

Section 1. ORS 317.090 is amended to read:

(1) As used in this section:

(a) "Oregon sales" means:

(A) If the corporation apportions business 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 business 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 business income for Oregon tax purposes; or

(C) If the corporation apportions business 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.

(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.

(J) ~~\$50 million or more, but less than \$75 million, the minimum tax is \$50,000~~ **More than \$25 million, the minimum tax is \$30,001 plus 2.5% of the excess over \$25 million.**

(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, the minimum tax is \$150.

(3) The minimum tax is not apportionable (except in the case of a change of accounting periods), and is payable in full for any part of the year during which a corporation is subject to tax.

Section 2. The amendments to the minimum tax made by Section 1 of this 2016 Act do not apply to any legally formed and registered "benefit company," as that term is defined in ORS 60.750. A legally formed and registered "benefit company" shall pay the minimum tax set forth in ORS 317.090(2) in effect prior to the passage of this 2016 Act.

Section 3. All of the revenue generated from the increase in the tax created by this 2016 Act shall be used to provide additional funding for: public early childhood and kindergarten through twelfth grade education; healthcare; and, services for senior citizens. Revenue distributed pursuant to this section shall be in addition to other funds distributed for: public early childhood and kindergarten through twelfth grade education; healthcare; and, services for senior citizens.

Section 4. The amendments to ORS 317.090 made by Section 1 of this 2016 Act and Sections 2 and 3 of this 2016 Act apply to tax years beginning on or after January 1, 2017.

Section 5. If any provision of this 2016 Act is held invalid for any reason, all remaining provisions of this Act shall remain in place and shall be given full force and effect.