AN ACT

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

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

SECTION 1. ORS 317.090 is amended to read:

317.090. (1) As used in this section:

(a) “Oregon sales” means:

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

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

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

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

(c) “Eligibility year” means the calendar year in which the individual qualifies for the Oregon People’s Rebate by spending in this state in the aggregate more than 200 days.

(d) “Rebate year” means the first calendar year following the eligibility year.

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

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

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

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

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

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

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

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

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

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

(I) $25 million or more, [but less than $50 million,] the minimum tax is $30,000 plus 3 percent of the excess over $25 million.

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

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

[(L) $100 million or more, the minimum tax is $100,000.]

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

(3) The minimum tax is not apportionable (except in the case of a change of accounting periods), is payable in full for any part of the year during which a corporation is subject to tax and may not be reduced, paid or otherwise satisfied through the use of any tax credit.
SECTION 2. The Oregon People’s Rebate.

(1) The increase in corporate minimum tax revenue, if any, attributable to the amendments to ORS 317.090 by section 1 of this 2022 Act shall be used to provide an equal rebate to each individual, as defined in ORS 316.022, who has spent in this state in the aggregate more than 200 days of the calendar year for which the rebate is claimed.

(2) An individual who is eligible to receive a rebate under this section may also receive rebates on behalf of dependents of that individual who are eligible to receive the rebate.

(3) The rebate under this section:
   (a) Is in addition to any other tax credit, refund payment or other mechanism by which excess revenue is returned to personal income taxpayers;
   (b) Is not income subject to taxation under ORS chapter 316 or any other provision of Oregon law;
   (c) May not be used to determine the eligibility or amount of need of an applicant for or recipient of public assistance, as defined in ORS 411.010, or medical assistance, as defined in ORS 414.025;
   (d) Is inalienable by any assignment or transfer and is exempt from garnishment, levy or execution; and
   (e) May not be provided to any individual who during the rebate year:
      (A) Declines to receive a rebate; or
      (B) Fails to claim a rebate on or before December 31.

(4) A rebate may not be issued under this section, if the amount of the rebate, per individual, is less than $25.

(5) Moneys not distributed as a rebate for the reasons described in subsections (3)(e)(A) and (4) of this section shall be used to provide additional funding for services for senior citizens, health care, public early childhood education and public kindergarten through grade 12 education.

(6) Funds generated by the increase in corporate minimum tax specified in subsection (1) of this section during the eligibility year which are not spent for rebates or program administration during the rebate year shall be deposited into a program fund available to the rebate program.

SECTION 3. Administration of the Oregon People’s Rebate.

(1) On or before December 31 of 2023 and each subsequent year, the Department of Revenue shall determine the net amount available for rebates for the following year by estimating for the current calendar year:
   (a) The increase in the amount of corporate minimum tax revenue to be received by the department in the current calendar year attributable to the amendments to ORS 317.090 by section 1 of this 2022 Act; plus
   (b) Funds remaining in the program balance due to subsection (3)(e)(B) or subsection (6) of section 2 of this 2022 Act; minus
   (c) The administrative costs to the department of providing the rebate for the current calendar year, including costs under subsection (3)(e) and the cost of the hold harmless program established under subsection (3)(f) of this section for the current calendar year.
The net amount available for rebates determined under subsection (1) of this section shall be adjusted by the difference between the amount estimated pursuant to subsection (1)(a) of this section for the prior year and the actual amount of corporate minimum tax revenue received by the department attributable to the amendments to ORS 317.090 by section 1 of this 2022 Act for the prior year.

The department shall:
(a) For each rebate year, estimate the number of individuals eligible to receive a rebate under section 2 of this 2022 Act due to days spent in Oregon during the eligibility year;
(b) Calculate the per-individual amount of rebate available to individuals under section 2 of this 2022 Act by dividing the amount determined pursuant to subsections (1) and (2) of this section by the number estimated pursuant to subsection (3)(a) of this section;
(c) Issue the equal rebates to eligible individuals as soon as is practicable;
(d) Make the rebate available to individuals as:
(A) A refundable tax credit, if the rebate is requested concurrently with an Oregon personal income tax return; or
(B) A cash payment within forty-five (45) days of claiming the rebate, regardless of whether the individual has filed or will file an Oregon personal income tax return.
(e) Provide information and education in multiple languages to state and local government agencies, nonprofit corporations and other organizations that are capable of helping individuals to receive a rebate; and
(f) Establish a hold harmless program funded entirely by the new revenue attributable to the amendments to ORS 317.090 by section 1 of this 2022 Act.
(A) The program shall provide benefits to individuals whose federal income-based or resource-based benefits are denied, reduced or revoked because the rebate is taken into account by the federal government. The benefits to an individual shall be equal and comparable to the federal income-based or resource-based benefits which were denied, reduced, or revoked.
(B) The program shall include any necessary action to ensure that individuals’ federal income-based or resource-based benefits are not denied, reduced or revoked as a result of receiving a rebate.

The department shall adopt rules, policies, and procedures necessary to carry out the functions specified in this 2022 Act.

The individual must present acceptable documents to prove eligibility under section 2 of this 2022 Act for the eligibility year for the individual and for any dependents claimed by that individual for rebate purposes. The department shall determine by rule which documents satisfy the eligibility requirements.
(a) The department shall require the individual to provide the Social Security number(s) assigned to the individual and any claimed dependents by the United States Social Security Administration, the Individual Taxpayer Identification number(s) assigned to the individual and any claimed dependents by the United States Internal Revenue Service, or a written statement that the individual and/or claimed dependents have not been assigned either such number.
(b) Except as provided in subsection (5)(c) of this section, acceptable alternative documents to prove eligibility include but are not limited to the following for the individual and separately for any claimed dependent:
(A) An unexpired valid passport from the person’s country of citizenship;
(B) An unexpired valid consular identification document issued by the consulate of the person’s country of citizenship, if the department determines that the procedure used in issuing the consular identification document is sufficient to prove the person’s identity;

(C) A driver license, driver permit or identification card issued by this state that is unexpired or expired not more than 13 years from the date on which the individual claims the rebate; or

(D) A driver license, driver permit or identification card issued by another state that is unexpired or expired not more than one year from the date on which the individual claims the rebate.

(c) The department may refuse to accept any document described in subsection (5) of this section, if the department has reason to believe that:

(A) The document is fraudulent or has been altered; or

(B) The procedures used by the agency that issued the document are no longer sufficient for proving the person’s identity or date of birth.

(d) The department shall require by rule proof to verify the address of an individual prior to issuance of a rebate. Verification of proof of address may include, but is not limited to, providing a utility bill, a tax return, a record from a financial institution, a proof of insurance card or a health benefits card, a selective service card, a mortgage document or a lease agreement showing the individual’s asserted address. The individual may provide the proof of address by submitting proof in the form of an original document or a copy of a document, use an electronic device to display proof of address, or provide proof through the use of a third party address verification system or a certification from a third party nonprofit corporation which houses or receives mail on behalf of unhoused individuals.

(e) The department shall require the individual and any dependents to provide for verification by the department a statement asserting that each spent in this state in the aggregate more than 200 days during the eligibility year. For purposes of this subsection, a fraction of a calendar day shall be counted as a whole day.

SECTION 4. Moneys shall be continuously appropriated to the Department of Revenue to distribute the rebates and the hold harmless program available under this 2022 Act.

SECTION 5. The amendments to ORS 317.090 by section 1 of this 2022 Act apply to tax years beginning on or after January 1, 2023.

SECTION 6. If any provision of this 2022 Act is held invalid for any reason, all remaining provisions of this 2022 Act shall remain in place and shall be given full force and effect.