



ADMINISTRATIVE RULE REVIEW

Adopt Rule	Rule No. 150-317-1030	Last Revised Date February 24, 2020
	Page Page 1 of 2	
Permanent Rule	NOTICE OF INTENDED ACTION	
	Bulletin Dated May 2020	Hearing Scheduled May 26, 2020

PURPOSE: Provide guidance for sourcing of sales of tangible personal property for taxpayers who have business activity inside and outside of Oregon for purposes of the corporate activity tax.

1 **150-317-1030**

2 **Sourcing Commercial Activity to Oregon from Sales of Tangible Personal Property**

3 (1) *Definitions.*

4 (a) “Purchaser within Oregon” includes the ultimate recipient of property if the taxpayer, at the  
5 designation of the purchaser, delivers property to the ultimate recipient within Oregon.

6 (b) “Tangible personal property” means personal property that can be seen, weighed, measured, felt, or  
7 touched, or that is in any other manner perceptible to the senses. “Tangible personal property” includes  
8 electricity, water, gas, steam, and prewritten computer software.

9 (2) Gross receipts from the sales of tangible personal property are sourced to Oregon if the property is  
10 delivered to a purchaser within Oregon regardless of the f.o.b. point or other conditions of sale, whether  
11 transported by seller, purchaser, or common carrier.

12 **Example 1:** A seller with a place of business in State A is a distributor of merchandise to retail outlets in  
13 multiple states. A purchaser with retail outlets in several states, including Oregon, makes arrangements to  
14 hire a common carrier to pick up merchandise, f.o.b. plant, at the seller’s place of business and have it  
15 delivered to the purchaser’s outlet in Oregon. The seller must treat this as a sale of property delivered to a  
16 purchaser in Oregon.

17 **Example 2:** A seller with a place of business in Oregon is a distributor of merchandise to retail outlets in  
18 multiple states. A purchaser with retail outlets in several states, including State A, sends its own truck to  
19 pick up the merchandise at the seller’s place of business and have it transported to the purchaser’s outlet  
20 in State A. The seller must treat this as a sale of property delivered to a purchaser in State A.

21 (3) Property is deemed to be delivered to a purchaser within Oregon if the recipient is located in Oregon,  
22 even though the property is ordered from outside of Oregon.

23 **Example 3:** A taxpayer in Oregon sold merchandise to a purchaser in State A. Taxpayer directed the  
24 manufacturer or supplier of the merchandise in State B to deliver the merchandise to the purchaser’s  
25 customer in Oregon pursuant to purchaser’s instructions. The sale by the taxpayer is in Oregon.

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1 **Example 4:** The taxpayer, with inventory in State A, sold \$100,000 of its products to a purchaser having  
 2 branch stores in several states including Oregon. The order for the purchase was placed by the  
 3 purchaser’s central purchasing department located in State B. Of the total purchase order, \$25,000 was  
 4 shipped directly to purchaser’s branch store in Oregon. The branch store in Oregon is the “purchaser  
 5 within Oregon” with respect to \$25,000 of the taxpayer’s sales.

6 (4) Property is delivered to a purchaser within Oregon if the delivery terminates in Oregon, even though  
 7 the property is subsequently transferred by the purchaser to another state.

8 **Example 5:** The taxpayer makes a sale to a purchaser who maintains a central warehouse in Oregon at  
 9 which all merchandise purchases are received. The purchaser reships the goods to its branch stores in  
 10 other states for sale. All of taxpayer’s products shipped to the purchaser’s warehouse in Oregon are  
 11 property delivered to a “purchaser within Oregon.”

12 (5) When property being delivered by a seller from the state of origin to a purchaser in another state is  
 13 diverted while enroute to a purchaser in Oregon, the sale is in Oregon.

14 **Example 6:** The taxpayer, a business in State A, begins shipment of their product to the purchaser’s place  
 15 of business in State B. While enroute the product is diverted to the purchaser’s place of business in  
 16 Oregon to package the merchandise with the purchaser’s logo. The sale by the taxpayer is in Oregon.

17 **Stat. Auth.:** ORS 305.100; ORS 317A.143

18 **Stats. Implemented:** ORS 317A.128