

Question about passing the tax:

Q: Can a business pass along the CAT tax to a business customer on invoices for their services?

A: The laws establishing the CAT (ORS Chapter 317A) do not prohibit any business from recovering a business expense when setting the total price for the sale, lease, or license of an item or the sale of a service. The CAT is imposed on the entity doing business in Oregon and is considered part of the business' expenses. A business may include the CAT with other business expenses when setting the total price charged to customers. However, the total price charged (including any amount estimated to be attributable to the CAT) is included in the business's commercial activity. The Department of Revenue does not provide guidance to businesses on how they may represent the CAT on an invoice.