



ADMINISTRATIVE RULE REVIEW

	Rule No. 150-317-1130	
New Rule	Page Page 1 of 2	Last Revised Date December 27, 2019
Temporary Rule	NOTICE OF INTENDED ACTION	
	Bulletin Dated January 2020	Hearing Scheduled

PURPOSE: Provides guidance on when property brought into this state is included in taxable commercial activity for purposes of the Oregon Corporate Activity Tax (CAT) under Oregon Laws 2019, chapter 122, section 61, as amended by Oregon Laws 2019, chapter 579, section 51.

1 **150-317-1130**

2 **Property Brought into Oregon**

3 (1) Oregon Laws 2019, chapter 122, section 61 as amended by Oregon Laws 2019, chapter 579, section
 4 51 requires a person or unitary group to include the value of property transferred into Oregon for use in
 5 the business of the person or unitary group if:

6 (a) The person or unitary group received the property outside Oregon and transferred it into
 7 Oregon for use in the business of the person or unitary group within one year of receiving it
 8 outside Oregon, and

9 (b) The receipt of the property outside Oregon and its subsequent transfer into Oregon was
 10 intended, in whole or in part, to avoid the Corporate Activity Tax (CAT).

11 (2) A person or unitary group who intended to avoid the CAT must include the fair market value of
 12 property transferred into Oregon in their taxable commercial activity for the tax year the property was
 13 transferred into Oregon.

14 (3) Section (2) of this rule does not apply to the extent the sale of the property transferred into Oregon is
 15 excluded from the definition of commercial activity by law.

16 (4) **Example:** Unitary group XYZ purchases motor vehicle fuel in Idaho on January 15, 2020 and
 17 transfers the motor vehicle fuel to Oregon on January 18, 2020. Unitary group XYZ would not include
 18 the fair market value of the motor vehicle fuel in their Oregon commercial activity because commercial
 19 activity excludes receipts from the sale of motor vehicle fuel.

20 (5) A person or unitary group should not include in their taxable commercial activity the fair market
 21 value of property transferred into Oregon within a year of receipt outside Oregon if the transfer of
 22 property into Oregon within a year of receipt outside Oregon was not intended to avoid the CAT in
 23 whole or in part.



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- 1 (6) A person or unitary group who omits from commercial activity the fair market value of property
- 2 transferred into Oregon within a year of receipt outside Oregon is required to include the fair market
- 3 value upon a showing by the department that the taxpayer intended to avoid the CAT in whole or in part.
- 4 **Stat. Auth.:** ORS 305.100; Oregon Laws 2019, chapter 122, section 72
- 5 **Stats. Implemented:** ORS Oregon Laws 2019, chapter 122, section 61 as amended by Oregon Laws
- 6 2019, chapter 579, section 51