



ADMINISTRATIVE RULE REVIEW

Adopt Rule	Rule No. 150-317-1025	
	Page Page 1 of 2	Last Revised Date April 15, 2020
	NOTICE OF INTENDED ACTION	
	Bulletin Dated May 2020	Hearing Scheduled May 26, 2020
Permanent Rule		

PURPOSE: Allows certain unitary groups with non-U.S. members that have no commercial activity in Oregon or expenses related to commercial activity in Oregon to omit information about those members from the group Corporate Activity Tax return.

1 **150-317-1025**

2 **Corporate Activity Tax: Unitary Groups with Non-U.S. Members – Reporting Requirements**

3 (1) General Rule: For purposes of the Corporate Activity Tax (CAT), a unitary group is defined as being
4 a group of persons with more than 50 percent common ownership, either direct or indirect, that is
5 engaged in business activities that constitute a unitary business. Unitary group members may include
6 entities formed in the United States (“domestic members”) and entities formed outside the United States
7 (“non-U.S. members”). Generally, a unitary group must file a group return that includes all entities that
8 are part of the unitary group.

9 (2) Special Rule: Certain unitary groups may file a modified group return that omits from the return a
10 non-U.S. member’s information if that member:

11 (a) Has no commercial activity sourced to Oregon under ORS 317A.128;

12 (b) Has commercial activity excluded under ORS 317A.100(1)(b) that would not be sourced to Oregon if
13 it were included in commercial activity;

14 (c) Has no transactions with another unitary group member in which the other member would realize
15 commercial activity sourced to Oregon but for an exclusion in ORS 317A.100(1)(b), including but not
16 limited to ORS 317A.100(1)(b)(FF) (regarding receipts from transactions among members of a unitary
17 group); and

18 (d) Has no cost inputs or labor costs that are attributable to the unitary group’s receipts from an item that
19 is commercial activity for purposes of ORS 317A.119 and the non-US member’s other financial
20 information may be omitted when computing the subtraction under section (4) of this rule.

21 (3) If a unitary group has one or more non-U.S. members described in section (2) of this rule, the group
22 may omit information about financial transactions of or relating to that member from the group’s CAT
23 return that would otherwise be required to be reported on the return according to the department’s forms
24 and instructions.

25 (4) *Relationship to subtraction under ORS 317A.119.*



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PURPOSE: Allows certain unitary groups with non-U.S. members that have no commercial activity in Oregon or expenses related to commercial activity in Oregon to omit information about those members from the group Corporate Activity Tax return.

- 1 (a) If a unitary group omits transactions and information of non-U.S. group members from the CAT
- 2 return under sections (2) and (3) of this rule, the group may not include other financial information, such
- 3 as (but not limited to) eligible costs, commercial activity, amounts generally excluded from commercial
- 4 activity, or sales factor receipts from omitted members when calculating labor costs or cost inputs for
- 5 purposes of the subtraction provided under ORS 317A.119 and apportioning such costs under OAR 150-
- 6 317-1200.
- 7 (b) If the omission of the non-US group member’s information does not fairly represent the extent of
- 8 commercial activity in Oregon under ORS 317A.119, the unitary group may not omit the non-U.S.
- 9 member’s information from the return.
- 10 (5) If a unitary group omits the transactions and information of non-U.S. group members from the CAT
- 11 return under sections (2) and (3) of this rule, the group must maintain a list of omitted members and keep
- 12 the list in the unitary group’s records. The list must include the name of the entity, the tax identification
- 13 number of the entity (including federal tax identification number if applicable) and any other identifying
- 14 information related to the entity omitted from the return, including contact information for the entity. The
- 15 list must be made available to the department upon request of the department.
- 16 (6) Upon examination of the return that is filed, the department may determine the omission of the non-
- 17 U.S. member’s information is not proper under sections (2) and (3) of this rule and may include the
- 18 financial transactions of that member in whole or in part in the unitary group’s Oregon return as required
- 19 under ORS 317A.100 to 317A.158.
- 20 (7) Notwithstanding sections (2) and (3) of this rule, if property is transferred into Oregon under ORS
- 21 317A.109(1)(b) that is included in taxable commercial activity of the unitary group, information about
- 22 any member that transferred property to or received property in a location outside this state within one
- 23 year before the transfer of the property into this state must be included on the return.

24 **Stat. Auth.:** ORS 305.100, ORS 317A.106, ORS 317A.143

25 **Stats. Implemented:** ORS 317A.106, ORS 317A.119, ORS 317A.134, ORS 317A.137