

Simple Examples of Oregon Income Taxes and an Oregon Business Privilege Tax, \$M

		Cost of Goods Sold	Sales	Margin	Taxable Income	Income Tax	0.5% OBPT	Difference	
C-corporation	Retailer	\$315.1	\$500.0	2%	\$10.0	\$0.749	\$2.500	\$1.8	
	Software Designer	\$33.6	\$245.0	5%	\$12.1	\$0.908	\$0.500	-\$0.4	
	<i>(All costs in OR; Sales are \$100M in OR, \$145M in ID)</i>								
	Software Designer	\$33.6	\$245.0	5%	\$0.0	\$0.000	\$0.500	\$0.5	
	<i>(All costs in ID; Sales are \$100M in OR, \$145M in ID)</i>								
	Architectural and Engineering Services	\$6.4	\$75.0	20%	\$15.0	\$1.130	\$0.375	-\$0.8	
Partnership	Law firm 10 partners	\$4.1	\$50.0	40%	\$19.8	\$1.520	\$0.250		
Sole Proprietor	Construction	\$2.2	\$5.0	18%	\$0.8	\$0.076	\$0.025		
S-corporation	Manufacturer 10 shareholders	\$30.0	\$75.0	13.0%	\$9.8	\$0.718	\$0.375		
C-corporation	Manufacturer (baseline)	\$392.8	\$750.0	2.6%	\$19.9	\$1.500	\$3.750	\$2.3	
	With OBPT; hold prices fixed	\$394.8	\$750.0	2.4%	\$17.9	\$1.351	\$3.750	\$2.4	
	With OBPT; increase prices	\$394.8	\$752.0	2.6%	\$19.9	\$1.500	\$3.760	\$2.3	

Overly Simplified Example of Sales Flow

All Transactions occur in Oregon, \$M

	Without an OBPT		With a 0.5% OBPT		% Change in Sales
	CGS	Sales	CGS	Sales	
Manufacturer	\$20.0	\$50.0	\$20.1	\$50.4	0.7%
Wholesaler	\$50.0	\$80.0	\$50.4	\$80.8	0.9%
Retailer	\$80.0	\$150.0	\$80.8	\$151.5	1.0%

CGS=Cost of Goods Sold

OH CAT Filers and Tax

