



PRESS RELEASE

OREGON HOUSE DEMOCRATS

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Oregon House Democrats Applaud Department of Revenue Flexibility for Small Businesses

SALEM, Ore. – The Oregon Department of Revenue [filed a new rule on Monday to provide additional flexibility for small businesses subject to the corporate activity tax \(CAT\)](#). The CAT was created in 2019 to support the significant new education investments of the Student Success Act.

Under the new rule, businesses subject to the CAT but owing less than \$10,000 will not have to make quarterly estimated payments and will not have their CAT payment due until April 15, 2021. The previous threshold was \$5,000.

Under the previous threshold, taxable commercial activity of about \$1.8 million was not subject to quarterly estimated payment. This rule change raises that threshold to about \$2.7 million. Taxable commercial activity is the commercial activity of a business after subtracting the allowable deductions.

Rep. Nancy Nathanson (D-Eugene), chair of the House Committee on Revenue, applauded the decision.

“At a time of great economic challenges for so many Oregonians, this rule change finds an important middle ground in protecting the Student Success Act while providing flexibility for the state’s smaller businesses,” Rep. Nathanson said. “This flexibility provides the relief that these businesses have been asking for while not requiring unnecessary budget cuts for the critical services Oregonians rely on, like health care and education.”

“Before this emergency, around 20,000 businesses didn’t need to make a quarterly estimated payment. Raising this threshold to \$10,000 will add thousands of more businesses impacted by the coronavirus pandemic to that list.”

House Majority Leader Barbara Smith Warner (D-Portland) joined Rep. Nathanson in applauding the decision. Smith Warner was the co-chair of the Joint Committee on Student Success.

“There is still so much more work to do to help Oregon recover,” Rep. Smith Warner said. “Oregon House Democrats will continue advocating for our small businesses and workers, while ensuring we are maintaining the critical services Oregonians are relying on now more than ever.”

To learn more about the CAT from the Oregon Department of Revenue, [click here](#).