



# This Week in State Tax (TWIST)

July 15, 2024



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## Oregon: Corporate Tax Hikes May be on November Ballot

Proponents of a measure to increase the minimum tax on corporations and use the revenues to fund individual rebates reportedly have garnered the requisite signatures to certify the measure for the November 2024 ballot. Under current law, corporations pay the higher of either a tax on their “taxable income” or a business minimum tax. The minimum tax is based on total Oregon sales. For example, a corporation with \$25 million or more in Oregon sales, but less than \$50 million, must pay a minimum tax of \$30,000. Corporation with \$50 million or more in Oregon sales, but less than \$75 million, pay a \$50,000 minimum tax. The amount increases to \$75,000 for corporations with \$75 million or more in sales. The current top minimum tax is applicable to corporations with \$100 million or more in Oregon sales; such entities pay a minimum tax of \$100,000. Initiative Petition 17 proposes to increase minimum taxes for corporations with Oregon sales exceeding \$25 million. Specifically, corporations with Oregon sales of \$25 million or more would be subject to a minimum tax equal to the current minimum tax for their applicable tax bracket, plus three percent of the excess over \$25 million. For example, a corporation with Oregon sales of \$50 million would have a minimum tax liability of \$800,000 as opposed to the current \$50,000 obligation. The new minimum tax rate would be applicable to tax years beginning on or January 1, 2025. The bill would apply the same minimum tax to S Corporations with Oregon sales over \$25 million. Currently, such entities pay a \$150 minimum tax only. Revenue attributable to the increased minimum tax will be used to provide rebates for individuals meeting certain criteria. Please contact Nisha Mathew with questions on Initiative Petition 17.

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