



ADMINISTRATIVE RULE REVIEW

	Rule No. 150-317-1000	
Adopt Rule	Page Page 1 of 1	Last Revised Date February 28, 2020
Permanent Rule	NOTICE OF INTENDED ACTION	
	Bulletin Dated May 2020	Hearing Scheduled May 26, 2020

PURPOSE: Provides guidance to assist taxpayers regarding the definition of commercial activity for purposes of the Oregon Corporate Activity Tax (CAT) established by ORS Chapter 317A.

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 limited
6 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, ORS 317A.143

18 **Stats. Implemented:** ORS Chapter 317A