

# Oregon Corporate Activity Tax Statistics

Characteristics of CAT Taxpayers

2024 Edition:

CAT Receipts Fiscal Year 2022-23

CAT Returns Tax Year 2021

150-106-010 (Rev. 02-24)

2024 Edition



Disclaimer: This report is not for the purpose of providing legal advice.

Source credit is requested and appreciated.

Suggested citation:

Oregon Department of Revenue Research Section. *Oregon Corporate Activity Tax Statistics: Characteristics of CAT Taxpayers: 2024 Edition: CAT Receipts Fiscal Year 2022-23 and CAT Returns Tax Year 2021*. Salem, OR: Oregon Department of Revenue, 2024.

For information on how to receive additional copies, contact:

**Oregon Department of Revenue  
Research Section**

955 Center St NE  
Salem, OR 97301-2555  
503-945-8383  
dor.research@dor.oregon.gov

Statistical publications are also available on our website:

[www.oregon.gov/dor/stats](http://www.oregon.gov/dor/stats)

**Taxpayer Assistance Information**

**Do you have questions or need help?**

www.oregon.gov/dor  
503-378-4988 or 800-356-4222  
questions.dor@oregon.gov

Contact us for ADA accommodations or assistance in other languages.

**¿Tiene alguna pregunta o necesita ayuda?**

www.oregon.gov/dor  
503-378-4988 o 800-356-4222  
preguntas.dor@oregon.gov

Comuníquese con nosotros para solicitar adaptaciones de la ADA (Ley sobre Estadounidenses con Discapacidades) o asistencia en otros idiomas.

# **Oregon Corporate Activity Tax Statistics**

**Characteristics of CAT Taxpayers**

**2024 Edition  
CAT Receipts Fiscal Year 2022-23  
And CAT Returns Tax Year 2021**

**Prepared by**

**Research Section  
Principal analyst: Mary Fitzpatrick**

**Oregon Department of Revenue  
Salem, OR 97301-2555**

150-106-010 (Rev. 02-24)



# Table of Contents

	Page
<b>I. Introduction.....</b>	<b>1</b>
<b>II. How Commercial Activity Is Taxed .....</b>	<b>3</b>
<b>A. Background.....</b>	<b>3</b>
<b>B. Filing Requirements.....</b>	<b>4</b>
<b>C. Tax Calculation.....</b>	<b>5</b>
<b>III. Corporate Activity Tax Receipts.....</b>	<b>9</b>
<b>A. Timing of Tax Payments.....</b>	<b>9</b>
<b>B. Trends in Corporate Activity Tax Receipts.....</b>	<b>10</b>
<b>C. Receipts by Industry Sector.....</b>	<b>11</b>
<b>IV. Corporate Activity Tax Returns.....</b>	<b>13</b>
<b>A. History of Tax Returns Filed.....</b>	<b>13</b>
<b>B. Demographics .....</b>	<b>15</b>
<b>Filing Entity .....</b>	<b>15</b>
<b>Commercial Domicile.....</b>	<b>16</b>
<b>Industry Sector .....</b>	<b>18</b>
<b>Tax Entity and Legal Entity.....</b>	<b>19</b>
<b>C. Components of Tax Liability Computation.....</b>	<b>21</b>
<b>Oregon Commercial Activity .....</b>	<b>21</b>
<b>Select Exclusions.....</b>	<b>22</b>
<b>CAT Subtraction .....</b>	<b>23</b>
<b>Subcontractor Exclusion.....</b>	<b>27</b>
<b>Taxable Commercial Activity and Tax Liability.....</b>	<b>28</b>
<b>D. Payments and Refunds.....</b>	<b>32</b>
<b>Appendix A: Data Construction.....</b>	<b>37</b>
<b>Appendix B: Exclusions from Commercial Activity.....</b>	<b>41</b>
<b>Appendix C: Index of Selected Industry Sectors .....</b>	<b>45</b>
<b>Appendix D: Glossary of Terms.....</b>	<b>47</b>



## II. How Commercial Activity Is Taxed

### C. Tax Calculation

Exhibit 1 — Computation of the Corporate Activity Tax .....	5
---	---

## III. Corporate Activity Tax Receipts

### A. Timing of Tax Payments

Exhibit 2— CAT Receipts in Fiscal Year 2022-23 .....	9
--	---

### B. Trends in Corporate Activity Tax Receipts

Exhibit 3— CAT Receipts History .....	10
---------------------------------------	----

### C. Receipts by Industry Sector

Exhibit 4 — Corporate Activity Tax Receipts by Industry Sector .....	11
--	----

Exhibit 5 — Corporate Activity Tax Receipts By Industry Sector (Graph).....	12
---	----

## IV. Corporate Activity Tax Returns

### A. History of Tax Returns Filed

Exhibit 6 — All Tax Year 2020 Corporate Activity Tax Returns.....	13
---	----

Exhibit 7— All Tax Year 2021 Corporate Activity Tax Returns .....	14
---	----

### B. Demographics

Exhibit 8 — Type of Filing Entity .....	15
---	----

Exhibit 9a — By Commercial Domicile.....	16
--	----

Exhibit 9b — By Commercial Domicile, Western Region.....	17
--	----

Exhibit 10— Tax Returns by Industry Sector.....	18
---	----

Exhibit 11 — Type of Tax Entity .....	19
---------------------------------------	----

Exhibit 12 — Type of Legal Entity .....	20
---	----

**C. Components of Tax Liability Computation**

Exhibit 13 — Oregon Commercial Activity Category ..... 21

Exhibit 14 — Share of Returns and Tax Liability by Oregon Commercial Activity Category. 22

Exhibit 15 — Select Exclusions (Deductions)..... 22

Exhibit 16 — CAT Subtraction by Oregon Commercial Activity Category..... 23

Exhibit 17 — Basis for CAT Subtraction by Oregon Commercial Activity Category ..... 24

Exhibit 18 — CAT Subtraction by Industry Sector..... 25

Exhibit 19 — Basis for CAT Subtraction by Industry Sector ..... 26

Exhibit 20 — Subcontractor Exclusion by Oregon Commercial Activity Category..... 27

Exhibit 21 — Tax Liability Components by Oregon Commercial Activity Category ..... 28

Exhibit 22 — Tax Liability Category ..... 29

Exhibit 23a — Reported Tax Liability by Months Return Received ..... 30

Exhibit 23b — Reported Tax Liability by Months Return Received (Graph) ..... 31

**D. Payments and Refunds**

Exhibit 24 — Reported Payments and Refunds on Returns ..... 32

Exhibit 25a — Tax Returns Received by Month and Type..... 33

Exhibit 25b — Tax Returns Received by Month and Type (Graph)..... 34

**Appendices**

Exhibit 26 — Corporate Activity Tax Filing Calendar ..... 38

Exhibit 27 — Tax Year Ending Month..... 39

Exhibit 28 — Exclusions from Oregon Commercial Activity..... 42

Exhibit 29 — NAICS Sector Codes, Titles, and Descriptions ..... 45



The legislation establishing the new Oregon Corporate Activity Tax (CAT) passed in 2019 and the tax started January 1, 2020. Based on the most recent economic and revenue forecast from the Office of Economic Analysis (OEA),<sup>1</sup> actual CAT revenue for the 2021-23 biennium was \$2.56 billion and is forecasted to be \$2.81 billion for the 2023-25 biennium.

This annual report presents information about the Oregon CAT and provides a foundation for understanding the characteristics of CAT taxpayers. This edition of *Oregon Corporate Activity Tax Statistics: Characteristics of CAT Taxpayers* provides detailed statistics based on tax year 2021 CAT returns received and processed by the Oregon Department of Revenue (DOR) through January 10, 2024.<sup>2</sup>

This report contains the following main sections:

- ***How Commercial Activity Is Taxed:*** Contains background information on the CAT in Oregon. It includes a description of the computation of the tax.
- ***Corporate Activity Tax Receipts:*** Provides descriptive information based on CAT receipts through fiscal year 2022-23. Tax law requires businesses to make quarterly estimated payments on anticipated taxes for the current year in addition to making payments or receiving refunds after the end of a tax year. This receipt data is a rich source of information that allows for timely analysis of trends in overall CAT payments and in specific industry sectors.
- ***Corporate Activity Tax Returns:*** First looks at historical trends and then focuses on CAT returns corresponding to tax year 2021. Taxpayers with Oregon commercial activity of at least \$1 million must file tax returns that contain detailed information about demographics, Oregon commercial activity, and the calculation of final tax liability. These return details allow for a thorough analysis of the characteristics of Oregon CAT taxpayers.
- ***Appendices:***
  - A:* Gives information on the data used in this report.
  - B:* Provides complete data on exclusions from commercial activity for tax year 2021, including statutory references.
  - C:* Provides an index of selected industry sectors.
  - D:* Contains a glossary of selected terms used in this report.

Together, these sections provide a comprehensive description of CAT taxpayers in Oregon using the most current information available at the time of publication.

---

<sup>1</sup> <https://www.oregon.gov/das/oea/Documents/OEA-Forecast-0324.pdf>

<sup>2</sup> DOR is still receiving and processing tax year 2021 CAT returns, but for the purpose of this report, only returns received and processed by January 10, 2024, are included in the data presented. As of January 10, 2024, there was approximately \$80 million in tax year 2021 CAT estimated payments not yet associated with a filed return. These taxpayers are included in Section III: Corporate Activity Tax receipts, as they have made estimated payments for tax year 2021. But they are not included in Section IV: Corporate Activity Tax Returns or the exhibits in the Appendices, as return data is not yet available for them. As the returns are filed and processed, it is expected that the total TY2021 CAT liability, as reported on returns, will increase.

## Section I: Introduction

---

Additional information about Oregon's taxes and areas of particular interest is available. Such information, forms, and publications are found on the following Oregon Department of Revenue webpages:

[www.oregon.gov/dor/forms](http://www.oregon.gov/dor/forms)

- CAT forms and instructions for current and prior tax years.

[www.oregon.gov/dor/programs/businesses/Pages/corporate-activity-tax.aspx](http://www.oregon.gov/dor/programs/businesses/Pages/corporate-activity-tax.aspx)

- More information about the Oregon CAT, including frequently asked questions.

[www.oregon.gov/dor/stats](http://www.oregon.gov/dor/stats)

- Statistical and descriptive information about Oregon's other tax programs, such as the corporation excise and income tax.

## **A. Background**

The Student Success Act (HB 3427) was passed by the 2019 Oregon Legislature and signed into law on May 16, 2019 by Governor Kate Brown. The Act created the Fund for Student Success and a new tax on all types of business entities — the Corporate Activity Tax (CAT) — to generate revenue for the fund, net of the revenue loss from the reduced personal income tax rates that were also part of HB 3427.<sup>3</sup>

The Fund for Student Success is separate and distinct from the General Fund and consists of three separate accounts, namely the Student Investment Account (SIA), the Early Learning Account (ELA), and Statewide Education Initiatives Account (SEIA). After a one-time distribution to the State School Fund (SSF) for the 2019-21 biennium and an additional amount to the High Cost Disability Account within the SSF, the remaining net CAT revenue is disbursed to the three Fund for Student Success accounts.

The SIA receives 50 percent of the revenue and provides additional funding for K-12 public schools to increase academic achievement, reduce disparate outcomes among demographic groups, and better meet students' mental and behavioral health needs. At least 20 percent of the revenue goes to the ELA to fund various early learning programs such as Oregon Pre-K and early intervention. Finally, up to 30 percent of revenue flows to the SEIA and supports a list of statewide K-12 education initiatives.

The CAT is imposed on all business types for the privilege of doing business in Oregon. It is measured on a business's commercial activity, which is the total amount realized by a taxpayer from the transactions and activity in the regular course of their business in Oregon. Some categories of commercial activity are excluded and there is a subtraction for 35 percent of the greater of related cost inputs or labor costs and an additional 15 percent subtraction for certain subcontractor labor payments. The first \$1 million of the resulting taxable commercial activity is excluded from taxation and the remainder is taxed at a rate of 0.57 percent plus a \$250 base tax.<sup>4</sup>

---

<sup>3</sup> Administrative costs are also subtracted from gross CAT revenue before distribution to the Fund for Student Success. For the 2023-25 biennium, administrative costs are estimated to be \$21.3 million.

<sup>4</sup> See Oregon Revised Statutes (ORS), 2021 Edition, Chapter 317A — Corporate Activity Tax, for complete details.

### **B. Filing Requirements**

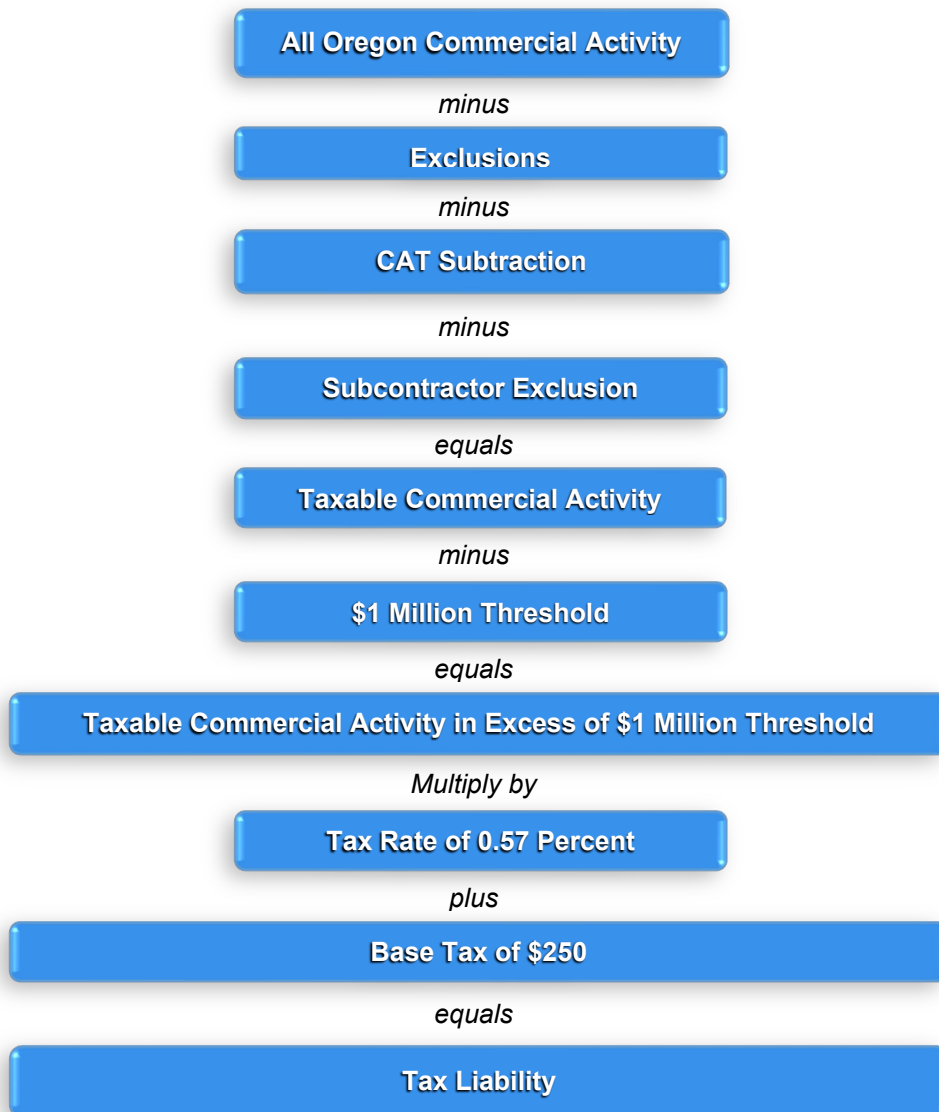
Any person, business, or unitary group of businesses with Oregon commercial activity of \$1 million or more must file a CAT return. A unitary group is a group of business entities or separate parts of a single entity that are united by more than 50 percent direct or indirect common ownership and engaged in a unitary business enterprise in which members share or exchange value. A unitary group may include a mix of different entity types, such as C Corporations, LLCs, S corporations, etc. A unitary group must file and pay the CAT as a single taxpayer and may exclude receipts from transactions among its members. For tax year 2020, all taxpayers were required to file using a calendar year basis while fiscal year filing was available starting with tax year 2021.

**C. Tax Calculation**

**Computation of the Corporate Activity Tax**

Exhibit 1 provides a flowchart of the computation of the CAT. A discussion of the calculation steps follows. For additional information, please refer to the Oregon Department of Revenue's CAT forms and instructions available at [www.oregon.gov/dor/forms](http://www.oregon.gov/dor/forms).

**Exhibit 1 — Computation of the Corporate Activity Tax**



## Section II: How Commercial Activity Is Taxed

---

### Starting Point: Oregon Commercial Activity

Oregon commercial activity is commercial activity sourced to Oregon. It is the total amount realized by a taxpayer from the transactions and activity in the regular course of their business in Oregon, without deduction for expenses incurred by the business. This can include, but is not limited to, money, property received, debt forgiven, and services rendered. The definition of commercial activity is not based on or tied to the definition of gross income in the Internal Revenue Code (IRC) section 61.<sup>5</sup> Commercial activity is realized according to the method of accounting used for federal income tax purposes.

### Exclusions

When the new CAT was established and the tax base was defined, 48 items were listed as exclusions in HB 3427.<sup>6</sup> However, the majority of these were included simply to define and clarify what is not part of the CAT tax base, they are not really deductions from Oregon commercial activity. A small number of the exclusions can likely be viewed as true deductions, including the following:

- Receipts from the sale of motor vehicle fuel.
- Receipts from the wholesale and retail sale of groceries.
- Farmer sales to an agricultural cooperative in Oregon.
- Receipts from the sale of fluid milk by dairy farmers that are not members of an agricultural cooperative.
- Net revenue of residential care facilities or in-home care agencies received for providing services to Medicare recipients.

For tax year 2021, exclusions are reported on a separate schedule with the CAT return and are initially included with Oregon commercial activity and then later subtracted from Oregon commercial activity.

### CAT Subtraction

Taxpayers may subtract from their Oregon sourced commercial activity 35 percent of the greater of their eligible cost inputs or eligible labor costs. Cost inputs means the cost of goods sold (COGS) as calculated in arriving at federal taxable income under the IRC. COGS includes all the costs and expenses, such as factory labor, raw materials, and factory overhead, directly related to the production or acquisition of goods. It excludes indirect costs such as those related to sales and general and administrative expenses.<sup>7</sup> Labor costs includes most types of compensation paid to employees, such as wages, health insurance benefits, retirement benefits, and any other fringe benefits, but it does not include employees' payroll taxes or compensation greater than \$500,000 paid to any single employee.

---

<sup>5</sup> Oregon Department of Revenue OAR 150-317-1000.

<sup>6</sup> See Appendix B for the complete list of exclusions for tax year 2021.

<sup>7</sup> In the case of a taxpayer that is engaged in a farming operation and does not report cost of goods sold for federal tax purposes, cost inputs mean the taxpayer's operating expenses excluding labor costs.

If a taxpayer has commercial activity both inside and outside of Oregon, they must apportion their eligible costs to only include those related to Oregon commercial activity. The amount of the CAT subtraction is limited to 95 percent of total Oregon commercial activity.

### **Subcontractor Exclusion**

General contractors who incur labor costs for single-family residential construction located in Oregon may qualify for the subcontractor labor payment exclusion. The exclusion is 15 percent of the labor costs paid to a subcontractor. It does not include payments made for materials, land, or permits and is not allowed for payments between subcontractors.

### **Taxable Commercial Activity and Tax Liability**

Taxable commercial activity is Oregon commercial activity minus exclusions, the CAT subtraction, and the subcontractor exclusion. Final CAT liability is calculated by subtracting \$1 million from taxable commercial activity, then multiplying the result by the 0.57 percent tax rate and adding the \$250 base tax. Only taxpayers with taxable commercial activity greater than \$1 million pay the CAT. Those with taxable commercial activity of \$1 million or less do not owe even the base tax of \$250. They have no CAT liability.

### **Payments and Refunds**

Taxpayers file a tax return after the end of their tax year. The calculated tax liability from a return is compared to estimated payments already made by a taxpayer and this reconciliation may lead to final payments or refunds. If the total estimated payments are less than the tax liability, then an additional payment is required with the return to cover the tax due. If the estimated payments are more than the tax liability, the taxpayer receives a refund for the overpayment. The taxpayer may choose to apply some or all their refund toward the next year's estimated tax payments.





### A. Timing of Tax Payments

Businesses file a tax return after the end of their tax year, which is usually the same as a calendar year. However, for some businesses, the tax year covers a significantly different period than a calendar year. For tax year 2020, all Corporate Activity Tax (CAT) taxpayers were required to file based on a calendar year. The passage of SB 164 in 2021 added fiscal year filing for CAT taxpayers who use a fiscal year other than the calendar year for federal tax purposes. For tax year 2021, these filers were required to first file a short-year return that started on January 1, 2021, and ended on the last day of their federal tax year that ended in 2021. The short-year returns were due by April 15, 2022. Then they were required to file a return that started the day after their short-year return ended and covered the same period as their 2021 federal fiscal year.

For example, a taxpayer who uses the fiscal year July 1-June 30 for federal tax purposes would have previously filed a tax year 2020 CAT return covering the period January 1, 2020 to December 31, 2020, due to the calendar year filing requirement for tax year 2020 for all taxpayers. To make the transition to fiscal year filing in 2021, they first filed a short-year CAT return for the period January 1, 2021 to June 30, 2021. Then they filed another CAT return to cover the entire fiscal year of July 1, 2021 to June 30, 2022. Looking ahead to tax year 2022, they will only need to file one CAT return to cover the entire fiscal year of July 1, 2022 to June 30, 2023.

Returns and tax are normally due on the 15<sup>th</sup> day of the fourth month following the end of the tax year, but a six-month extension for filing only is available. Because businesses may receive extensions to file returns and may make quarterly estimated payments, nearly all the payments associated with the Oregon CAT are received before the corresponding tax returns are filed.<sup>8</sup>

Other payments or refunds occur after the tax returns are filed due to amended or audited returns. Payments received and refunds issued by the Oregon Department of Revenue during any fiscal year (July 1–June 30) represent tax liabilities from many different tax years. Exhibit 2 provides details on the tax years for which payments were received and refunds issued in fiscal year 2022-23.<sup>9</sup> These are net receipts—composed of estimated payments, final payments associated with a return, and refunds issued to taxpayers.

#### Exhibit 2 — CAT Receipts in Fiscal Year 2022-23 By Tax Year

Tax Year	Net Receipts (\$ thousands)
2020	\$16,528
2021	\$842
2022	\$1,066,661
2023	\$260,637
<b>Total</b>	<b>\$1,344,668</b>

<sup>8</sup> For more detail on businesses' fiscal years and the due dates of businesses' tax returns, see Appendix A: Data Construction.

<sup>9</sup> See Appendix A: Data Construction for more information on the financial transactions data.

## Section III: Corporate Activity Tax Receipts

---

### B. Trends in Corporate Activity Tax Receipts

Exhibit 3 shows CAT receipts history by fiscal year since the start of the tax program in January of 2020.<sup>10</sup> Receipts in fiscal year 2019-2020 were relatively low because they only included estimated payments for tax year 2020, while the following fiscal years included estimated payments, refunds, and payments made with returns. It is also important to note that the switch from all returns being filed on a calendar basis for tax year 2020 to adding fiscal year filing beginning with tax year 2021, as discussed in the prior section, affected the timing of return filing and receipts in subsequent fiscal years. Thus, differences observed between fiscal years are currently due to both changes in the CAT program and economic conditions.

<b>Exhibit 3 — CAT Receipts History</b>		
<b>Fiscal Year*</b>	<b>Net Receipts (\$ thousands)</b>	<b>Growth</b>
2019-20	\$236,858	
2020-21	\$1,166,191	392.4%
2021-22	\$1,185,014	1.6%
2022-23	\$1,344,668	13.5%

\* Fiscal year starts July 1.

---

<sup>10</sup> See Appendix A: Data Construction for more information on the financial transactions data.

### C. Receipts by Industry Sector

Exhibit 4 compares CAT receipts from all sectors for fiscal years 2021-22 and 2022-23.<sup>11</sup> Overall, receipts grew by 13.5 percent between the fiscal years with most sectors showing growth and only three sectors (mining; retail trade; and real estate, rental, and leasing) declining. The sectors showing the largest increases were transportation and warehousing; administrative, support, and waste management; and arts, entertainment, and recreation.

**Exhibit 4 — Corporate Activity Tax Receipts by Industry Sector  
Fiscal Years 2021-22 and 2022-23**

Industry Sector *	FY 2021-22 (\$ thousands)	FY 2022-23 (\$ thousands)	Growth	Share of Total Receipts for FY 2022-23
Agriculture, Forestry, Fishing, and Hunting	\$11,695	\$13,633	16.6%	1.0%
Mining	\$2,721	\$1,019	-62.6%	0.1%
Utilities	\$21,829	\$26,500	21.4%	2.0%
Construction	\$115,574	\$129,312	11.9%	9.6%
Manufacturing	\$168,047	\$198,228	18.0%	14.7%
Wholesale Trade	\$146,402	\$188,553	28.8%	14.0%
Retail Trade	\$210,303	\$196,835	-6.4%	14.6%
Transportation and Warehousing	\$23,310	\$32,865	41.0%	2.4%
Information	\$81,940	\$85,561	4.4%	6.4%
Finance and Insurance	\$43,353	\$51,607	19.0%	3.8%
Real Estate, Rental, and Leasing	\$52,792	\$51,838	-1.8%	3.9%
Professional, Scientific, and Technical Services	\$51,330	\$54,949	7.1%	4.1%
Management of Companies and Enterprises	\$132,772	\$139,702	5.2%	10.4%
Administrative, Support, and Waste Management	\$19,654	\$27,850	41.7%	2.1%
Educational Services	\$1,506	\$1,653	9.8%	0.1%
Health Care and Social Assistance	\$40,274	\$49,347	22.5%	3.7%
Arts, Entertainment, and Recreation	\$4,891	\$6,597	34.9%	0.5%
Accommodation and Food Services	\$30,851	\$36,204	17.4%	2.7%
Other Services (except Public Administration)	\$9,633	\$10,417	8.1%	0.8%
Unknown	\$16,136	\$41,999	N/A**	3.1%
<b>Total</b>	<b>\$1,185,014</b>	<b>\$1,344,668</b>	<b>13.5%</b>	<b>100%</b>

\* The order and definitions for these sectors is from the North American Industry Classification System (NAICS). For additional information on NAICS sectors, please see Appendix C — "Index of Selected Industry Sectors."

\*\* The magnitude of change is not meaningful for this category. The number of unclassified corporations and receipts attributable to them will drop significantly with time due to the on-going efforts to improve NAICS code assignment to CAT taxpayers.

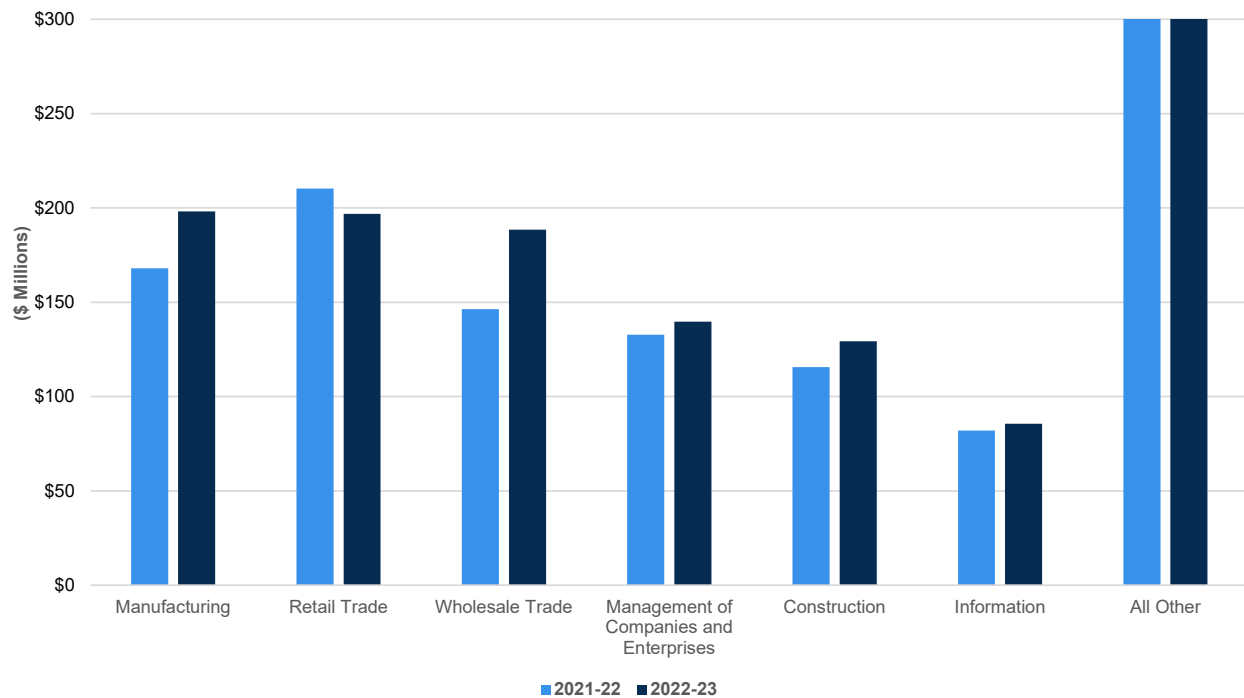
<sup>11</sup> See Appendix A: Data Construction for more information on the financial transactions data.

### Section III: Corporate Activity Tax Receipts

Exhibit 5 highlights the sectors with the largest shares of total tax receipts for fiscal years 2021-22 and 2022-23. Among the six largest sectors, receipts increased between fiscal years for five of them, most notably wholesale trade and manufacturing, and declined for retail trade. The primary sectors that contribute to the “All Other” category include the following:

- Professional, scientific, and technical services
- Real estate, rental, and leasing
- Finance and insurance

**Exhibit 5 — Corporate Activity Tax Receipts By Industry Sector  
Fiscal Years 2021-22 and 2022-23**



## Section IV

# Corporate Activity Tax Returns

This section begins with historical information on the first two years of the Corporate Activity Tax (CAT) program. That is followed by summary information on key components of tax year 2021 CAT returns. The discussion order follows that of the return, starting with demographics, proceeding through the various components of the computation of tax liability, and ending with payments and refunds. In the exhibits, due to rounding the sum of separate quantities may not always equal the total.<sup>12</sup>

### A. History of Tax Returns Filed

The CAT started with tax year 2020. At the time of the publication of the first edition of this report, not all tax year 2020 returns had been filed, due to normal filing delays associated with a new tax program.<sup>13</sup> Exhibit 6 shows the former and current summary information for tax year 2020. More than 1,900 additional tax year 2020 returns were filed during the last two years and the tax liability reported on returns increased by more than \$62 million.

#### Exhibit 6 — Tax Year 2020 Corporate Activity Tax Returns All Returns Filed and Processed through January 31, 2022

Period of Return	Number of Returns	Share of Returns	Oregon Commercial Activity (\$ millions)	Taxable Commercial Activity in Excess of \$1M (\$ millions)	Tax Liability (\$ thousands)	Share of Tax Liability
Short-Year	170	0.8%	\$1,197	\$814	\$4,675	0.5%
Full Tax Year*	20,580	99.2%	\$242,278	\$170,461	\$975,847	99.5%
<b>Total</b>	<b>20,750</b>	<b>100.0%</b>	<b>\$243,475</b>	<b>\$171,275</b>	<b>\$980,522</b>	<b>100.0%</b>

#### Tax Year 2020 Corporate Activity Tax Returns All Returns Filed and Processed through December 31, 2023

Period of Return	Number of Returns	Share of Returns	Oregon Commercial Activity (\$ millions)	Taxable Commercial Activity in Excess of \$1M (\$ millions)	Tax Liability (\$ thousands)	Share of Tax Liability
Short-Year	210	0.9%	\$1,285	\$862	\$4,951	0.5%
Full Tax Year*	22,480	99.1%	\$258,638	\$181,247	\$1,037,731	99.5%
<b>Total</b>	<b>22,690</b>	<b>100.0%</b>	<b>\$259,923</b>	<b>\$182,109</b>	<b>\$1,042,682</b>	<b>100.0%</b>

\* For tax year 2020, all taxpayers were required to use the calendar year (January 1, 2020 - December 31, 2020) as their tax year.

<sup>12</sup> For more detail on rounding in exhibits, see Appendix A: Data Construction.

<sup>13</sup> The first edition of this report contained summary information for tax year 2020 returns filed and processed through January 31, 2022.

## Section IV: Corporate Activity Tax Returns

---

As previously discussed, fiscal year filing was added for tax year 2021. Because of this, all fiscal year filers had to file both a short-year return and a return covering the entire fiscal tax year, thus greatly increasing the number of short-year returns filed for tax year 2021. Exhibit 7 shows summary information for tax year 2021.

### Exhibit 7 — All Tax Year 2021 Corporate Activity Tax Returns

#### Period of Return

<b>Period of Return</b>	<b>Number of Returns</b>	<b>Share of Returns</b>	<b>Oregon Commercial Activity (\$ millions)</b>	<b>Taxable Commercial Activity in Excess of \$1M (\$ millions)</b>	<b>Tax Liability (\$ thousands)</b>	<b>Share of Tax Liability</b>
Short-Year	2,230	8.2%	\$28,926	\$20,803	\$119,059	9.6%
Full Tax Year*	24,920	91.8%	\$278,422	\$195,007	\$1,116,592	90.4%
<b>Total</b>	<b>27,150</b>	<b>100.0%</b>	<b>\$307,347</b>	<b>\$215,809</b>	<b>\$1,235,651</b>	<b>100.0%</b>

\* For tax year 2021, taxpayers were required to use the same tax year (calendar or fiscal) as they use for federal income tax purposes.

Compared to tax year 2020 and excluding short-year returns, more than 2,400 additional returns were filed for tax year 2021 with corresponding increased tax liability of almost \$79 million or about 7.6 percent. Since most short-year returns were filed only due to the switch from calendar year to fiscal year filing and returns covering the full tax year represent the most complete data for each business, the remainder of the report will focus primarily on tax year 2021 returns covering the full tax year.

## B. Demographics

### Filing Entity

CAT returns may be filed by single entities or a unitary group of entities filing as a single taxpayer. In the latter case, the unitary group must designate a single member (designated CAT entity) to file and pay the CAT. The designated CAT entity must file a combined CAT return and include some information about all affiliates with Oregon commercial activity on the CAT affiliate schedule.

In this report, for unitary groups, all demographic data provided is based on the designated CAT entity. For example, if a designated CAT entity belongs to a different industry sector than one or more of the affiliates on a return, all the Oregon commercial activity, tax liability, etc. of the unitary group will be reported under the industry sector of the designated CAT entity.

Exhibit 8 provides information on returns filed by a single entity versus those filed by a designated CAT entity representing a unitary group of entities. While more than 61 percent of returns were filed by single entities, almost 72 percent of total tax liability came from unitary group returns.

#### Exhibit 8 — Tax Year 2021 Corporate Activity Tax Returns

##### Type of Filing Entity

Type of Filing Entity	Number of Returns	Share of Returns	Oregon Commercial Activity (\$ millions)	Taxable Commercial Activity in Excess of \$1M (\$ millions)	Tax Liability (\$ thousands)	Share of Tax Liability
Single Entity	15,270	61.3%	\$89,088	\$54,965	\$316,327	28.3%
Unitary Group of Entities	9,650	38.7%	\$189,334	\$140,042	\$800,265	71.7%
<b>Total</b>	<b>24,920</b>	<b>100%</b>	<b>\$278,422</b>	<b>\$195,007</b>	<b>\$1,116,592</b>	<b>100%</b>

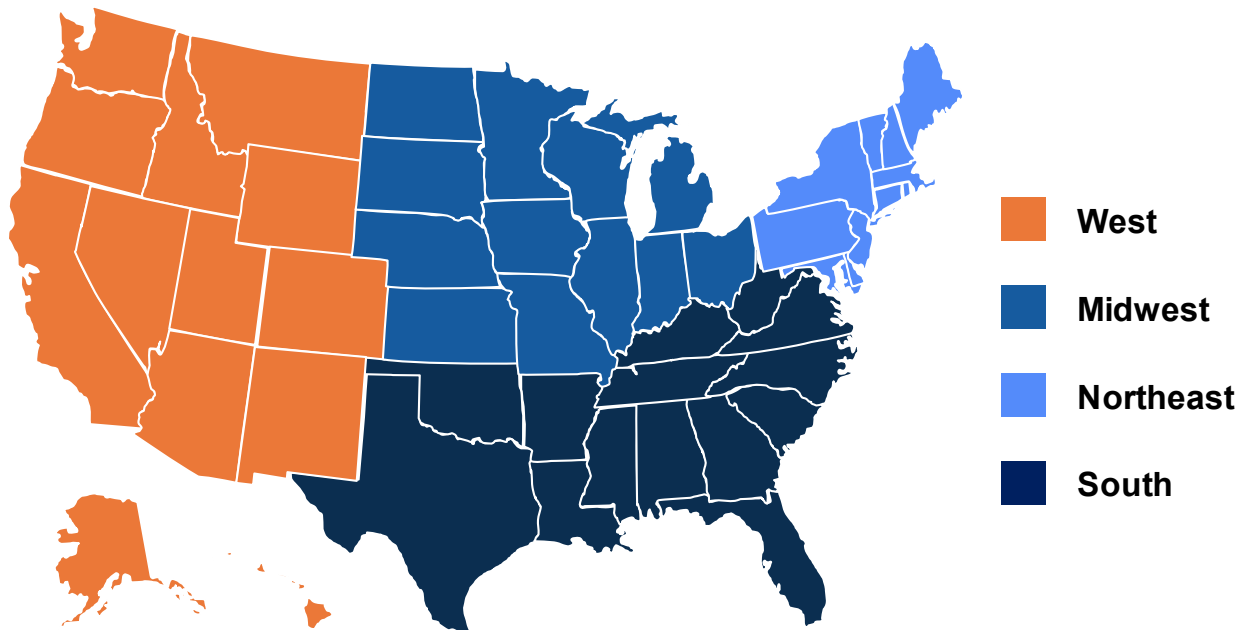
## Section IV: Corporate Activity Tax Returns

### Commercial Domicile

Exhibit 9a shows the distribution of returns and return details by the region of commercial domicile (the location of the business's headquarters). The state of commercial domicile is not necessarily the same state as the address on the returns or the state of incorporation. For tax year 2021, most of the returns and more than half of the CAT liability came from businesses domiciled in the West region of the United States.

**Exhibit 9a — Tax Year 2021 Corporate Activity Tax Returns  
Region of Commercial Domicile**

Region	Number of Returns	Share of Returns	Oregon Commercial Activity (\$ millions)	Taxable Commercial Activity in Excess of \$1M (\$ millions)	Tax Liability (\$ thousands)	Share of Tax Liability
West	21,060	84.5%	\$161,834	\$106,033	\$608,615	54.5%
Midwest	1,360	5.5%	\$40,080	\$29,458	\$168,201	15.1%
Northeast	1,220	4.9%	\$33,238	\$26,499	\$151,302	13.6%
South	1,200	4.8%	\$42,474	\$32,506	\$185,544	16.6%
Outside U.S.	90	0.4%	\$796	\$511	\$2,931	0.3%
<b>Total</b>	<b>24,930</b>	<b>100%</b>	<b>\$278,422</b>	<b>\$195,007</b>	<b>\$1,116,592</b>	<b>100%</b>





Section IV: Corporate Activity Tax Returns

Exhibit 9b provides detail on commercial domicile by state for the West region. Seventy-two percent of returns and almost one-third of tax liability was from businesses headquartered in Oregon.

**Exhibit 9b — Tax Year 2021 Corporate Activity Tax Returns  
West Region, State of Commercial Domicile**

<b>State</b>	<b>Number of Returns</b>	<b>Share of Returns</b>	<b>Oregon Commercial Activity (\$ millions)</b>	<b>Taxable Commercial Activity in Excess of \$1M (\$ millions)</b>	<b>Tax Liability (\$ thousands)</b>	<b>Share of Tax Liability</b>
Alaska	10	0.0%	\$125	\$83	\$475	0.0%
Arizona	128	0.5%	\$3,443	\$2,560	\$14,618	1.3%
California	1,240	5.0%	\$24,015	\$18,552	\$106,013	9.5%
Colorado	140	0.6%	\$3,325	\$2,449	\$13,985	1.3%
Idaho	140	0.6%	\$3,986	\$2,831	\$16,164	1.4%
Montana	30	0.1%	\$346	\$257	\$1,472	0.1%
Nevada	50	0.2%	\$1,685	\$1,140	\$6,509	0.6%
Oregon	17,940	72.0%	\$105,225	\$64,129	\$369,105	33.1%
Utah	110	0.4%	\$2,124	\$1,709	\$9,766	0.9%
Washington	1,250	5.0%	\$17,490	\$12,281	\$70,264	6.3%
Other*	20	0.1%	\$194	\$125	\$719	0.1%
<b>Total</b>	<b>21,060</b>	<b>84.5%</b>	<b>\$161,834</b>	<b>\$106,033</b>	<b>\$608,615</b>	<b>54.5%</b>

\*Other includes Hawaii, New Mexico, and Wyoming.

## Section IV: Corporate Activity Tax Returns

### Industry Sector

Exhibit 10 shows the distribution of returns and returns details by industry sector.<sup>14</sup> For tax year 2021, the following four sectors combined accounted for more than half of CAT liability:

- Manufacturing
- Wholesale trade
- Retail trade
- Management of companies and enterprises

### Exhibit 10 — Tax Year 2021 Corporate Activity Tax Returns Industry Sector

Industry Sector *	Number of Returns	Share of Returns	Oregon Commercial Activity (\$ millions)	Taxable Commercial Activity in Excess of \$1M (\$ millions)	Tax Liability (\$ thousands)	Share of Tax Liability
Agriculture, Forestry, Fishing, and Hunting	1,050	4.2%	\$4,201	\$2,057	\$11,907	1.1%
Mining	50	0.2%	\$338	\$205	\$1,180	0.1%
Utilities	80	0.3%	\$4,910	\$3,663	\$20,893	1.9%
Construction	3,860	15.5%	\$30,493	\$18,555	\$106,547	9.5%
Manufacturing	2,540	10.2%	\$42,060	\$29,288	\$167,479	15.0%
Wholesale Trade	1,680	6.7%	\$34,379	\$23,319	\$133,270	11.9%
Retail Trade	3,010	12.1%	\$49,004	\$33,811	\$193,329	17.3%
Transportation and Warehousing	700	2.8%	\$6,253	\$4,676	\$26,800	2.4%
Information	450	1.8%	\$15,633	\$13,687	\$78,110	7.0%
Finance and Insurance	940	3.8%	\$9,915	\$8,145	\$46,598	4.2%
Real Estate, Rental, and Leasing	2,120	8.5%	\$10,742	\$7,774	\$44,765	4.0%
Professional, Scientific, and Technical Services	2,410	9.7%	\$12,357	\$8,086	\$46,564	4.2%
Management of Companies and Enterprises	690	2.8%	\$30,413	\$23,798	\$135,806	12.2%
Administrative, Support, and Waste Management	640	2.6%	\$4,479	\$3,015	\$17,315	1.6%
Education Services	80	0.3%	\$315	\$202	\$1,166	0.1%
Health Care and Social Assistance	1,810	7.3%	\$10,684	\$7,022	\$40,387	3.6%
Arts, Entertainment, and Recreation	230	0.9%	\$1,184	\$834	\$4,802	0.4%
Accommodation and Food Services	1,660	6.7%	\$7,526	\$4,858	\$28,036	2.5%
Other Services (except Public Administration)	790	3.2%	\$2,627	\$1,413	\$8,209	0.7%
Unknown	130	0.5%	\$908	\$597	\$3,429	0.3%
<b>Total</b>	<b>24,920</b>	<b>100%</b>	<b>\$278,422</b>	<b>\$195,007</b>	<b>\$1,116,592</b>	<b>100%</b>

\*The order and definitions for these sectors is from the North American Industry Classification System (NAICS). For additional information on NAICS sectors, please see Appendix C.

<sup>14</sup> See Appendix C: Index of Selected Industry Sectors for more details.

## Tax Entity and Legal Entity

All types of businesses are subject to the CAT. Taxpayers are asked to indicate their tax entity type and if it is different, their legal entity type. Tax entity type refers to how the business is taxed, while legal entity refers to the legal and liability structure of the business. Some entity types, such as sole proprietorship, are both a legal and a tax type. While others, such as partnership, are primarily a tax type and allow different legal structures, including partnership, limited liability partnership, and limited liability company (LLC) organized as a partnership.

Exhibits 11 and 12 provide details on this demographic information. S corporations filed the largest number of CAT returns, but C Corporations accounted for the largest share of tax liability. The unknown category contains taxpayers who did not provide this demographic information.

### Exhibit 11 — Tax Year 2021 Corporate Activity Tax Returns

#### Type of Tax Entity

Type of Tax Entity	Number of Returns	Share of Returns	Oregon Commercial Activity (\$ millions)	Taxable Commercial Activity in Excess of \$1M (\$ millions)	Tax Liability (\$ thousands)	Share of Tax Liability
S Corporation	10,810	43.4%	\$63,012	\$37,459	\$215,678	19.3%
C Corporation	6,100	24.5%	\$163,420	\$122,988	\$702,328	62.9%
LLC Organized as a Corporation*	420	1.7%	\$4,441	\$3,201	\$18,334	1.6%
Partnerships	3,980	16.0%	\$27,289	\$18,467	\$106,099	9.5%
<i>LLC Organized as a Partnership</i>	2,110	8.5%	\$13,404	\$8,924	\$51,312	4.6%
<i>Partnership</i>	1,710	6.9%	\$12,494	\$8,522	\$48,927	4.4%
<i>Limited Liability Partnership</i>	160	0.6%	\$1,391	\$1,021	\$5,860	0.5%
Single-member LLC**	630	2.5%	\$4,463	\$2,972	\$17,068	1.5%
Sole Proprietorship	530	2.1%	\$1,102	\$393	\$2,334	0.2%
Other***	50	0.2%	\$1,754	\$1,291	\$7,375	0.7%
Unknown	2,400	9.6%	\$12,940	\$8,235	\$47,379	4.2%
<b>Total</b>	<b>24,920</b>	<b>100.0%</b>	<b>\$278,422</b>	<b>\$195,007</b>	<b>\$1,116,592</b>	<b>100.0%</b>

\*Can elect classification as either an S corporation or a C corporation for tax purposes.

\*\*Treated as a disregarded entity (part of the owner's tax return) for income tax purposes, unless elects to be treated as a corporation.

\*\*\*Includes Association/Trust, Other Foreign Entity, and Qualified Subchapter S Subsidiary.

## Section IV: Corporate Activity Tax Returns

### Exhibit 12 — Tax Year 2021 Corporate Activity Tax Returns

#### Type of Legal Entity

Type of Legal Entity	Number of Returns	Share of Returns	Oregon Commercial Activity (\$ millions)	Taxable Commercial Activity in Excess of \$1M (\$ millions)	Tax Liability (\$ thousands)	Share of Tax Liability
S Corporation	9,940	39.9%	\$60,348	\$36,198	\$208,320	18.7%
C Corporation	6,120	24.6%	\$162,537	\$122,211	\$697,902	62.5%
LLCs	4,180	16.8%	\$26,923	\$17,810	\$102,384	9.2%
<i>LLC Organized as a Partnership</i>	2,240	9.0%	\$14,875	\$9,982	\$57,372	5.1%
<i>LLC Organized as a Corporation</i>	1,140	4.6%	\$7,125	\$4,658	\$26,784	2.4%
<i>Single-member LLC</i>	800	3.2%	\$4,923	\$3,170	\$18,228	1.6%
Partnership	1,640	6.6%	\$11,990	\$8,173	\$46,921	4.2%
Limited Liability Partnership	190	0.8%	\$1,490	\$1,094	\$6,282	0.6%
Sole Proprietorship	440	1.8%	\$963	\$369	\$2,182	0.2%
Other*	40	0.2%	\$1,534	\$1,132	\$6,458	0.6%
Unknown	2,380	9.6%	\$12,636	\$8,019	\$46,144	4.1%
<b>Total</b>	<b>24,920</b>	<b>100.0%</b>	<b>\$278,422</b>	<b>\$195,007</b>	<b>\$1,116,592</b>	<b>100.0%</b>

\* Includes Association/Trust, Other Foreign Entity, and Qualified Subchapter S Subsidiary

### C. Components of Tax Liability Computation

#### Oregon Commercial Activity

Exhibit 13 shows the distribution of returns and return details by Oregon commercial activity category. Although taxpayers with less than \$1 million in Oregon commercial activity are not required to file a CAT return, more than 2,100 did file, although they had no tax liability. Almost 35 percent of taxpayers had Oregon commercial activity between \$1 and \$2 million, but they accounted for only 1.1 percent of total tax liability. While the returns with Oregon commercial activity greater than \$100 million represent less than 2 percent of returns filed, they had more than 50 percent of total tax liability.

#### Exhibit 13 — Tax Year 2021 Corporate Activity Tax Returns Oregon Commercial Activity Category

Oregon Commercial Activity Category	Number of Returns	Oregon Commercial Activity (\$ millions)	Taxable Commercial Activity (\$ millions)	Taxable Commercial Activity in Excess of \$1M (\$ millions)	Tax Liability (\$ thousands)
< \$1 million	2,140	\$909	\$751	\$0	\$0
\$1 million to \$1.5 million	5,280	\$6,526	\$5,416	\$426	\$3,142
\$1.5 million to \$2 million	3,410	\$5,898	\$4,834	\$1,443	\$9,063
\$2 million to \$3 million	3,940	\$9,629	\$7,826	\$3,909	\$23,260
\$3 million to \$5 million	3,480	\$13,371	\$10,783	\$7,325	\$42,614
\$5 million to \$7 million	1,620	\$9,573	\$7,701	\$6,089	\$35,111
\$7 million to \$10 million	1,310	\$10,865	\$8,662	\$7,361	\$42,281
\$10 million to \$15 million	1,090	\$13,330	\$10,558	\$9,468	\$54,239
\$15 million to \$25 million	980	\$18,780	\$14,810	\$13,834	\$79,096
\$25 million to \$50 million	830	\$28,680	\$22,655	\$21,830	\$124,637
\$50 million to \$100 million	470	\$32,766	\$25,289	\$24,817	\$141,574
Over \$100 million	390	\$128,093	\$98,892	\$98,505	\$561,576
<b>Total</b>	<b>24,920</b>	<b>\$278,422</b>	<b>\$218,178</b>	<b>\$195,007</b>	<b>\$1,116,592</b>

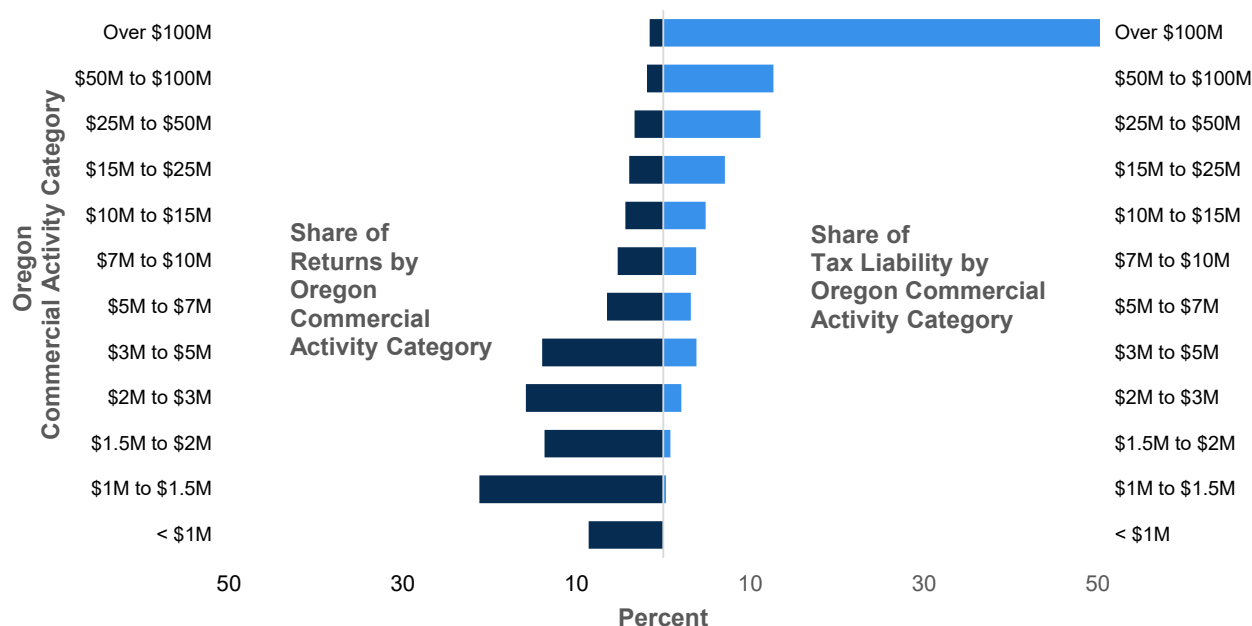
#### Percentage Distribution

Oregon Commercial Activity Category	Number of Returns	Oregon Commercial Activity	Taxable Commercial Activity	Taxable Commercial Activity in Excess of \$1M (\$ millions)	Tax Liability
< \$1 million	8.6%	0.3%	0.3%	0.0%	0.0%
\$1 million to \$1.5 million	21.2%	2.3%	2.5%	0.2%	0.3%
\$1.5 million to \$2 million	13.7%	2.1%	2.2%	0.7%	0.8%
\$2 million to \$3 million	15.8%	3.5%	3.6%	2.0%	2.1%
\$3 million to \$5 million	14.0%	4.8%	4.9%	3.8%	3.8%
\$5 million to \$7 million	6.5%	3.4%	3.5%	3.1%	3.1%
\$7 million to \$10 million	5.3%	3.9%	4.0%	3.8%	3.8%
\$10 million to \$15 million	4.4%	4.8%	4.8%	4.9%	4.9%
\$15 million to \$25 million	3.9%	6.7%	6.8%	7.1%	7.1%
\$25 million to \$50 million	3.3%	10.3%	10.4%	11.2%	11.2%
\$50 million to \$100 million	1.9%	11.8%	11.6%	12.7%	12.7%
Over \$100 million	1.6%	46.0%	45.3%	50.5%	50.3%
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>

## Section IV: Corporate Activity Tax Returns

Exhibit 14 shows the share of returns and the share of total tax liability by Oregon commercial activity categories. It highlights the concentration of returns among taxpayers with Oregon commercial activity less than \$5 million, but the concentration of tax liability among those with Oregon commercial activity greater than \$25 million.

**Exhibit 14 — Tax Year 2021 Corporate Activity Tax Returns**  
**Share of Returns and Tax Liability by Oregon Commercial Activity Category**



### Select Exclusions

Exhibit 15 provides detail on the few exclusions from commercial activity that are thought to be true deductions in computation of the Oregon CAT, rather than just part of the definition of the tax base.<sup>15</sup> The largest in terms of both number and total exclusion amount is for receipts from the wholesale or retail sale of groceries.

**Exhibit 15 — Tax Year 2021 Corporate Activity Tax Returns**  
**Select Exclusions (Deductions) from Oregon Commercial Activity**

Exclusion	Number of Returns with Exclusion	Total Exclusion Amount (\$ millions)
Receipts from the wholesale or retail sale of groceries	700	\$19,848
Receipts from the sale, transfer, exchange, or other disposition of motor vehicle fuel	230	\$11,903
Farmer sales to an agricultural cooperative in Oregon	130	\$385
Receipts from the sale of fluid milk by dairy farmers that are not members of an agricultural cooperative	*	*
Net revenue of residential care facilities or in-home care agencies received for providing services to Medicare recipients	80	\$1,105
<b>Total</b>	<b>1,140</b>	<b>\$33,241</b>

\* Included in farmer sales to an agricultural cooperative in Oregon.

<sup>15</sup> See Appendix B for the complete list of exclusions for tax year 2021.

**CAT Subtraction**

For the CAT subtraction, taxpayers can use 35 percent of the greater of their cost inputs or eligible labor costs related to their Oregon commercial activity. Exhibit 16 provides details on the CAT subtraction by Oregon commercial activity category. Most taxpayers took a CAT subtraction, but within all categories there were taxpayers who did not claim a CAT subtraction. The latter was most common for those with less than \$1 million of Oregon commercial activity. As these taxpayers did not have any CAT liability, it is likely that many simply did not complete the CAT subtraction section of the return. Most taxpayers used cost inputs, rather than labor costs, as the basis for their CAT subtraction.

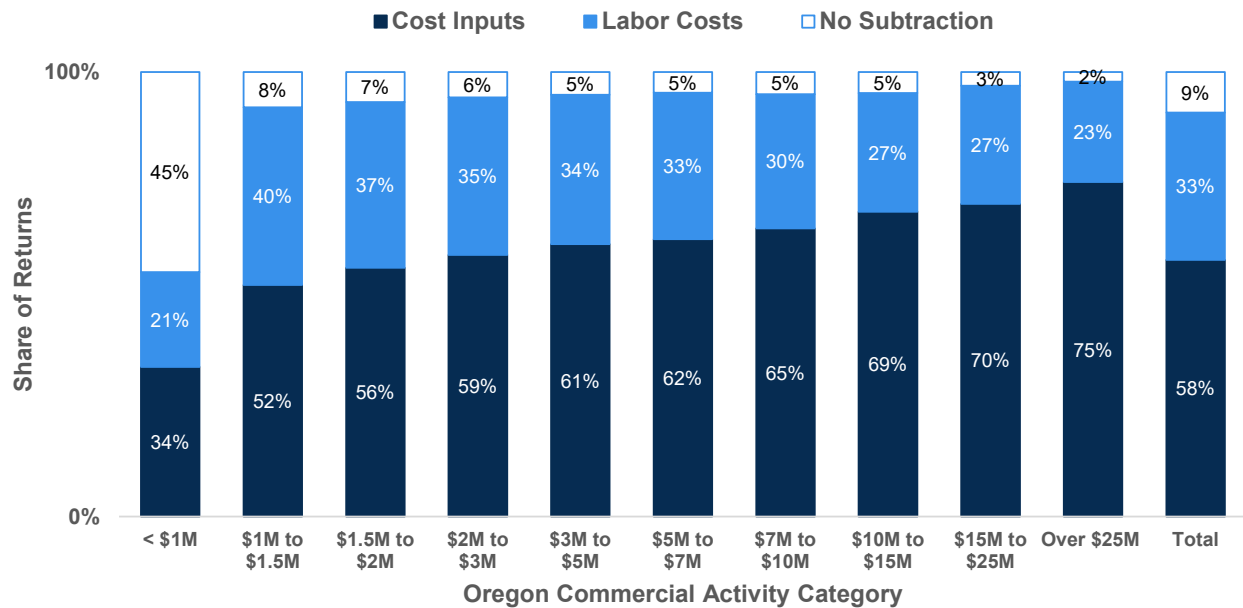
**Exhibit 16 — Tax Year 2021 Corporate Activity Tax Returns****CAT Subtraction and Basis for CAT Subtraction by Oregon Commercial Activity Category**

Oregon Commercial Activity Category	Total Returns	No CAT Subtraction Returns	Total CAT Subtraction		CAT Subtraction Using Cost Inputs		CAT Subtraction Using Labor Costs	
			Returns	(\$ millions)	Returns (\$ millions)	Returns (\$ millions)		
< \$1 million	2,140	960	1,180	\$158	720	\$114	460	\$44
\$1 million to \$1.5 million	5,280	420	4,860	\$1,103	2,750	\$747	2,110	\$356
\$1.5 million to \$2 million	3,410	240	3,170	\$1,056	1,910	\$742	1,270	\$313
\$2 million to \$3 million	3,940	220	3,720	\$1,791	2,320	\$1,313	1,400	\$478
\$3 million to \$5 million	3,480	180	3,300	\$2,570	2,130	\$1,952	1,170	\$618
\$5 million to \$7 million	1,620	80	1,540	\$1,861	1,010	\$1,440	530	\$421
\$7 million to \$10 million	1,310	70	1,240	\$2,187	850	\$1,754	390	\$432
\$10 million to \$15 million	1,090	50	1,040	\$2,752	750	\$2,305	290	\$447
\$15 million to \$25 million	980	30	950	\$3,966	690	\$3,361	260	\$605
Over \$25 million	1,680	30	1,650	\$42,657	1,270	\$39,230	380	\$3,427
<b>Total</b>	<b>24,920</b>	<b>2,270</b>	<b>22,650</b>	<b>\$60,099</b>	<b>14,390</b>	<b>\$52,958</b>	<b>8,260</b>	<b>\$7,141</b>

## Section IV: Corporate Activity Tax Returns

Exhibit 17 shows the basis for the CAT subtraction by Oregon commercial activity category. Cost inputs were the predominant basis for the CAT subtraction across all categories of Oregon commercial activity and their share generally increased as Oregon commercial activity increased.

**Exhibit 17 — Tax Year 2021 Corporate Activity Tax Returns  
Basis for CAT Subtraction by Oregon Commercial Activity Category**





## Section IV: Corporate Activity Tax Returns

Another way to view the CAT subtraction is by industry sector, as shown in Exhibits 18 and 19. In every industry sector, most taxpayers claimed a CAT subtraction.

### Exhibit 18 — Tax Year 2021 Corporate Activity Tax Returns CAT Subtraction and Basis for CAT Subtraction by Industry Sector

Industry Sector*	Total Returns	No CAT Subtraction Returns	Total CAT Subtraction		CAT Subtraction Using Cost Inputs		CAT Subtraction Using Labor Costs	
			Returns	(\$ millions)	Returns (\$ millions)	Returns (\$ millions)		
Agriculture, Forestry, Fishing, and Hunting	1,050	70	980	\$1,221	730	\$1,113	250	\$108
Utilities	80	20	60	\$1,174	40	\$1,152	20	\$22
Construction	3,860	180	3,680	\$8,148	3,210	\$7,921	470	\$227
Manufacturing	2,540	120	2,420	\$10,399	2,190	\$10,174	230	\$225
Wholesale Trade	1,680	120	1,560	\$9,506	1,470	\$9,451	100	\$55
Retail Trade	3,010	160	2,850	\$12,383	2,720	\$12,234	130	\$148
Transportation and Warehousing	700	50	650	\$923	310	\$431	340	\$492
Information	450	50	400	\$1,534	170	\$1,196	240	\$339
Finance and Insurance	940	240	700	\$1,001	100	\$405	590	\$596
Real Estate, Rental, and Leasing	2,120	710	1,410	\$980	380	\$629	1,040	\$351
Professional, Scientific, and Technical Services	2,410	190	2,220	\$2,063	620	\$770	1,600	\$1,293
Management of Companies and Enterprises	690	50	640	\$5,963	400	\$5,174	240	\$788
Administrative, Support, and Waste Management	640	40	600	\$864	260	\$476	340	\$387
Health Care and Social Assistance	1,810	100	1,710	\$1,947	220	\$439	1,480	\$1,508
Arts, Entertainment, and Recreation	230	20	210	\$135	70	\$51	140	\$84
Accommodation and Food Services	1,660	70	1,590	\$1,070	900	\$707	690	\$363
Other Services (except Public Administration)	790	40	750	\$465	490	\$363	260	\$102
Unknown, Mining, and Education Services**	260	50	210	\$323	110	\$273	110	\$51
<b>Total</b>	<b>24,920</b>	<b>2,270</b>	<b>22,650</b>	<b>\$60,099</b>	<b>14,390</b>	<b>\$52,959</b>	<b>8,260</b>	<b>\$7,139</b>

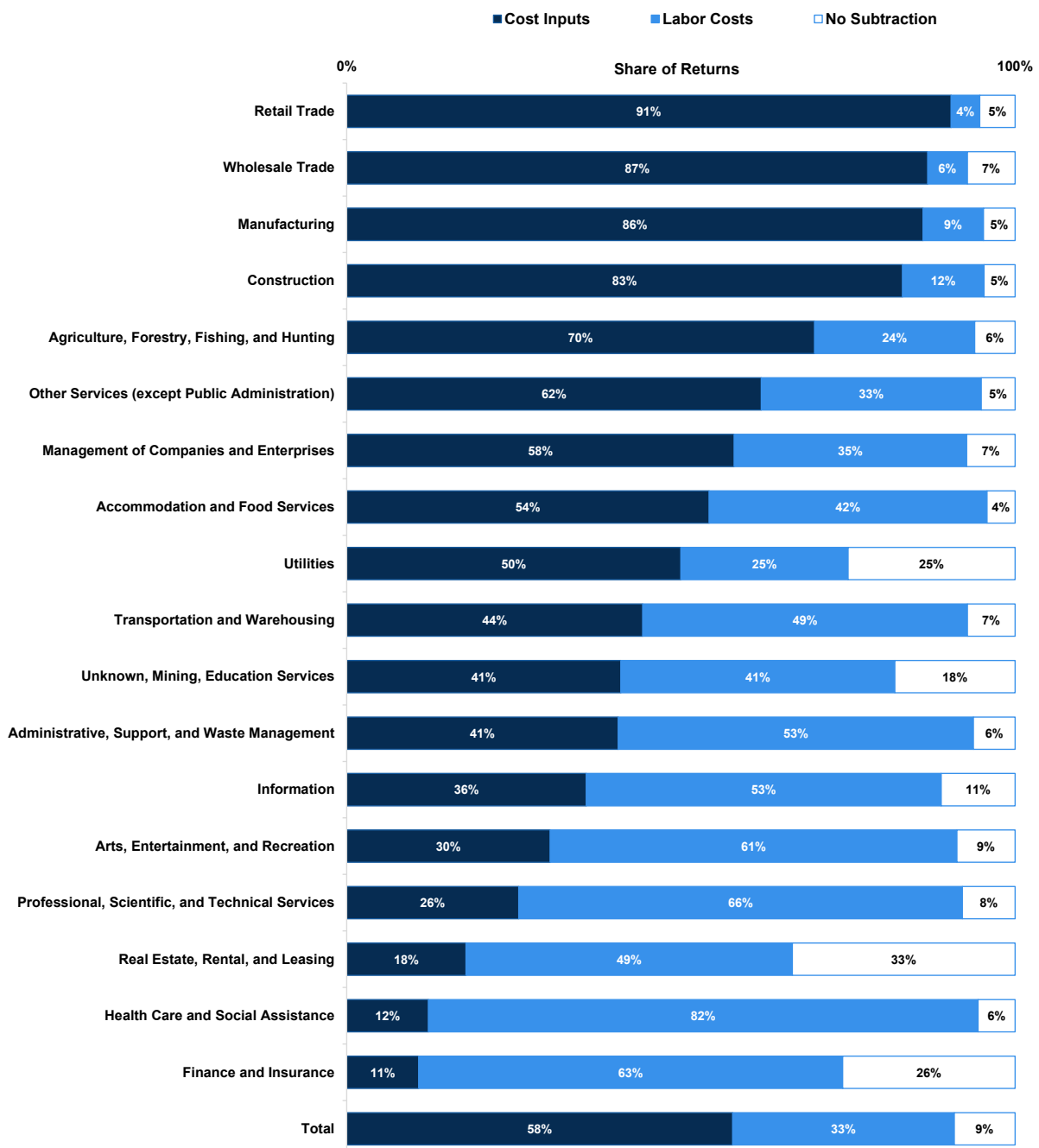
\*The order and definitions for these sectors is from the North American Industry Classification System (NAICS). For additional information on NAICS sectors, please see Appendix C.

\*\* Categories combined due to low counts in some columns.

## Section IV: Corporate Activity Tax Returns

Exhibit 19 shows the basis for the CAT subtraction by industry sector. Cost inputs were the predominant basis for industries focused on the production or sale of goods such as manufacturing, construction, and wholesale and retail trade. Meanwhile, labor costs were the predominant basis for service industries such as healthcare and social assistance; finance and insurance; and real estate, rental, and leasing.

**Exhibit 19 — Tax Year 2021 Corporate Activity Tax Returns  
Basis for CAT Subtraction by Industry Sector**



**Subcontractor Exclusion**

Exhibit 20 provides details on the taxpayers using the subcontractor labor payment exclusion by Oregon commercial activity category. The exclusion is available to general contractors who incur labor costs for single-family residential construction located in Oregon.

**Exhibit 20 — Tax Year 2021 Corporate Activity Tax Returns**  
**Subcontractor Exclusion by Oregon Commercial Activity Category**

<b>Oregon Commercial Activity Category</b>	<b>Number of Returns with Subcontractor Exclusion</b>	<b>Subcontractor Exclusion (\$ thousands)</b>	<b>Oregon Commercial Activity (\$ millions)</b>	<b>Taxable Commercial Activity in Excess of \$1M (\$ millions)</b>	<b>Tax Liability (\$ thousands)</b>
< \$1.5 million	50	\$7,434	\$57	\$1	\$10
\$1.5 million to \$2 million	50	\$8,102	\$85	\$11	\$74
\$2 million to \$3 million	50	\$12,843	\$122	\$33	\$199
\$3 million to \$5 million	60	\$17,927	\$246	\$103	\$602
\$5 million to \$7 million	30	\$11,347	\$162	\$80	\$464
\$7 million to \$10 million	20	\$16,136	\$174	\$90	\$516
\$10 million to \$15 million	10	\$18,786	\$125	\$65	\$375
\$15 million to \$50 million	20	\$15,257	\$495	\$321	\$1,832
Over \$50 million	10	\$36,771	\$1,590	\$1,123	\$6,407
<b>Total</b>	<b>300</b>	<b>\$144,604</b>	<b>\$3,055</b>	<b>\$1,827</b>	<b>\$10,477</b>

## Section IV: Corporate Activity Tax Returns

### Taxable Commercial Activity and Tax Liability

Exhibit 21 provides detail on the components of tax liability by Oregon commercial activity category. Almost nineteen percent of filers did not have taxable commercial activity in excess of \$1 million and therefore had no CAT liability. While almost half of these filers had Oregon commercial activity less than \$1 million, the others had Oregon commercial activity up to \$25 million, but reduced their taxable commercial activity below \$1 million using the CAT subtraction and/or the subcontractor exclusion.

For taxpayers with taxable commercial activity greater than \$1 million, tax liability is calculated by combining the base tax of \$250 and the rate tax of 0.57 percent of the taxable commercial activity in excess of \$1 million. Most of the tax liability comes from the tax based on rates.

**Exhibit 21 — Tax Year 2021 Corporate Activity Tax Returns  
Tax Liability Components by Oregon Commercial Activity Category**

Oregon Commercial Activity Category	Number of Returns	Taxable Commercial Activity in Excess of \$1M (\$ millions)	Number of Returns with a Tax Liability	Tax Liability from Base Tax of \$250 (\$ thousands)	Tax Liability from 0.57% Rate (\$ thousands)	Total Tax Liability (\$ thousands)	Number of Returns with No Tax Liability	Share of Returns with No Tax Liability
< \$1 million	2,140	\$0	0	\$0	\$0	\$0	2,140	100%
\$1 million to \$1.5 million	5,280	\$426	2,850	\$713	\$2,430	\$3,142	2,440	46.2%
\$1.5 million to \$2 million	3,410	\$1,443	3,360	\$840	\$8,222	\$9,063	40	1.2%
\$2 million to \$3 million	3,940	\$3,909	3,900	\$975	\$22,284	\$23,260	40	1.0%
\$3 million to \$5 million	3,480	\$7,325	3,450	\$863	\$41,751	\$42,614	30	0.9%
\$5 million to \$7 million	1,620	\$6,089	1,610	\$403	\$34,709	\$35,111	10	0.6%
\$7 million to \$25 million	3,370	\$30,663	3,360	\$840	\$174,775	\$175,616	20	0.6%
\$25 million to \$50 million	830	\$21,830	830	\$208	\$124,431	\$124,637	0	0.0%
\$50 million to \$100 million	470	\$24,817	470	\$118	\$141,456	\$141,574	0	0.0%
Over \$100 million	390	\$98,505	390	\$98	\$561,479	\$561,576	0	0.0%
<b>Total</b>	<b>24,920</b>	<b>\$195,007</b>	<b>20,220</b>	<b>\$5,055</b>	<b>\$1,111,538</b>	<b>\$1,116,592</b>	<b>4,700</b>	<b>18.9%</b>

Section IV: Corporate Activity Tax Returns

Exhibit 22 shows the distribution of returns and detail by tax liability category. More than 36 percent of taxpayers had liability less than \$2,500, including those with no liability. The almost 8 percent of taxpayers with tax liability greater than \$100,000 accounted for 75 percent of the total tax liability.

**Exhibit 22 — Tax Year 2021 Corporate Activity Tax Returns**  
**Tax Liability Category**

<b>Tax Liability Category</b>	<b>Number of Returns</b>	<b>Share of Returns</b>	<b>Oregon Commercial Activity (\$ millions)</b>	<b>Taxable Commercial Activity in Excess of \$1M (\$ millions)</b>	<b>Tax Liability (\$ thousands)</b>	<b>Share of Tax Liability</b>
\$0	4,700	18.9%	\$4,196	\$0	\$0	0.0%
< \$2,500	4,320	17.3%	\$6,307	\$791	\$5,588	0.5%
\$2,500 to \$5,000	3,120	12.5%	\$6,127	\$1,858	\$11,368	1.0%
\$5,000 to \$10,000	3,540	14.2%	\$9,759	\$4,311	\$25,459	2.3%
\$10,000 to \$20,000	3,110	12.5%	\$13,532	\$7,652	\$44,394	4.0%
\$20,000 to \$50,000	2,950	11.8%	\$23,933	\$16,168	\$92,899	8.3%
\$50,000 to \$100,000	1,410	5.7%	\$23,999	\$17,355	\$99,277	8.9%
\$100,000 to \$500,000	1,420	5.7%	\$68,580	\$52,308	\$298,513	26.7%
\$500,000 to \$1 million	190	0.8%	\$30,426	\$23,228	\$132,449	11.9%
\$1 million to \$2 million	80	0.3%	\$25,331	\$20,036	\$114,228	10.2%
\$2 million to \$3 million	20	0.1%	\$11,189	\$8,594	\$48,991	4.4%
Over \$3 million	40	0.2%	\$55,042	\$42,704	\$243,426	21.8%
<b>Total</b>	<b>24,920</b>	<b>100.0%</b>	<b>\$278,422</b>	<b>\$195,007</b>	<b>\$1,116,592</b>	<b>100.0%</b>

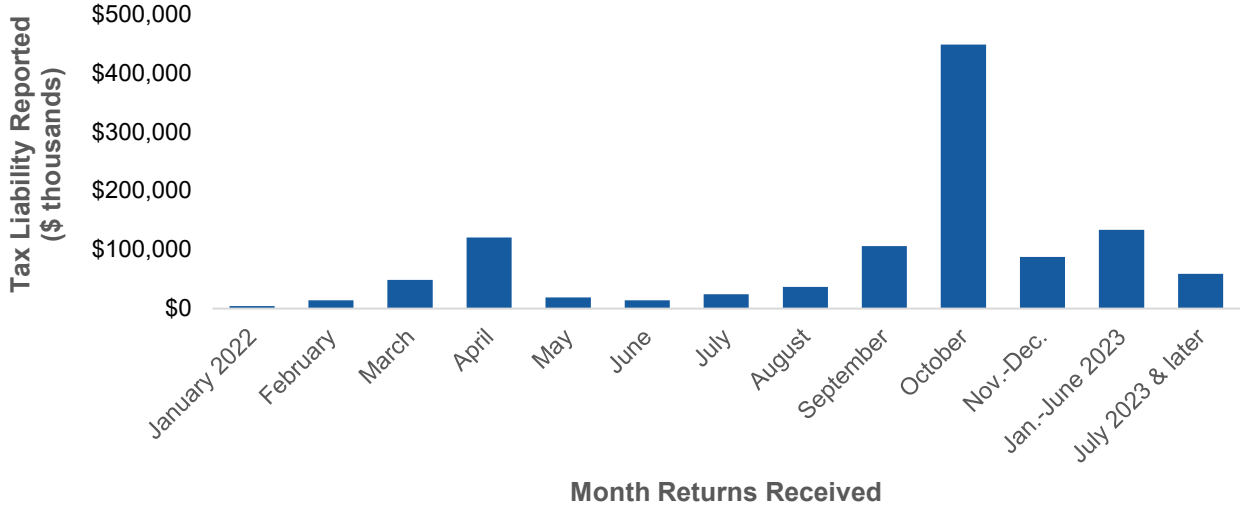
## Section IV: Corporate Activity Tax Returns

Exhibits 23a and 23b show what months in 2022 and 2023 that tax year 2021 CAT returns were received, and the amount of tax liability reported on the returns. While the highest number of returns was received in April of 2022, coinciding with the regular filing deadline of April 15 for calendar year filers, most of the tax liability was reported on returns received in October of 2022, coinciding with the six-month extension filing deadline of October 15 for calendar year filers.

### Exhibit 23a — Tax Year 2021 Corporate Activity Tax Returns Reported Tax Liability by Month Returns Received

Month Received	Number of Returns	Tax Liability Reported (\$ thousands)	Percent of Total Tax Liability Reported	Cumulative Tax Liability (\$ thousands)	Cumulative Percent
January 2022	190	\$4,500	0.4%	\$4,500	0.4%
February	840	\$14,269	1.3%	\$18,769	1.7%
March	3,840	\$48,688	4.4%	\$67,457	6.0%
April	5,610	\$120,574	10.8%	\$188,031	16.8%
May	810	\$18,746	1.7%	\$206,777	18.5%
June	790	\$14,073	1.3%	\$220,850	19.8%
July	850	\$24,295	2.2%	\$245,145	22.0%
August	1,180	\$36,584	3.3%	\$281,729	25.2%
September	3,880	\$106,142	9.5%	\$387,871	34.7%
October	3,970	\$448,125	40.1%	\$835,996	74.9%
November	490	\$67,879	6.1%	\$903,875	80.9%
December	290	\$19,917	1.8%	\$923,792	82.7%
January 2023	410	\$34,713	3.1%	\$958,505	85.8%
February	320	\$20,749	1.9%	\$979,254	87.7%
March	230	\$13,985	1.3%	\$993,239	89.0%
April	240	\$30,443	2.7%	\$1,023,682	91.7%
May	130	\$9,614	0.9%	\$1,033,296	92.5%
June	130	\$24,459	2.2%	\$1,057,755	94.7%
July	180	\$16,675	1.5%	\$1,074,430	96.2%
August	120	\$20,785	1.9%	\$1,095,215	98.1%
September	180	\$12,322	1.1%	\$1,107,537	99.2%
October 2023 and later	260	\$9,054	0.8%	\$1,116,592	100.0%
<b>Total</b>	<b>24,920</b>	<b>\$1,116,592</b>	<b>100.0%</b>		

**Exhibit 23b — Tax Year 2021 Corporate Activity Tax Returns  
Reported Tax Liability by Month Returns Received**



## Section IV: Corporate Activity Tax Returns

---

### D. Payments and Refunds

Exhibit 24 shows pre-payments from estimated payments as reported on the tax return along with those who made no estimated payments. This exhibit also shows details on whether a taxpayer was required to make a payment with their return, received a refund, or had a zero balance. The total amount for returns with tax to pay includes only tax due and does not include penalty and interest. The total amount of refunds includes both amounts carried forward as estimated payments for the following tax year and amounts refunded to taxpayers.

#### Exhibit 24 — Tax Year 2021 Corporate Activity Tax Returns Reported Payments and Refunds on Returns

	Number of Returns	Total (\$ thousands)
<b>Pre-Payments</b>		
Estimated Payments	14,970	\$1,229,673
No Estimated Payments	9,950	\$0
<b>Final Payment Category</b>		
Payment Due with Return*	11,010	\$103,733
Zero balance	5,630	\$0
Refund Available**	8,290	\$216,018
Carried Forward to 2022	5,890	\$156,211
Net Refund	3,310	\$59,807

\* Does not include any penalty or interest

\*\*The number of returns with a refund does not equal the sum of the number carried forward and the number with a net refund because refunds can be carried forward to the next tax year and/or refunded. Refund available is overpayment minus penalty.



Section IV: Corporate Activity Tax Returns

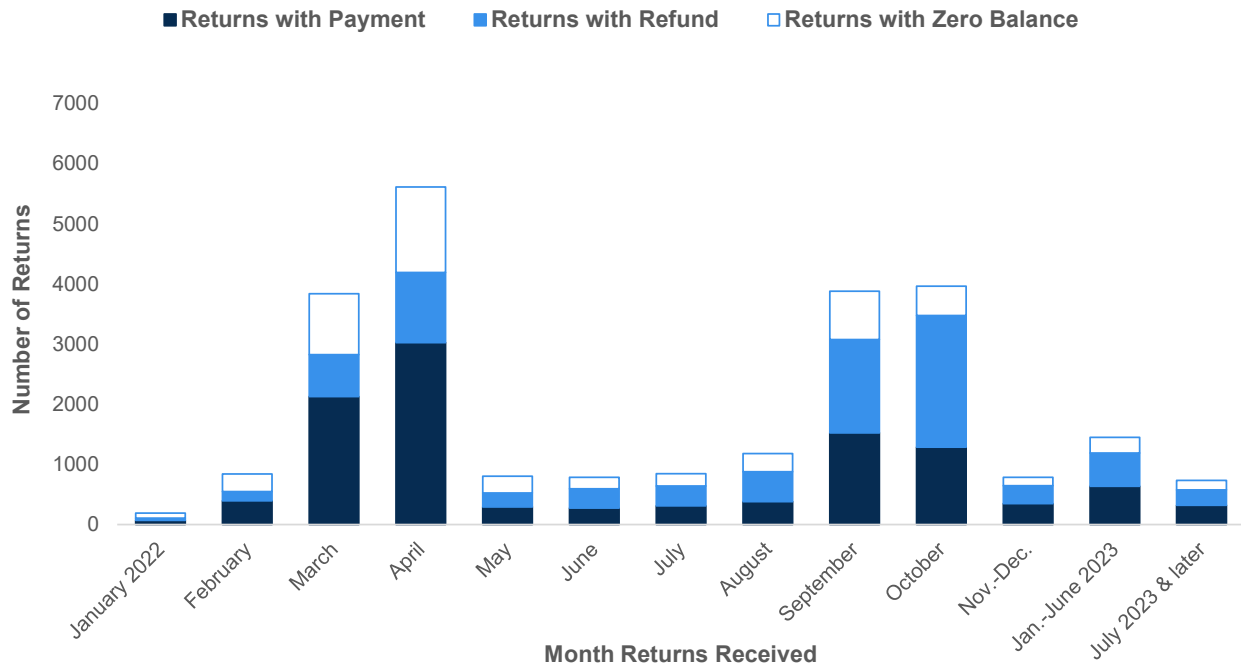
Exhibits 25a and 25b show tax returns received by month and type (i.e., refund, payment, and zero balance). Overall, returns with a payment due were the most common and those with a zero balance were the least common. However, in June through October, refund returns were the predominant type received.

**Exhibit 25a — Tax Year 2021 Corporate Activity Tax Returns  
Received by Month and Type**

Month Received	Returns with Zero Balance	Returns with Refund	Returns with Payment	All Returns		
				Number	Share	Cumulative
January 2022	80	40	70	190	0.8%	0.8%
February	300	150	400	850	3.4%	4.2%
March	1,010	700	2,130	3,840	15.4%	19.6%
April	1,420	1,170	3,030	5,620	22.6%	42.1%
May	280	230	290	800	3.2%	45.3%
June	190	320	270	780	3.1%	48.5%
July	200	330	310	840	3.4%	51.8%
August	300	500	380	1,180	4.7%	56.6%
September	800	1,550	1,520	3,870	15.5%	72.1%
October	490	2,190	1,290	3,970	15.9%	88.0%
November	90	200	210	500	2.0%	90.0%
December	50	100	140	290	1.2%	91.2%
January 2023	70	150	190	410	1.6%	92.9%
February	60	130	130	320	1.3%	94.1%
March	40	80	110	230	0.9%	95.1%
April	50	90	100	240	1.0%	96.0%
May	20	50	60	130	0.5%	96.5%
June	20	60	50	130	0.5%	97.1%
July	30	80	70	180	0.7%	97.8%
August	20	40	60	120	0.5%	98.3%
September	40	60	80	180	0.7%	99.0%
October 2023 and later	80	70	120	270	1.1%	100.0%
<b>Total</b>	<b>5,630</b>	<b>8,290</b>	<b>11,010</b>	<b>24,920</b>	<b>100.0%</b>	

## Section IV: Corporate Activity Tax Returns

### Exhibit 25b — Tax Year 2021 Corporate Activity Tax Returns Received by Month and Type







Information presented in this publication primarily comes from tax year 2021 Oregon Corporate Activity Tax (CAT) returns the Oregon Department of Revenue (DOR) received and processed through early 2024 and the corresponding financial transactions. The financial transaction data are constructed from the payments and refunds handled by the department and due to timing issues may not line up with other reported figures. The CAT database used for this report includes amended and audited returns. These returns replaced the original where applicable. Original and amended returns and audit results received and processed after January 10, 2024 are not reflected in this report.

The department uses considerable data validation to maintain accuracy of reported information and ensure the internal consistency of individual returns.

### ***Data Validation***

Most returns are filed electronically and are initially processed by the DOR computer system automatically. During the initial processing of all returns, returns with errors are identified. Some of the errors result in letters to taxpayers or human intervention to make corrections before final processing.

Following return processing, the Research Section performs additional data checks on the CAT database to identify returns that are not internally consistent. In many cases, the physical returns are inspected to find systematic errors and encode data handling rules for those returns.

To the extent possible, the Research Section modifies inconsistent data in a manner believed to correct errors on the returns. The data handling procedures used to build the CAT return database are not connected with other DOR business. Examples of the data handling procedures include:

- If a taxpayer reports an exclusion but does not include it in the final total exclusion amount, the reported amount is replaced with zero.
- If a line on a return is blank, the associated value is set to zero.

### ***Statistical Reporting***

Following the finalization of the data handling, the DOR Research Section creates statistical summaries. All summaries are derived from the complete database of returns; they are not based on statistical samples. Sums, percentages, etc. are computed using their simple arithmetic definitions (computations are performed using SAS and Excel).

The following are the general rounding guidelines used in this report — return counts to the nearest multiple of 10, total dollar amounts to the nearest \$1 million or \$1 thousand, and percentages to the nearest 0.1 percent. The exception is that counts rounded to 10 represent 10 to 14, not five to 14, since summary information for groups with less than 10 are not included in the report. Due to rounding, the sum of separate quantities may not correspond exactly to some totals.

***Due Dates for Returns***

Businesses are required to file a tax return after the end of their tax year. For many businesses, the calendar year is their tax year. However, others file on a fiscal year basis. For tax year 2020, all CAT taxpayers were required to file based on a calendar year. The passage of SB 164 in 2021 added fiscal year filing for CAT taxpayers who use a fiscal year other than the calendar year for federal tax purposes. For tax year 2021, these filers were required to first file a short-year return that started on January 1, 2021 and ended on the last day of their federal tax year that ended in 2021. The short-year returns were due by April 15, 2022. Then they were required to file a return that started the day after their short-year return ended and covered the same period as their 2021 federal fiscal year.

Returns and tax are normally due on the 15<sup>th</sup> day of the fourth month following the end of the tax year, but a six-month extension for filing only is available. Fiscal year filers extend the length of time needed to obtain a complete database of returns. As seen from Exhibit 26, a CAT taxpayer that started its fiscal year on December 1 would start tax year 2021 in December 2021. The taxpayer’s tax year would end November 2022. The taxpayer’s Oregon return would be due by March 15, 2023. Then the taxpayer could request an extension, extending the time to file returns by six months. So, a business that starts its fiscal year on December 1 may file its 2021 CAT return as late as September 15, 2023.

Taxes must be paid by the original due date of the return to avoid interest and penalty charges, whether an extension is filed or not. Therefore, most of the payments associated with the CAT are received before the corresponding tax returns are filed.

**Exhibit 26 — Corporate Activity Tax Filing Calendar**

<b>Tax Year Begins</b>	<b>Tax Year Ends</b>	<b>Oregon CAT Return Due Date</b>	<b>Due Date with Extension</b>
January 1	December 31	April 15	October 15
February 1	January 31	May 15	November 15
March 1	February 28	June 15	December 15
April 1	March 31	July 15	January 15
May 1	April 30	August 15	February 15
June 1	May 31	September 15	March 15
July 1	June 30	October 15	April 15
August 1	July 31	November 15	May 15
September 1	August 31	December 15	June 15
October 1	September 30	January 15	July 15
November 1	October 31	February 15	August 15
December 1	November 30	March 15	September 15

**Tax Period**

Although corporations may have varying fiscal years, most are calendar year filers. Exhibit 27 shows the filing period for all tax year 2021 CAT returns. Note the large number of short-year returns due to the requirement that businesses switching from calendar year filing for tax year 2020 to fiscal year filing for tax year 2021 had to file both a short-year return and a return covering the entire fiscal tax year for tax year 2021. A businesses' tax year 2021 is based on a filing period that begins any time in calendar year 2021. If the tax year starts on July 1 and ends on June 30, the tax year ending month is June.

**Exhibit 27 — All Tax Year 2021 Corporate Activity Tax Returns**  
**Tax Year Ending Month**

	Number of Returns	Share of Returns	Oregon Commercial Activity (\$ millions)	Taxable Commercial Activity in Excess of \$1M (\$ millions)	Tax Liability (\$ thousands)	Share of Tax Liability
January	250	0.9%	\$15,802	\$11,712	\$66,814	5.4%
February	70	0.3%	\$2,230	\$1,563	\$8,926	0.7%
March	400	1.5%	\$10,927	\$7,709	\$44,031	3.6%
April	100	0.4%	\$1,278	\$894	\$5,122	0.4%
May	90	0.3%	\$2,544	\$2,016	\$11,509	0.9%
June	370	1.4%	\$6,400	\$4,405	\$25,185	2.0%
July	70	0.3%	\$1,479	\$1,088	\$6,213	0.5%
August	90	0.3%	\$5,486	\$3,976	\$22,683	1.8%
September	450	1.7%	\$8,862	\$6,358	\$36,334	2.9%
October	180	0.7%	\$4,692	\$3,684	\$21,039	1.7%
November	70	0.3%	\$883	\$611	\$3,494	0.3%
December	22,780	83.9%	\$217,840	\$150,991	\$865,240	70.0%
Short Year - January	150	0.6%	\$1,088	\$828	\$4,750	0.4%
Short Year - February	60	0.2%	\$474	\$337	\$1,936	0.2%
Short Year - March	390	1.4%	\$2,672	\$1,877	\$10,783	0.9%
Short Year - April	110	0.4%	\$540	\$378	\$2,178	0.2%
Short Year - May	90	0.3%	\$1,114	\$839	\$4,797	0.4%
Short Year - June	360	1.3%	\$3,460	\$2,489	\$14,270	1.2%
Short Year - July	80	0.3%	\$1,703	\$1,316	\$7,518	0.6%
Short Year - August	90	0.3%	\$3,762	\$2,533	\$14,459	1.2%
Short Year - September	450	1.7%	\$7,537	\$5,436	\$31,086	2.5%
Short Year - October	190	0.7%	\$3,783	\$2,859	\$16,340	1.3%
Short Year - November	110	0.4%	\$1,873	\$1,261	\$7,211	0.6%
Short Year - December	140	0.5%	\$919	\$650	\$3,732	0.3%
<b>Total</b>	<b>27,150</b>	<b>100.0%</b>	<b>\$307,347</b>	<b>\$215,809</b>	<b>\$1,235,651</b>	<b>100.0%</b>

***Demographic Data***

All demographic data in this report, including NAICS codes, are self-reported by taxpayers on their CAT returns. For NAICS codes, this is different than what is used for the Department of Revenue's *Oregon Corporate Excise and Income Tax* reports, where the NAICS codes are assigned based primarily on information reported by the Oregon Employment Department. See Appendix C of the most recent report at [www.oregon.gov/dor/stats](http://www.oregon.gov/dor/stats) for more details.



## Exclusions from Commercial Activity

Exhibit 28 shows summary information from the exclusions form, 2021 Schedule OR-EXC-CAT: Exclusions from Commercial Activity.

## Appendix B: Exclusions from Commercial Activity

### Exhibit 28 — Tax Year 2021 Full-Year Corporate Activity Tax Returns Exclusions from Oregon Commercial Activity

Citation	Exclusion	Number of Returns with Exclusion	Total Exclusion Amount (\$ millions)
ORS 317A.100(1)(b)(A)	Interest Income	3,150	\$734
ORS 317A.100(1)(b)(B)	Receipts from the sale, exchange or other disposition of an asset.	1,750	\$4,204
ORS 317A.100(1)(b)(C)	If received by an insurer, federally reinsured premiums, or income from transactions between a reciprocal insurer and its attorney in fact.	20	\$60
ORS 317A.100(1)(b)(D)	Receipts from hedging transactions	30	\$2,575
ORS 317A.100(1)(b)(E)	Proceeds received attributable to the repayment, maturity or redemption of the principal of a loan, bond, mutual fund, certificate of deposit or marketable instrument.	70	\$100
ORS 317A.100(1)(b)(F)	Principal amounts received under a repurchase agreement or loan	100	\$52
ORS 317A.100(1)(b)(G)	Contributions received by a trust, plan or other arrangement	*	*
ORS 317A.100(1)(b)(H)	Compensation received	20	\$134
ORS 317A.100(1)(b)(I)	Proceeds received from the issuance or sale a taxpayer's own stock	*	*
ORS 317A.100(1)(b)(J)	Proceeds received from insurance policies owned by the taxpayer	200	\$74
ORS 317A.100(1)(b)(K)	Gifts or charitable contributions received, membership dues received by trade, professional, homeowners' or condominium associations, payments received for educational courses, meetings or meals, or similar payments to a trade, professional or other similar association, and fundraising receipts received by any person when any excess receipts are donated or used exclusively for charitable purposes.	30	\$18
ORS 317A.100(1)(b)(L)	Damages received as the result of litigation in excess of amounts that, if received without litigation, would be treated as commercial activity.	30	\$9
ORS 317A.100(1)(b)(M)	Property, money, and other amounts received or acquired by an agent on behalf of another in excess of the agent's commission, fee, or other remuneration.	350	\$6,165
ORS 317A.100(1)(b)(N)	Tax refunds, other tax benefit recoveries and reimbursements.	490	\$93
ORS 317A.100(1)(b)(O)	Pension reversions	*	*
ORS 317A.100(1)(b)(P)	Contributions to capital	20	\$70
ORS 317A.100(1)(b)(Q)	Receipts from the sale, transfer, exchange, or other disposition of motor vehicle fuel.	230	\$11,903
ORS 317A.100(1)(b)(R)	Federal and state excise taxes paid on cigarettes or tobacco products.	110	\$530
ORS 317A.100(1)(b)(S)	Federal and state excise taxes paid on alcoholic beverages.	90	\$95
ORS 317A.100(1)(b)(T)	Federal and state excise taxes paid on marijuana items.	*	*
ORS 317A.100(1)(b)(U)	Local taxes collected by a restaurant or other food establishment on sales of meals, prepared food or beverages	*	*
ORS 317A.100(1)(b)(V)	Tips or gratuities collected by a restaurant or other food establishment and passed on to employees	180	\$37
ORS 317A.100(1)(b)(W)	Receipts from vehicle dealer trades to meet a specific customer's preference	60	\$252
ORS 317A.100(1)(b)(X)	Registration fees or taxes collected by a vehicle dealer at the sale or other transfer of a motor vehicle, that are owed to a third party by the purchaser of the motor vehicle and passed to the third party by the dealer.	30	\$7
ORS 317A.100(1)(b)(Y)	Receipts from a financial institution for services provided to the financial institution in connection with the issuance, processing, servicing and management of loans or credit accounts, if the financial institution and the recipient of the receipts have at least 50 percent of their ownership interests owned or controlled, directly or constructively through related interests, by common owners.	*	*
ORS 317A.100(1)(b)(Z)	Amounts specified under ORS chapter 462 that must be paid to or collected by the Department of Revenue as a tax and the amounts specified under ORS chapter 462 to be used as purse money.	*	*

## Appendix B: Exclusions from Commercial Activity

### Exhibit 28 cont. — Tax Year 2021 Corporate Activity Tax Returns Exclusions from Oregon Commercial Activity

Citation	Exclusion	Number of Returns with Exclusion	Total Exclusion Amount (\$ millions)
ORS 317A.100(1)(b)(AA)	Net revenue of residential care facilities as defined in ORS 443.400 or in-home care agencies as defined in ORS 443.305, to the extent that the revenue is derived from or received as compensation for providing services to a medical assistance or Medicare recipient.	80	\$1,105
ORS 317A.100(1)(b)(BB)	Dividends received	620	\$778
ORS 317A.100(1)(b)(CC)	Distributive income received from a pass-through entity	270	\$1,167
ORS 317A.100(1)(b)(DD)	Receipts from sales to a wholesaler in this state, if the seller receives certification at the time of sale from the wholesaler that the wholesaler will sell the purchased property outside this state.	210	\$2,389
ORS 317A.100(1)(b)(EE)	Receipts from the wholesale or retail sale of groceries	700	\$19,848
ORS 317A.100(1)(b)(FF)	Receipts from transactions among members of a unitary group	1,470	\$53,366
ORS 317A.100(1)(b)(GG)	Moneys, including public purpose charge moneys collected under ORS 757.612 and costs of funding or implementing cost-effective energy conservation measures collected under ORS 757.689, that are collected from customers, passed to a utility, and approved by the Public Utility Commission and that support energy conservation, renewable resource acquisition and low-income assistance programs.	*	*
ORS 317A.100(1)(b)(HH)	Moneys collected by a utility from customers for the payment of loans through on-bill financing	0	\$0
ORS 317A.100(1)(b)(II)	Surcharges collected under ORS 757.736	*	*
ORS 317A.100(1)(b)(JJ)	Power Act Exchange credits or pursuant to any settlement associated with the exchange credit.	*	*
ORS 317A.100(1)(b)(KK)	Moneys collected or recovered for fees payable under ORS 756.310, right-of-way fees, franchise fees, privilege taxes, federal taxes, and local taxes.	40	\$385
ORS 317A.100(1)(b)(LL)	Charges paid to the Residential Service Protection Fund	*	*
ORS 317A.100(1)(b)(MM)	Universal service surcharge moneys collected or recovered and paid into the universal service fund	*	*
ORS 317A.100(1)(b)(NN)	Moneys collected for public purpose funding	*	*
ORS 317A.100(1)(b)(OO)	Moneys collected or recovered and paid into the federal universal service fund.	*	*
ORS 317A.100(1)(b)(PP)	In the case of a seller or provider of telecommunications services, the amount of tax imposed under ORS 403.200 for access to the emergency communications system that is collected from subscribers or consumers.	*	*
ORS 317A.100(1)(b)(QQ)	The amount of tax imposed under ORS 320.305 and of any local transient lodging tax imposed upon the occupancy of transit lodging.	40	\$8
ORS 317A.100(1)(b)(RR)	The amount of tax imposed under ORS 320.415 upon retail sales of bicycles	*	*
ORS 317A.100(1)(b)(SS)	The amount of tax imposed under ORS 307.872 upon the rental price of heavy equipment	*	*
ORS 317A.100(1)(b)(TT)	Farmer sales to an agricultural cooperative in this state that is a cooperative organization described in section 1381 of the Internal Revenue Code.	130	\$385
ORS 317A.100(1)(b)(UU)	Revenue received by a business entity that is mandated by contract or subcontract to be distributed to another person or entity if the revenue constitutes sales commissions that are paid to a person who is not an employee of the business entity.	180	\$747
ORS 317A.100(1)(b)(VV)	Receipts from the sale of fluid milk by dairy farmers that are not members of an agricultural cooperative.	**	**
	All Other and Unknown	90	\$329
	<b>Total</b>	<b>10,780</b>	<b>\$107,617</b>

\* Included in All Other and Unknown.

\*\* Included in farmer sales to an agricultural cooperative in Oregon.



## Index of Selected Industry Sectors

Sector classification information is based on the 2017 North American Industry Classification System (NAICS) sectors.

A brief description of industries found in each sector appears below. Additional information regarding the NAICS system may be found at [www.census.gov/naics/](http://www.census.gov/naics/).

### Exhibit 29 — NAICS Sector Codes, Titles, and Descriptions

Code	NAICS Sector Title and Description
11	<b>Agriculture, Forestry, Fishing, and Hunting.</b> Includes farming, animal production, logging, and support activities.
21	<b>Mining.</b> Includes the extraction of mineral solids, liquid minerals, and gases. Also includes mineral quarrying such as crushed gravel and sand mining.
22	<b>Utilities.</b> Includes electric, natural gas, and water utilities.
23	<b>Construction.</b> Includes residential and commercial construction, and specialty trade construction.
31	<b>Manufacturing.</b> Includes food, apparel, wood products, paper, chemical, plastics, machinery, computer products, electronics, and furniture manufacturing.
42	<b>Wholesale Trade.</b> Includes wholesalers for durable and nondurable goods. Also includes wholesale trade agents and brokers.
44	<b>Retail Trade.</b> Includes motor vehicle dealers. Includes furniture, building material, garden equipment, food, drug, clothing, sporting goods, music, and general merchandise stores. Includes non-store retailers such as catalog, online, and mail order firms.
48	<b>Transportation and Warehousing.</b> Includes air, rail, water, and truck transportation. Includes charter buses and sightseeing operations. Includes postal service and courier services.

## Appendix C: Index of Selected Industry Sectors

---

<b>Code</b>	<b>NAICS Sector Title and Description</b>
<b>51</b>	<b>Information.</b> Includes book, newspaper, radio, and television broadcasting, telecommunications, data processing, and libraries.
<b>52</b>	<b>Finance and Insurance.</b> Includes banks, mortgage lenders, insurance companies, and pension funds.
<b>53</b>	<b>Real Estate and Rental and Leasing.</b> Includes offices of real estate agents and brokers. Includes automobile, videotape, consumer electronics, and industrial machinery rental and leasing services.
<b>54</b>	<b>Professional, Scientific, and Technical Services.</b> Includes legal services, architectural and engineering firms, accounting, advertising, photographic, marketing, and veterinary services.
<b>55</b>	<b>Management of Companies and Enterprises.</b> Includes offices of bank holding companies and other holding companies.
<b>56</b>	<b>Administrative and Support and Waste Management and Remediation Services.</b> Includes employment and security agencies. Includes exterminating, janitorial, and landscaping services. Includes waste management and remediation.
<b>61</b>	<b>Educational Services.</b> Includes technical and trade schools. Includes educational support services.
<b>62</b>	<b>Health Care and Social Assistance.</b> Includes offices of doctors and dentists. Includes hospitals, nursing care facilities, and day care facilities.
<b>71</b>	<b>Arts, Entertainment, and Recreation.</b> Includes performing arts, sports, museums, theme parks, golf and skiing facilities, and bowling centers.
<b>72</b>	<b>Accommodation and Food Services.</b> Includes hotels and restaurants.
<b>81</b>	<b>Other Services (except Public Administration).</b> Includes automotive, electronic equipment, industrial equipment repair, and household goods repair. Includes personal care services, dry cleaning, and photo finishing services.

**Apportion.** To proportionally attribute the cost subtraction to the states in which a taxpayer is doing business. The taxpayer's cost subtraction is divided proportionally, based on an apportionment method, among the states where the taxpayer does business. See *Cost Subtraction* and *Doing Business*.

**Biennium.** The period of two fiscal years for which the state budgets are determined. For example, July 1, 2021 to June 30, 2023 is referred to as the 2021-23 biennium.

**CAT Subtraction.** Taxpayers may subtract from their Oregon sourced commercial activity 35 percent of the greater of their eligible cost inputs or eligible labor costs. If a taxpayer has commercial activity both inside and outside of Oregon, they must apportion their eligible costs to only include those related to Oregon commercial activity. The amount of the CAT subtraction is limited to 95 percent of total Oregon commercial activity. See *Apportion*, *Commercial Activity*, *Cost Inputs*, and *Labor Costs*.

**C Corporation.** Refers to Internal Revenue Code subchapter "C." These corporations pay tax on their net income at the corporate level. Their corporate net income is taxed again when it is distributed as dividends to shareholders.

**Commercial Domicile.** Under ORS 314.610(2), the principal place from which the trade or business of a taxpayer is directed or managed (generally, the headquarters).

**Commercial Activity.** Under ORS 317A.100(1)(a), the total amount realized by a person, arising from transactions and activity in the regular course of the person's trade or business, without deduction for

expenses incurred by the trade or business. See OAR 150-317-1000 for more details.

**Cost Inputs.** The cost of goods sold (COGS) as calculated in arriving at federal taxable income under the Internal Revenue Code. For taxpayers engaged in farming operations doing business under NAICS code 111 (crop production), 112 (animal production and aquaculture), or 115 (support activities for agriculture and forestry) who are not required to report cost of goods sold for federal tax purposes, "cost inputs" means the taxpayer's operating costs excluding labor costs. See *COGS*.

**Cost of Goods Sold (COGS).** The direct costs of producing or acquiring the goods sold by a company. It includes the cost of material and labor directly used to create or acquire the goods, such as factory labor, raw materials, and factory overhead. It does not include indirect costs such as sales, advertising, accounting and legal fees, management salaries, office rents, etc.

**Doing Business.** Under ORS 317A.100(3), doing business means engaging in any activity, whether legal or illegal, that is conducted for, or results in, the receipt of commercial activity at any time during a calendar year

**Employee.** An individual who provides services under the control of another person or organization. Generally, an individual will be considered an employee if the person or organization that receives the services is subject to industrial accident insurance, unemployment compensation, federal social security, or federal tax withholding for that individual. "Employee" doesn't include:

- Partners in a partnership who receive guaranteed payments or distributive income.

## Appendix D: Glossary of Terms

---

- Members in a limited liability company (LLC) who receive guaranteed payments or distributive income.
- Statutory employees described in the Internal Revenue Code (IRC) Section 3121(d)(3).
- Independent contractors as defined in ORS 670.600.

**Estimated Payments.** Payments made during the tax year based on the expected final tax liability. For tax year 2021, estimated payments were only required if the taxpayer expected to have a tax liability of \$5,000 or more. Due dates for calendar year filers were April 30, July 31, and October 31 of 2021 and January 31, 2022. For fiscal year filers, due dates were the last day of the 4th, 7th, and 10th month, and the last day of the first month following the end of the fiscal tax year.

**Exclusions.** Receipts from certain items are excluded from Oregon commercial activity and are not taxed. See Appendix B for details on tax year 2021 exclusions.

**Final Payment.** A payment due with the return because the final tax liability was greater than the total pre-payments.

**Groceries.** Food and food items that would be eligible for purchase with Supplemental Nutrition Assistance Program (SNAP) benefits. Essentially, groceries are food and beverages purchased for home consumption. Food-producing seeds and plants for use in the purchaser's garden are also groceries.

**Labor Costs.** Includes most types of compensation paid to employees, such as wages, health insurance benefits, retirement benefits, and any other fringe benefits, but it does not include employees' payroll taxes or compensation in excess of \$500,000 paid to any single employee. See *Employee*.

**Limited Liability Partnership.** A form of a partnership in which all partners have limited liability from errors, omissions, negligence, incompetence, or malpractice committed by other partners or by employees of the partnership. It is most used by professionals, such as doctors or lawyers, who practice together. See *Partnership*.

**LLC.** A limited liability company (LLC) is a business structure that protects its owners from personal responsibility for its debts and liabilities.

**LLC Organized as a Partnership.** A limited liability company treated as a partnership for tax purposes. An LLC with at least two members is classified as a partnership for federal income tax purposes unless it files Form 8832 and elects to be treated as a corporation. See *LLC* and *Partnership*.

**LLC Organized as a Corporation.** A limited liability company that has elected to be treated as a corporation for tax purposes by filing Form 8832 with the IRS. See *LLC*.

**Partnership.** A partnership is a business organization comprised of two or more people engaged in trade or business. Each person contributes money, property, labor or skill, and shares in the profits and losses of the business. The partners are jointly liable for the partnership's debts. A partnership does not pay income tax. Instead, it "passes through" profits or losses to its partners. Each partner reports their share of the partnership's income or loss on their personal income tax return.



**Qualified Subchapter S Subsidiary.** An S corporation that is owned by another S corporation. It is treated as a subsidiary of the parent corporation and in general, only the parent corporation files a federal tax return which include the income and deductions of the subsidiary. See *S Corporation*.

**Retail Sales of Groceries.** A taxpayer may exclude receipts from the retail sale of groceries, provided that the sale meets the following requirements: Requirement 1: The sale is of a grocery item that would be eligible for purchase with SNAP benefits, and Requirement 2: The seller typically intends or expects that the sale of food to the purchaser is for home consumption by the purchaser. A seller that typically sells grocery items to final consumers for home consumption is determined based on factors such as (but not limited to):

- Whether the average gross receipts from the sale of groceries is greater than the average gross receipts from the sale of hot food or prepared food.
- Whether the business offers on-site dining facilities or space, and the percentage of floor space dedicated to dining compared to grocery shelves.
- Business advertising and marketing.

If a store’s receipts from the sale of hot food or hot prepared food constitutes 80 percent or more of the total receipts that the store realized from the sale of all food items, the store doesn’t intend to sell, or typically sell, groceries to the final consumer for home consumption; therefore, sales from the store are not excludable as retail sales of groceries. See *Groceries*.

**S Corporation.** Refers to Internal Revenue Code subchapter “S.” S corporations are “pass-through” entities, in which the

corporation’s income and losses are passed through to the S corporation’s shareholders, where they are taxed as personal income. A corporation qualifying under this section can have no more than 100 shareholders, which should be U.S. citizens or residents. There should be only one class of stock (though there may be voting and nonvoting shares). Trusts holding stock must meet certain conditions as well.

**Short-Year Return.** A return covering less than a full tax year. Normally, these returns occur due to businesses opening, closing, or re-organizing during a tax year. However, for tax year 2021, all taxpayers who use a fiscal year other than the calendar year for federal tax purposes were required to file a short-year return that started on January 1, 2021, and ended on the last day of their federal tax year that ended in 2021. This was necessary to make the transition from tax year 2020 calendar year filing to tax year 2021 fiscal year filing.

**Single-Family Residential Construction.** The construction of new single-family housing such as single-family detached or semidetached houses and townhouses or row houses where each housing unit meets all of the following criteria:

- Is separated from the adjacent unit by a ground-to roof wall.
- Has no housing units constructed above or below.
- Doesn’t share heating or air-conditioning systems.
- Doesn’t share utilities.

**Single Member LLC.** A limited liability company with one owner. The owner is generally protected from personal liability for debts associated with the business. By default, the IRS tax treatment is the same as

## Appendix D: Glossary of Terms

---

for a sole proprietorship, with all business losses and profits reported on the owner's individual tax return. However, the owner does have the option of choosing to be taxed as a corporation. See *LLC*.

**Sole Proprietorship.** A business entity owned and managed by one individual. The owner does not pay separate income tax on the business but reports all losses and profits on their individual tax return. Because the owner is indistinguishable from the business, the owner remains personally liable for all debts of the business.

**State of Incorporation.** The state where a business is registered as a corporation making it a legal entity separate from its owners and staff.

**Subcontractor Exclusion.** An amount subtracted from Oregon commercial activity, available to general contractors who incur labor costs for single-family residential construction located in Oregon. The exclusion is 15 percent of the labor costs paid to a subcontractor. It does not include payments made for materials, land or permits and is not allowed for payments between subcontractors. See *Single-Family Residential Construction*.

**Tax Base.** In general, the total amount of income, property, assets, consumption, transactions, or other economic activity subject to taxation by a tax authority. For the CAT, the tax base is commercial activity as defined in ORS 317A.100(1)(a)-(b).

**Taxable Commercial Activity.** Oregon commercial activity minus the CAT subtraction and the subcontractor exclusion. The first \$1 million of taxable commercial activity is excluded from taxation. See *CAT Subtraction* and *Subcontractor Exclusion*.

**Tax Liability.** Also referred to as tax or the CAT. The amount of tax calculated to be owed. It does not include penalties or interest.

**Taxpayer.** Under ORS 317A.100(17)(a), any person or unitary group required to register, file, or pay the Corporate Activity Tax (CAT) under ORS 317A.100 to 317A.158.

**Unitary Business.** A unitary business is one that has, directly or indirectly between members or parts of the enterprise, either a sharing or an exchange of value shown by one or more of the following:

- Centralized management or a common executive force.
- Centralized administrative services or functions resulting in economies of scale.
- Flow of goods, capital resources, or services showing functional integration.

See also *Unitary Group*.

**Unitary Group.** Under ORS 317A.100(19), unitary group means a group of persons with more than 50 percent common ownership, either direct or indirect, that is engaged in business activities that constitute a unitary business.

**Wholesale Sales of Groceries.** A taxpayer may exclude receipts from the wholesale sale of groceries provided that the sale meets all the following requirements:

1. The sale is a wholesale sale.
2. The sale is of a food item that would be eligible for purchase with SNAP benefits and is in a form that can be resold to the end consumer for home consumption.
3. The sale must be made for the purpose of reselling the food item, without

processing, to the final consumer for consumption at home. Note: Processing means transforming or changing the physical characteristics of the food item, including incorporation or consumption of an item as an ingredient or component in the production or manufacture of another item.

4. The taxpayer making the wholesale sale must obtain written certification from the purchaser that the grocery items will be resold at retail without processing and are intended for, or typically purchased by, the final consumer for home consumption. A wholesale seller isn't required to obtain separate verification if the purchase was made for the purpose of resale without further processing, and

(A) The purchaser is a qualified SNAP retailer with a current permit to accept SNAP benefits from the U.S.

Department of Agriculture; or

(B) The purchaser is a store that meets the required qualifications to be a SNAP retail food store under 7 U.S.C.

2012(o)(1), (2), (4) or (5).

See *Groceries*.



