

Corporation excise and income calculated tax and minimum tax

Purpose: To highlight the 2013 corporation calculated tax rate change and to outline previous corporation calculated tax and minimum tax changes. This bulletin modifies and supersedes ORB 2012-02.

Tax program: Corporation excise and income tax.

Statutes: ORS 317.061 and 317.090

Issue: Corporation calculated tax and minimum tax.

Background:

- Corporation **excise** tax filers pay the greater of calculated tax or minimum tax.
- Corporation **income** tax filers pay calculated tax. Income tax filers are not subject to minimum tax.
- S corporations without federal taxable income, built-in gains, or excess net passive income generally have -0- calculated tax. These corporations pay minimum tax if they are excise tax filers.

Calculated Tax

For tax years beginning on or after January 1, 2013

- If Oregon taxable income is \$1 million or less, multiply Oregon taxable income by 6.6% (not below zero).
- If Oregon taxable income is more than \$1 million, multiply the amount that is more than \$1 million by 7.6%, and add \$66,000.

For tax years beginning on or after January 1, 2011 and before January 1, 2013

- If Oregon taxable income is \$250,000 or less, multiply Oregon taxable income by 6.6% (not below zero).
- If Oregon taxable income is more than \$250,000, multiply the amount that is more than \$250,000 by 7.6%, and add \$16,500.

For tax years beginning on or after January 1, 2009 and before January 1, 2011

- If Oregon taxable income is \$250,000 or less, multiply Oregon taxable income by 6.6% (not below zero).
- If Oregon taxable income is more than \$250,000, multiply the amount that is more than \$250,000 by 7.9%, and add \$16,500.

For tax years beginning before January 1, 2009

- Multiply Oregon taxable income by 6.6%.

Minimum Tax

Note: Income tax filers pay only calculated tax. They are not subject to minimum tax.

For tax years beginning on or after January 1, 2009

- S corporation minimum tax is \$150 for **excise** tax filers.
- C corporations use the table below.

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| Oregon sales of filing group | Minimum tax |
|------------------------------|-------------|
| Under \$500,000 | \$150 |
| \$500,000 to \$999,999 | 500 |
| \$1,000,000 to \$1,999,999 | 1,000 |
| \$2,000,000 to \$2,999,999 | 1,500 |
| \$3,000,000 to \$4,999,999 | 2,000 |
| \$5,000,000 to \$6,999,999 | 4,000 |
| \$7,000,000 to \$9,999,999 | 7,500 |
| \$10,000,000 to \$24,999,999 | 15,000 |
| \$25,000,000 to \$49,999,999 | 30,000 |
| \$50,000,000 to \$74,999,999 | 50,000 |
| \$75,000,000 to \$99,999,999 | 75,000 |
| \$100,000,000 and above | 100,000 |

For tax years beginning on or after January 1, 2006 and before January 1, 2009

- Corporation minimum tax is \$10 for **excise** tax filers.
- Note: the minimum tax for an affiliated group of corporations filing a consolidated return is \$10 multiplied by the number of corporations in the group that are doing business in Oregon.

For tax years beginning before January 1, 2006

- Corporation minimum tax is \$10 for excise tax filers.
- Note: the minimum tax for an affiliated group of corporations filing a consolidated return is \$10. The \$10 minimum tax due for each affiliate included in the consolidated return doing business in Oregon is cancelled. This determination is made under the authority of ORS 305.145(3).

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