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The Oregon SALT Workaround for Eligible Pass-Through Entities May, Like the Cat, Have More Than One Life

By Larry Brant on 3.5.26 | Posted in Legislation, State and Local Tax, Tax Laws

As [reported earlier](#), Senate Bill 1510 (“SB 1510”), if passed and signed into law by Governor Tina Kotek, would extend the life of the Oregon state and local tax (“SALT”) workaround for eligible pass-through entities for two more tax years (i.e., through the 2027 tax year).

SB 1510 was passed by the Oregon Senate on February 24, 2026. That same day, it was introduced in the Oregon House of Representatives (“House”). Yesterday, March 4, 2026, it received unanimous approval by members of the House (52 “yea” votes, with eight representatives absent). Now, SB 1510 will be delivered to Governor Kotek for signing. She is expected to sign SB 1510 into law.^[1]

SB 1510 gives the Oregon SALT workaround a new life. However, unless the law is again extended, that life is scheduled to end at the close of the 2027 tax year. Additionally, as previously reported, SB 1510 allows eligible pass-through entities using the workaround to apply any overpayments they made during a tax year to estimated payments for the following tax year.

It appears that the Oregon SALT workaround, like a cat, has more than one life. SB 1510 was passed in the Oregon legislature with only a few days left in the short 2026 session. Once Governor Kotek signs the bill into law, owners of eligible pass-through entities and their accountants will be able to take a sigh of relief.

[1] At the time of publication, the bill is awaiting Governor Kotek’s signature.

Tags: federal income tax, OBBBA, Oregon, pass-through entity, SALT cap, Senate Bill 1510 (SB 1510), state and local tax (SALT), Tax Cuts and Jobs Act, Taxpayer, The One Big Beautiful Bill Act