PURPOSE: Provides guidance on when property brought into this state is included in taxable commercial activity for purposes of the Oregon Corporate Activity Tax (CAT) under Oregon Laws 2019, chapter 122, section 61, as amended by Oregon Laws 2019, chapter 579, section 51.

1. **150-317-1130**

2. **Property Brought into Oregon**

3. (1) Oregon Laws 2019, chapter 122, section 61 as amended by Oregon Laws 2019, chapter 579, section 51 requires a person or unitary group to include the value of property transferred into Oregon for use in the business of the person or unitary group if:

4. (a) The person or unitary group received the property outside Oregon and transferred it into Oregon for use in the business of the person or unitary group within one year of receiving it outside Oregon, and

5. (b) The receipt of the property outside Oregon and its subsequent transfer into Oregon was intended, in whole or in part, to avoid the Corporate Activity Tax (CAT).

6. (2) A person or unitary group who intended to avoid the CAT must include the fair market value of property transferred into Oregon in their taxable commercial activity for the tax year the property was transferred into Oregon.

7. (3) Section (2) of this rule does not apply to the extent the sale of the property transferred into Oregon is excluded from the definition of commercial activity by law.

8. (4) **Example:** Unitary group XYZ purchases motor vehicle fuel in Idaho on January 15, 2020 and transfers the motor vehicle fuel to Oregon on January 18, 2020. Unitary group XYZ would not include the fair market value of the motor vehicle fuel in their Oregon commercial activity because commercial activity excludes receipts from the sale of motor vehicle fuel.

9. (5) A person or unitary group should not include in their taxable commercial activity the fair market value of property transferred into Oregon within a year of receipt outside Oregon if the transfer of property into Oregon within a year of receipt outside Oregon was not intended to avoid the CAT in whole or in part.
PURPOSE: Provides guidance on when property brought into this state is included in taxable commercial activity for purposes of the Oregon Corporate Activity Tax (CAT) under Oregon Laws 2019, chapter 122, section 61, as amended by Oregon Laws 2019, chapter 579, section 51.

(6) A person or unitary group who omits from commercial activity the fair market value of property transferred into Oregon within a year of receipt outside Oregon is required to include the fair market value upon a showing by the department that the taxpayer intended to avoid the CAT in whole or in part.

**Stat. Auth.:** ORS 305.100; Oregon Laws 2019, chapter 122, section 72

**Stats. Implemented:** ORS Oregon Laws 2019, chapter 122, section 61 as amended by Oregon Laws 2019, chapter 579, section 51