

Background

In 2019, Oregon's Corporate Activity Tax (CAT) was created in House Bill 3427 with some modifications during the same session in House Bill 2164. Additional modifications and policy clarifications have been made by House Bill 4202 (2020 1st Special Session) and SB 164 (2021).

Filing Due Date and Extensions

Originally, all taxpayers were required to file and pay based on a calendar tax year until legislation approved in 2021 modified the CAT to allow taxpayers to file on the same tax year they do for income tax. Section 3 of the -1 amendment aligns the CAT filing deadline with the personal income tax filing deadline by extending it to the next business day when the deadline falls on a Saturday, Sunday, or legal holiday, including a legal holiday of D.C.

The amendment also provides Department of Revenue with more flexibility in granting extension of time to file when the taxpayer files an extension request for income tax with the department or the IRS.

Precious Metals

Section 1 of the -1 amendment excludes from commercial activity the amount paid by a precious metal dealer for the cost of certain precious metals, beginning with tax year 2024. The difference between the amount received for the sale and the cost of these precious metals will continue to be commercial activity.

Agricultural Commodities

Farming operation taxpayers may determine commercial activity by excluding the percentage of agricultural commodities sold to wholesalers or brokers that are subsequently sold out of state, using the methods in ORS 317A.102. Section 2 of the -1 amendment expands this determination to include sales to a processor that resells agricultural commodities out of state.

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