



SENATE MAJORITY OFFICE

Oregon State Legislature
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Oregon Senate Democrats Commend Corporate Activities Tax Rule Revision

SALEM – The Oregon Department of Revenue has modified an Oregon Administrative Rule (OAR) to reflect a change in the threshold for making estimated Corporate Activities Tax payments from \$5,000 of annual tax liability to \$10,000 of annual tax liability for the first year of the tax.

“This global pandemic has put our state in an unanticipated position. By adjusting this payment threshold, we strike a reasonable compromise to grant the small businesses that feed Oregon’s economy some relief, while ensuring we can continue to invest in Oregon’s future,” said Senate Majority Leader Ginny Burdick (D-Portland).

The change to OAR 150-317-1300 means businesses that will owe less than \$10,000 are not required to make quarterly estimated tax payments during 2020. Any unpaid balances for 2020 will be due April 15, 2021.

“The Corporate Activities Tax was created as a funding mechanism for Oregon’s landmark Student Success Act. It remains critically important that our state puts necessary funding toward our schools and our students,” added Senator Burdick. “Our state is still in the midst of this crisis and we have a long road ahead on the path to recovery. This is a reasonable and thoughtful step to assist the small businesses who are struggling due to COVID-19 without sacrificing Oregon’s students.”

The updated rule also provides relief from fees or penalties due to an inability to pay the required amount if a business has suffered financial hardship resulting from COVID-19.

If businesses have been impacted by COVID-19 and have challenges calculating their payment or funding an estimated quarterly payment, they should keep documentation showing:

- Their inability to pay a quarterly payment because of insufficient funds due to COVID-19.
- Their inability to reasonably calculate a quarterly payment or annual tax liability due to their business being impacted by COVID-19.
- That the taxpayer is unclear at this time whether the business will owe Corporate Activity Tax in April 2020 due to COVID-19 impacts, after taking into consideration exclusions and subtractions in the law.

For questions or comments about the Corporate Activities Tax, email cat.help.dor@oregon.gov or call 503-945-8005.

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