#### **Corporate Activity Tax Implementation Update**



#### Presentation to House Interim Committee on Revenue

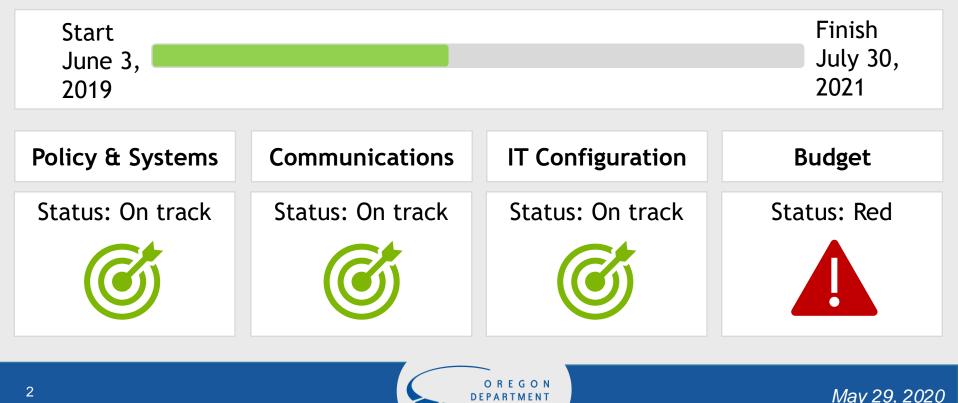
800-550-2020-05 HICR Corporate Activity Tax



May 29, 2020

#### Implementation Project Dashboard

**Project Purpose:** Implement the Corporate Activity Tax by creating and staffing the CAT program section and configuring DOR's IT systems to manage the new tax.



## Budget



The 2019 legislature approved a General Fund (GF) budget for the CAT project through April 2020 and directed DOR to request Other Fund (OF) limitation during the 2020 session.

- Project remained within approved GF budget through April 2020.
- CAT project budget request was included in HB 5204A (2020 session).
- HB 5204A received a do-pass recommendation from the Joint Committee on Ways and Means but the bill was not voted on before the 2020 session adjourned.
- Coordinating with LFO to bring the CAT project budget request to the legislature at earliest opportunity.



# Hiring

**Positions funded (General Fund) through April 30, 2020** The 2019 legislature provided general fund resources for 38 positions through April 30, 2020.

- Permanent: 22.
- Limited: 16.

**Requesting legislative approval and other fund limitation** DOR will request 28 positions for the remainder of the 2019-21 biennium (May 1, 2020 through June 30, 2021), in addition to the original 38.

- Permanent: 14.
- Limited: 3.
- Seasonal: 11.



# **Policy and Systems**



- Taxpayers can register and manage CAT accounts on Revenue Online.
- Development of CAT returns, schedules, and detailed return instructions is underway.
- Adopted 18 temporary rules to ensure taxpayers have information required to comply with CAT.
- 21 rules are in the permanent rules process (expected effective dates of June 29 and July 30).
- Additional rules continue through the temporary and permanent rules process.



# Communications



- Two outreach tours (Fall 2019 and Spring 2020) and multiple teleconferences with stakeholders.
- Direct engagement with business and industry groups to discuss sector-specific concerns.
- Regular news releases, update emails to CAT stakeholders, and social media campaign.
- Webpage with information on the CAT and answers to frequently asked questions.
- Dedicated CAT email and phone line to answer taxpayer questions.



#### **Outreach Tours**

Fall 2019 Tour		Spring 2020 Tour	
Newport	Bend	Bend	Klamath Falls
Corvallis	Redmond	Ontario	Ashland
Beaverton	Hermiston	La Grande	Eugene
Medford	Boardman	The Dalles	Gresham
Grants Pass	Portland		
Eugene	Salem		

*Note:* The Spring 2020 tour originally included additional meetings in Coos Bay, Lincoln City, Seaside, Portland, and Keizer. These in-person meetings were cancelled due to COVID-19. DOR posted a video presentation to the public webpage.



## IT and System Configuration @ Status: On track

System configuration for CAT is proceeding in two phases: Phase 1: Registration and payment processing

• Phase 1 has been completed. Taxpayers can register, make payments, and manage their CAT accounts online.

Phase 2: Remaining system configuration

- Phase 2 is on track.
- Development underway for remaining GenTax and QuickModule system functions.
- Return development nearing completion.
- DOR is also working with software providers to make the CAT return available for e-file.



# **CAT Implementation**

As DOR implements CAT, the agency remains committed to:

- Engaging closely with business and industry.
- Providing stakeholders with all the tools and information they need to comply with the tax.
- Enabling CAT taxpayers to register and file returns as efficiently and easily as possible.
- Ensuring transparency in the implementation process.
- Administering the CAT equitably and efficiently.



#### **Questions?**

If you have additional questions after today, please contact:

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