

# Corporate Activity Tax Administration

Presentation to  
Joint Committee on Student Success

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# Corporate Activity Tax (CAT)

- New tax program imposed on commercial activity
- Operative January 1, 2020
- Subjectivity begins at \$1M
- Registration required
- Quarterly tax payments - first payment due April 30, 2020
- Annual return filing - first return due April 15, 2021

# Department Functions

- Policy and Systems
- Tax Services
- Audit
- Collections
- Filing Enforcement
- Processing Center
- Information Technology
- Suspense
- Communications, Human Resources
- Finance and Procurement

# CAT Implementation Timeline

## Beginning July 2019

- Administrative rules
- Tax forms development
- Web content
- Communication plan development
- Stakeholder involvement
- Vendor contract amendment

# CAT Implementation Timeline

## Beginning September 2019

- System requirement gathering for registration and payment functions
- System configuration begins for registration and payment functions
- System testing

# CAT Implementation Timeline

## Beginning February 2020

- Taxpayer outreach begins
- Customer service function begins
- Registration function available to public
- Account and registration maintenance
- System requirement gathering for all other system functions
- System configuration begins for all other system functions and front end processing system
- System testing

# CAT Implementation Timeline

## Beginning April 2020

- First tax payments due
- Payment function available to public
- Accounting function
- Seasonal staff in processing center

# CAT Implementation Timeline

## Beginning February 2021

- Audit staff hired and begin training
- First audits begin May 2021



# CAT Implementation Timeline

## Beginning April 2021

- First tax returns due
- Return suspense

# CAT Implementation Timeline

## Beginning July 2021

- Collection staff hired and begin training
- Filing enforcement staff hired and begin training
- Appeals function

# Fiscal Impact—Positions & Costs

Program Area	Types of Positions	Position Count 19-21	Position Count 21-23
Policy and Systems	Operations and Policy Analysts 2s and 3s Principal Exec Manager (PEM) D and E	10	12
Tax Services	Public Service Representative 3s	5	5
Audit	Tax Auditor 2 Operations and Policy Analyst 3 PEM C and PEM D	21	21
Collections	Revenue Agents 1s and 2s Administrative Specialist 2 Operations and Policy Analyst 2	0	6
Filing Enforcement	Tax Auditor 2s	0	2

# Fiscal Impact—Positions & Costs

Program Area	Types of Positions	Position Count 19-21	Position Count 21-23
Processing Center	Data Entry Operators Office Assistants Office Specialists Operations and Policy Analyst	9	12
Information Technology	Information Systems Specialists 6, 7 and 8 Training and Development Specialists Operations and Policy Analysts 3	10	4
Appeals, Discovery, and Processing	Administrative Specialists 1s and 2s	10	7
Communications	Public Affairs Specialist 2	1	1
Human Resources	Human Resource Analyst 2	1	1
Finance and Procurement	Accountant 3	1	1

# Fiscal Impact—Positions & Costs

Total Fiscal Impact Estimate	
Total Personal Services Estimate	19-21: \$6,340,775 AF (\$1,659,102 GF; \$4,681,669 OF)
	21-23: \$11,983,684 OF
Total Services & Supplies/Capital Outlay	19-21: \$7,138,375 AF (\$2,295,259 GF; \$4,843,116 OF)
	21-23: \$3,558,242 OF
19-21 General Funds Request: \$3,954,361	
19-21 Other Funds Request: \$9,524,785	

# Questions?

If you have additional questions after today, please contact:

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