

Requested by Senator FERRIOLI

**PROPOSED AMENDMENTS TO  
SENATE BILL 1532**

1 On page 1 of the printed bill, line 2, after the second semicolon delete the  
2 rest of the line and line 3 and insert “amending ORS 314.752, 318.031 and  
3 653.025; and prescribing an effective date.”.

4 Delete lines 5 through 28 and delete pages 2 and 3 and insert:

5 **“SECTION 1.** ORS 653.025 is amended to read:

6 “653.025. (1) Except as provided by ORS 652.020 and the rules of the  
7 Commissioner of the Bureau of Labor and Industries issued under ORS  
8 653.030 and 653.261, for each hour of work time that the employee is gainfully  
9 employed, no employer shall employ or agree to employ any employee at  
10 wages computed at a rate lower than:

11 “[*a*] *For calendar year 1997, \$5.50.*]

12 “[*b*] *For calendar year 1998, \$6.00.*]

13 “[*c*] *For calendar years after December 31, 1998, and before January 1,*  
14 *2003, \$6.50.*]

15 “[*d*] (a) For calendar year 2003, \$6.90.

16 “[*e*] (b) [*For calendar years after 2003*] **From January 1, 2004, through**  
17 **June 30, 2016**, a rate adjusted for inflation as calculated by the commis-  
18 **sioner.**

19 **“(c) From July 1, 2016, to June 30, 2017, \$9.75.**

20 **“(d) From July 1, 2017, to June 30, 2018, \$10.25.**

21 **“(e) From July 1, 2018, to June 30, 2019, \$10.75.**

1 “(f) From July 1, 2019, to June 30, 2020, \$11.25.

2 “(g) From July 1, 2020, to June 30, 2021, \$11.75.

3 “(h) From July 1, 2021, to June 30, 2022, \$12.50.

4 “(i) From July 1, 2022, to June 30, 2023, \$13.25.

5 “(j) After June 30, 2023, beginning on July 1 of each year, a rate  
6 adjusted annually for inflation as described in subsection (4) of this  
7 section.

8 “(2)(a) From July 1, 2017, to June 30, 2018, if an employee works  
9 within a metropolitan service district organized under ORS chapter  
10 268, an employer shall pay an employee no less than \$11.25 per hour.

11 “(b) Beginning July 1, 2018, and thereafter, if an employee works  
12 within a metropolitan service district organized under ORS chapter  
13 268, an employer shall pay an employee no less than \$1.25 per hour  
14 more than the minimum wage specified in subsection (1)(e) to (j) of  
15 this section and adjusted annually under subsection (4) of this section.

16 “(3) The commissioner shall adopt rules for the determination un-  
17 der subsection (2) of this section of an employee’s work location.

18 “[2)(a)] (4)(a) The Oregon minimum wage shall be adjusted [*annually*] for  
19 inflation[,] as provided in paragraph (b) of this subsection.

20 “(b) No later than [*September*] **April** 30 of each year, beginning in [*cal-*  
21 *endar year 2003*] **2023**, the commissioner shall calculate an adjustment of the  
22 wage [*amount*] **amounts** specified in [*subsection*] **subsections (1) and (2)** of  
23 this section based upon the increase [*(if any)*], **if any**, from [*August*] **March**  
24 of the preceding year to [*August*] **March** of the year in which the calculation  
25 is made in the U.S. City Average Consumer Price Index for All Urban Con-  
26 sumers for All Items as prepared by the Bureau of Labor Statistics of the  
27 United States Department of Labor or its successor.

28 “(c) The wage [*amount established*] **amounts determined after adjust-**  
29 **ment** under this subsection shall[:]

30 “[*(A)*] be rounded to the nearest five cents[: *and*].

1       **“[(B)] (d) The wage amounts determined after adjustment under this**  
2 **subsection** become effective as the new Oregon minimum wage **amounts,**  
3 replacing the *[dollar figure specified in subsection (1)]* **minimum wage**  
4 **amounts specified in subsections (1) and (2)** of this section, on *[January*  
5 *1 of the following]* **July 1 of that year.**

6       **“SECTION 2. Section 3 of this 2016 Act is added to and made a part**  
7 **of ORS chapter 315.**

8       **“SECTION 3. (1) A credit against taxes that are otherwise due under**  
9 **ORS chapter 316 or, if the taxpayer is a corporation, under ORS**  
10 **chapter 317 or 318 is allowed to a taxpayer for the costs of complying,**  
11 **after January 1, 2017, with the amendments to ORS 653.025 by section**  
12 **1 of this 2016 Act. The amount of the credit in any one tax year is**  
13 **computed by calculating the net increase in wages paid by a taxpayer**  
14 **to employees of the taxpayer as required under the amendments to**  
15 **ORS 653.025 by section 1 of this 2016 Act during the tax year.**

16       **“(2) A taxpayer may qualify for the credit allowed under this section**  
17 **if the taxpayer pays the taxpayer’s employees in accordance with all**  
18 **applicable federal, state and local laws.**

19       **“(3) If the amount allowable as a credit under this section, when**  
20 **added to the sum of the amount of estimated tax paid under ORS**  
21 **314.515 and any other tax prepayment amounts, exceeds the taxes im-**  
22 **posed by ORS chapters 314 and 317 for the tax year (reduced by any**  
23 **nonrefundable credits allowable for purposes of ORS chapter 317 for**  
24 **the tax year), the amount of the excess shall be refunded to the tax-**  
25 **payer as provided in ORS 314.415.**

26       **“(4) A nonresident shall be allowed the credit under this section.**  
27 **The credit shall be computed in the same manner and be subject to**  
28 **the same limitations as the credit granted to a resident.**

29       **“(5) If a change in the taxable year of the taxpayer occurs as de-**  
30 **scribed in ORS 314.085, or if the Department of Revenue terminates the**

1 taxpayer's taxable year under ORS 314.440, the credit allowed by this  
2 section shall be prorated or computed in a manner consistent with  
3 ORS 314.085.

4 “(6) If a change in the status of a taxpayer from resident to non-  
5 resident or from nonresident to resident occurs, the credit allowed by  
6 this section shall be determined in a manner consistent with ORS  
7 316.117.

8 “SECTION 4. ORS 314.752 is amended to read:

9 “314.752. (1) Except as provided in ORS 314.740 (5)(b), the tax credits al-  
10 lowed or allowable to a C corporation for purposes of ORS chapter 317 or  
11 318 shall not be allowed to an S corporation. The business tax credits al-  
12 lowed or allowable for purposes of ORS chapter 316 shall be allowed or are  
13 allowable to the shareholders of the S corporation.

14 “(2) In determining the tax imposed under ORS chapter 316, as provided  
15 under ORS 314.734, on income of the shareholder of an S corporation, there  
16 shall be taken into account the shareholder's pro rata share of business tax  
17 credit (or item thereof) that would be allowed to the corporation (but for  
18 subsection (1) of this section) or recapture or recovery thereof. The credit (or  
19 item thereof), recapture or recovery shall be passed through to shareholders  
20 in pro rata shares as determined in the manner prescribed under section  
21 1377(a) of the Internal Revenue Code.

22 “(3) The character of any item included in a shareholder's pro rata share  
23 under subsection (2) of this section shall be determined as if such item were  
24 realized directly from the source from which realized by the corporation, or  
25 incurred in the same manner as incurred by the corporation.

26 “(4) If the shareholder is a nonresident and there is a requirement appli-  
27 cable for the business tax credit that in the case of a nonresident the credit  
28 be allowed in the proportion provided in ORS 316.117, then that provision  
29 shall apply to the nonresident shareholder.

30 “(5) As used in this section, ‘business tax credit’ means a tax credit

1 granted to personal income taxpayers to encourage certain investment, to  
2 create employment, economic opportunity or incentive or for charitable, ed-  
3 ucational, scientific, literary or public purposes that is listed under this  
4 subsection as a business tax credit or is designated as a business tax credit  
5 by law or by the Department of Revenue by rule and includes but is not  
6 limited to the following credits: ORS 285C.309 (tribal taxes on reservation  
7 enterprise zones and reservation partnership zones), ORS 315.104 (forestation  
8 and reforestation), ORS 315.138 (fish screening, by-pass devices, fishways),  
9 ORS 315.141 (biomass production for biofuel), ORS 315.156 (crop gleaning),  
10 ORS 315.164 and 315.169 (agriculture workforce housing), ORS 315.204 (de-  
11 pendent care assistance), ORS 315.208 (dependent care facilities), ORS 315.213  
12 (contributions for child care), ORS 315.304 (pollution control facility), ORS  
13 315.326 (renewable energy development contributions), ORS 315.331 (energy  
14 conservation projects), ORS 315.336 (transportation projects), ORS 315.341  
15 (renewable energy resource equipment manufacturing facilities), ORS 315.354  
16 and 469B.151 (energy conservation facilities), ORS 315.507 (electronic com-  
17 merce) and ORS 315.533 (low income community jobs initiative) **and section**  
18 **3 of this 2016 Act (increased minimum wage).**

19 **“SECTION 5.** ORS 318.031 is amended to read:

20 “318.031. It being the intention of the Legislative Assembly that this  
21 chapter and ORS chapter 317 shall be administered as uniformly as possible  
22 (allowance being made for the difference in imposition of the taxes), ORS  
23 305.140 and 305.150, ORS chapter 314 and the following sections are incor-  
24 porated into and made a part of this chapter: ORS 285C.309, 315.104, 315.141,  
25 315.156, 315.204, 315.208, 315.213, 315.304, 315.326, 315.331, 315.336, 315.507 and  
26 315.533 **and section 3 of this 2016 Act** (all only to the extent applicable to  
27 a corporation) and ORS chapter 317.

28 **“SECTION 6. Section 3 of this 2016 Act and the amendments to ORS**  
29 **314.752 and 318.031 by sections 4 and 5 of this 2016 Act apply to tax**  
30 **years beginning on or after January 1, 2017, and before January 1, 2021.**

1       **“SECTION 7. This 2016 Act takes effect on the 91st day after the**  
2       **date on which the 2016 regular session of the Seventy-eighth Legisla-**  
3       **tive Assembly adjourns sine die.”.**

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