was reported;

39 (d) A listing of all corporations included in the consolidated state return that includes  
 40 the corporation, if such a return is filed, and their taxpayer identification numbers;

41 (e) Full-time equivalent employment of the corporation in the state on the last day of the  
 42 tax year for which the return is being filed and for the three previous tax years;

43 (f) In the case of a publicly traded corporation incorporated in the United States or an  
 44 affiliate of such a publicly traded corporation, profits before tax reported on the Securities  
 45 and Exchange Commission Form 10-K for the corporation or the consolidated group of which

1 the corporation is a member for the corporate fiscal year that contains the last day of the  
2 tax year for which the return is filed;

3 (g) The property and payroll factors for this state calculated as required by the Uniform  
4 Division of Income for Tax Purposes Act as embodied in Article IV of the Multistate Tax  
5 Compact and Multistate Tax Commission regulations applying thereto; and

6 (h) Accumulated tax credit carryovers, enumerated by credit.

7 **SECTION 4.** Any corporation submitting a statement required by section 2 of this 2015  
8 Act shall be permitted to submit supplemental information that, in its sole judgment, can  
9 facilitate proper interpretation of the information included in the statement.

10 **SECTION 5.** If a corporation files an amended tax return, the corporation shall file a  
11 revised statement within 60 calendar days after the amended return is filed. If a  
12 corporation's tax liability for a tax year is changed as the result of an uncontested audit  
13 adjustment or final determination of the Department of Revenue or by the Oregon Tax Court  
14 or Oregon Supreme Court, the corporation shall file a revised statement within 60 calendar  
15 days after the final determination of liability.

16 **SECTION 6.** A statement submitted under sections 2 to 5 of this 2015 Act is a public re-  
17 cord to be maintained in the office of the Secretary of State. The Secretary of State shall  
18 make all information contained in the statements for all filing corporations available to the  
19 public on an ongoing basis in the form of a searchable database accessible through the  
20 Internet.

21 **SECTION 7.** (1) The accuracy of the statements submitted under sections 2 to 5 of this  
22 2015 Act shall be attested to in writing by the chief operating officer of the corporation and  
23 shall be subject to audit by the Department of Revenue under the normal procedures appli-  
24 cable to corporate income tax returns.

25 (2) The Secretary of State may impose a penalty of up to \$\_\_\_\_\_ on any corporation  
26 that fails to comply with the requirements of sections 2 to 5 of this 2015 Act. The Secretary  
27 of State shall publish the names of any corporations subject to such a penalty.

28 (3) The Secretary of State may promulgate any rules necessary to implement this section  
29 and sections 2 to 5 and 6 of this 2015 Act.  
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