

ADMINISTRATIVE RULE REVIEW

	Rule No. 150-317-1000	
New Rule	Page Page 1 of 1	Last Revised Date December 27, 2019
	NOTICE OF INTENDED ACTION	
Temporary Rule	Bulletin Dated January 2020	Hearing Scheduled

PURPOSE: Provides guidance to assist taxpayers regarding the definition of commercial activity for purposes of the Oregon Corporate Activity Tax (CAT), described in Oregon Laws, chapters 122, section 58(1), as amended by Oregon Laws 2019, chapter 579, section 50.

1 **150-317-1000**

2 **Definition of Commercial Activity**

3 (1) “Commercial activity” means the fair market value of all amounts realized in the regular course of a
4 taxpayer’s trade or business that meet the “transactional test” in OAR 150-314-0335(5).

5 (2) “Amounts realized” means all items of value received in a trade or business, including but not
6 limited to money, property received, debt forgiven and services rendered.

7 (3) Commercial activity does not include amounts that meet the “functional test” in OAR 150-314-
8 0335(6) unless the amount in question meets the definition of commercial activity pursuant to section (1)
9 of this rule.

10 (4) The definition of commercial activity is not based on or tied to the definition of gross income in IRC
11 section 61.

12 (5) Commercial activity is realized when a taxpayer realizes the amount in question pursuant to the
13 method of accounting used by a taxpayer for federal income tax purposes.

14 **[Publications:** Contact the Oregon Department of Revenue for information about how to obtain a copy
15 of the publication referred to or incorporated by reference in this rule pursuant to ORS 183.360(2) and
16 ORS 183.355(1)(b).]

17 **Stat. Auth.:** ORS 305.100, Oregon Laws 2019, chapter 122, section 72

18 **Stats. Implemented:** Oregon Laws 2019, chapter 122, section 58, as amended by Oregon Laws 2019,
19 chapter 579, section 50