



ADMINISTRATIVE RULE REVIEW

New Rule	Rule No. 150-317-1300	
	Page Page 1 of 3	Last Revised Date December 27, 2019
	NOTICE OF INTENDED ACTION	
	Bulletin Dated January 2020	Hearing Scheduled

PURPOSE: Provides guidance to taxpayers in determining when estimated corporate activity tax payments are required, including estimated payment due dates for short-period returns, how refund requests are handled, how to apply an overpayment to a future tax period, how estimated taxes are credited, and to require payment of estimated tax via electronic funds transfer.

1 **150-317-1300**

2 **Estimated Tax: When Estimated Payments Are Required**

3 (1) Estimated tax liability means the tax as computed under Oregon Laws 2019, chapter 122 and 579,
4 less allowable credits.

5 (2) Every person required to file an Oregon Corporate Activity Tax (CAT) return and expecting to have a
6 tax liability of \$5,000 or more must make estimated tax payments. For purposes of determining whether
7 estimated tax liability exceeds \$5,000, a credit balance resulting from overpayment of tax for a prior year
8 is not taken into account.

9 (3) Estimated tax payments are required, regardless of when a taxpayer exceeds \$1 million of taxable
10 commercial activity.

11 (4) Payments are due on the last day of the month that follows the end of each calendar quarter: April 30,
12 July 31, October 31, and January 31.

13 (5) *Due dates of payments for short-period returns.* If a return is filed for a short period of less than 12
14 months, estimated tax payments are due as follows:

15 (a) If the period covered is less than four months, only one payment is required. It is equal to 100 percent
16 of the estimated tax and is payable on the due date of the return.

17 (b) If the period covered is four months or longer but less than six months, one payment of one-half of
18 the estimated tax is required and due on the 15th day of the fourth month, and the balance is due on or
19 before the due date of the tax return, not including extensions.

20 (c) If the period covered is six months or longer but less than nine months, three payments are required.
21 One-third of the estimated tax is due on the 15th day of the fourth month, one-third on the 15th day of the
22 sixth month and the balance on or before the due date of the tax return, not including extensions.

23 (d) If the period covered is nine months or longer, but less than twelve months, four payments are
24 required. One-fourth of the estimated tax is due on the 15th day of the fourth month, one-fourth on the
25 15th day of the sixth month, one-fourth on the 15th day of the ninth month, and the balance on or before



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- 1 the due date of the tax return, not including extensions.
- 2 (6) Tax exempt persons subject to tax on their “Unrelated Business Income” that are required to file and
3 pay federal income tax, must also file an Oregon CAT return. If their expected Oregon tax liability is
4 more than \$5,000, estimated tax payments must be made.
- 5 (7) *Refunds prior to filing of return.* Generally, estimated tax payments will not be refunded prior to the
6 taxpayer’s filing of the tax return for the year for which the estimated tax payments were made. The fact
7 that the estimated tax payments made exceed the required payments based upon an exception to
8 underpayment is not sufficient cause to refund such excess prior to the filing of the Oregon CAT return.
9 On a case-by-case basis, if a taxpayer establishes to the satisfaction of the department that the facts
10 warrant a refund, the department may issue a refund of estimated taxes prior to the filing of the tax
11 return.
- 12 (8) *Overpayments of tax.*
- 13 (a) *Election.* When a person files a completed CAT return and the tax calculated on the return is less than
14 the amounts previously paid for that year, the person may make an irrevocable election to have the
15 overpayment of tax either refunded or applied as a payment of estimated tax. The election is made by
16 entering the amount in the appropriate space provided on the CAT return.
- 17 (b) *Application to estimated tax installment.* For tax years beginning on or after January 1, 2021, the
18 department will apply the elected overpayment, unless it is subject to an offset under ORS 314.415 and
19 related rules, to the following year’s estimated tax payment due on the last day of the fourth month of the
20 taxable year, to the extent that the overpayment of tax is attributable to estimated tax payments received
21 prior to the following year’s first quarter estimated tax due date. Payments received after the following
22 year’s first quarter estimated tax due date will be applied to estimated tax as of the date the payment is
23 received. In the case of an amended or delinquent return, the amount will be credited to the estimated tax
24 installment as of the date the amended or delinquent return was filed or the date a payment was received,
25 whichever is later.



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Temporary Rule		

PURPOSE: Provides guidance to taxpayers in determining when estimated corporate activity tax payments are required, including estimated payment due dates for short-period returns, how refund requests are handled, how to apply an overpayment to a future tax period, how estimated taxes are credited, and to require payment of estimated tax via electronic funds transfer.

1 (9) *Payments of estimated tax.* Except as otherwise specifically provided in section (8) of this rule, the
2 department will credit estimated tax payments as of the date that they are received. The department will
3 apply estimated tax payments to any prior underpayment and the remainder, if any, will be applied to the
4 next required installment.

5 (10) *Requirement to use electronic funds transfer.* For tax years beginning on or after January 1, 2020,
6 persons are required to make estimated CAT payments by electronic funds transfer (EFT).

7 (11) A person disadvantaged by the requirement to pay by EFT may request an exemption. The request
8 must be in writing and sent to the address for EFT registration. The request must explain why the
9 requirement to pay by EFT is a disadvantage to the taxpayer. An example of a disadvantage to the
10 taxpayer is when the taxpayer’s bank or the bank of the taxpayer’s payroll service is unable to provide
11 the service. Requests for an exemption will be evaluated on a case-by-case basis. If granted, the
12 exemption will be for a period of 12 months, during which the taxpayer is expected to make
13 arrangements to comply with the requirement to use EFT. The department will grant only one exemption
14 period to a taxpayer.

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

16 **Stats. Implemented:** Oregon Laws 2019, chapter 122, sections 70 and 74, as amended by Oregon Laws
17 2019, chapter 579, section 56, ORS 314.415, 314.505, 314.515, 314.518, 317.290