

SB 479 STAFF MEASURE SUMMARY

Senate Committee On Finance and Revenue

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Meeting Dates: 3/8

WHAT THE MEASURE DOES:

Requires taxpayer add to taxable income any amount of investment services partnership income treated as net capital gain at the federal level and taxed as provided in section 1(h)(1) of the Internal Revenue Code. Imposes a 19.6% tax rate on the income addition within Oregon. Applies to tax years beginning on or after January 1, 2022. Takes effect on the 91st day following adjournment sine die.

ISSUES DISCUSSED:

EFFECT OF AMENDMENT:

No amendment.

BACKGROUND:

The intent of the bill is to recuperate the federal tax treatment given to this type of income, often known as carried interest. This income of professional investors is compensation for professional investment services. This type of income is treated as capital gains income at the federal level and opponents of the federal policy argue that the income should be taxed as labor income.