

Corporate Activity Tax Implementation Update



Presentation to
House Interim Committee on Revenue

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.

Start
June 3,
2019



Finish
July 30,
2021

Policy & Systems

Status: On track



Communications

Status: On track



IT Configuration

Status: On track



Budget

Status: Red



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	
Newport	Bend
Corvallis	Redmond
Beaverton	Hermiston
Medford	Boardman
Grants Pass	Portland
Eugene	Salem

Spring 2020 Tour	
Bend	Klamath Falls
Ontario	Ashland
La Grande	Eugene
The Dalles	Gresham

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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