

MEASURE NO. _____

**INCREASES HIGHEST CORPORATE MINIMUM TAXES; DISTRIBUTES
REVENUE TO ELIGIBLE INDIVIDUALS; STATE REPLACES REDUCED
FEDERAL BENEFITS**

Submitted to the Electorate of Oregon by Initiative Petition to be voted on at the General Election, November 5, 2024.

1 **Explanation**

2 Ballot Measure __ increases the corporate minimum tax for any corporation
3 with annual Oregon sales of over \$25 million, as reported on a tax return for the
4 year. The revenue from the tax increase will be used to provide equal tax rebates
5 or cash payments to eligible individuals living in Oregon. The increase to the
6 corporate minimum tax is three percent of the corporation's annual Oregon sales
7 over \$25 million.

8 The measure applies to "C," "B," and other corporations which generally pay
9 income or excise taxes, and to "S" corporations, which generally do not directly pay
10 corporation-level taxes. Currently, corporations other than S corporations must pay
11 either a tax based on the corporation's taxable income, or the applicable corporate
12 minimum tax, whichever is larger. The corporate minimum tax currently ranges from
13 \$150 to \$100,000 per year, based on the amount of a corporation's Oregon sales.
14 For example, a corporation, other than an S corporation, with annual Oregon sales
15 between \$25 million and \$50 million pays a minimum tax of \$30,000 per year.
16 Current law caps the minimum tax at \$100,000 per year for corporations with
17 Oregon sales of \$100 million or more. Under current law, an Oregon S corporation
18 pays \$150 annually, without regard to sales.

1 Measure __ imposes a tax increase on corporations, including S
2 corporations, with Oregon sales of over \$25 million per year, in the amount of three
3 percent of Oregon sales over \$25 million. This is in addition to current corporate
4 minimum taxes.

5 Measure __ requires the increase in corporate minimum tax revenue to be
6 rebated in equal amounts to any individuals who have lived in Oregon for 200 days
7 during the previous calendar year with exceptions for births and deaths. Individuals
8 with eligible dependents or wards receive the rebates for those dependents and
9 wards. The Department of Revenue (DOR) determines the amount available for
10 rebate each year.

11 The measure states that (1) revenue from unclaimed rebates would carry
12 over to the following year and (2) for rebates which are declined, the legislature must
13 allocate the money not rebated to services for senior citizens, health care, public
14 early childhood education and public kindergarten through grade 12 education.

15 Rebates paid under this measure are not subject to state tax and do not affect
16 eligibility for state benefit programs. It is unknown whether some cash payments
17 might affect federal tax liability. The measure directs the Department of Human
18 Services to seek waivers from the federal government for recipients who participate
19 in specified federal benefit programs, so that their benefits are not decreased. If the
20 federal government denies waivers, the measure directs the DOR to reimburse
21 federal benefit program participants for the reduction in their benefits.
22 Reimbursements are to be funded only by revenues from the tax increase imposed
23 by the measure.

24 The measure provides direction on administration and rebate eligibility, and
25 continuously appropriates funding to the DOR for administration.

26 The measure applies to 2025 and later tax years and authorizes rebates to
27 be paid beginning in 2026.