

Senate Bill 440

Sponsored by Senator ANDERSON (Presession filed.)

SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure **as introduced**. The statement includes a measure digest written in compliance with applicable readability standards.

Digest: The Act raises the exemption amount and the filing threshold for the CAT for home builders. (Flesch Readability Score: 68.9).

Increases the exempt amount and the filing threshold for purposes of the corporate activity tax as applicable to homebuilding contracts.

Applies to tax years beginning on or after January 1, 2026.

Takes effect on the 91st day following adjournment sine die.

A BILL FOR AN ACT

1
2 Relating to a homebuilding contract exemption under corporate activity tax; creating new pro-
3 visions; amending ORS 317A.125 and 317A.137; and prescribing an effective date.

4 **Be It Enacted by the People of the State of Oregon:**

5 **SECTION 1.** ORS 317A.125 is amended to read:

6 317A.125. (1) The corporate activity tax imposed under ORS 317A.116 for each tax year shall
7 equal \$250 plus the product of the taxpayer's taxable commercial activity in excess of [*\$1 million*]
8 **the amount described in subsection (2) of this section** for the tax year multiplied by 0.57 per-
9 cent.

10 **(2) The exemption amount applicable to subsection (1) of this section shall be:**

11 **(a) \$10 million for amounts received from homebuilding contracts by a person holding a**
12 **construction contractor's license; and**

13 **(b) \$1 million for all other taxpayers.**

14 [(2)] **(3) A tax is not owed under this section if the person's taxable commercial activity does**
15 **not exceed [*\$1 million*] the applicable amount in subsection (2) of this section.**

16 **SECTION 2.** ORS 317A.137 is amended to read:

17 317A.137. (1) For purposes of the corporate activity tax imposed under ORS 317A.116, every
18 person doing business in this state with commercial activity for the tax year in excess of [*\$1*
19 *million*] **the exemption amount provided in ORS 317A.125 (2)** shall file an annual return not later
20 than the 15th day of the fourth month following the end of the tax year. If the 15th day of the fourth
21 month falls on a Saturday, Sunday or legal holiday, including any legal holiday in the District of
22 Columbia, the return is due on the next business day following the Saturday, Sunday or legal holi-
23 day. The return must be filed with the Department of Revenue in a form prescribed by the depart-
24 ment.

25 (2) The corporate activity tax imposed under ORS 317A.116 is due and estimated tax payments
26 for the previous quarter are payable to the department on or before the last day of the 4th, 7th and
27 10th months of the tax year and of the first month immediately following the end of the tax year.

28 (3) The department may by rule extend the time for making any return. If the time for filing a

NOTE: Matter in **boldfaced** type in an amended section is new; matter [*italic and bracketed*] is existing law to be omitted. New sections are in **boldfaced** type.

1 return is extended, interest on any unpaid tax at the rate established under ORS 305.220 from the
2 time the return was originally required to be filed to the time of payment, shall be added and paid.

3 **SECTION 3. The amendments to ORS 317A.125 and 317A.137 by sections 1 and 2 of this**
4 **2025 Act apply to tax years beginning on or after January 1, 2026.**

5 **SECTION 4. This 2025 Act takes effect on the 91st day after the date on which the 2025**
6 **regular session of the Eighty-third Legislative Assembly adjourns sine die.**

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