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 taxpayer’s trade or business that meet the “transactional test” in OAR 150-314-0335(5).
4 (2) “Amounts realized” means all items of value received in a trade or business, including but not limited to money, property received, debt forgiven and services rendered.
5 (3) Commercial activity does not include amounts that meet the “functional test” in OAR 150-314-0335(6) unless the amount in question meets the definition of commercial activity pursuant to section (1) of this rule.
6 (4) The definition of commercial activity is not based on or tied to the definition of gross income in IRC section 61.
7 (5) Commercial activity is realized when a taxpayer realizes the amount in question pursuant to the method of accounting used by a taxpayer for federal income tax purposes.
8 [Publications: Contact the Oregon Department of Revenue for information about how to obtain a copy of the publication referred to or incorporated by reference in this rule pursuant to ORS 183.360(2) and ORS 183.355(1)(b).]
9 Stat. Auth.: ORS 305.100, ORS 317A.143
10 Stats. Implemented: ORS Chapter 317A