

House Bill 4009A: Section by Section Description

Section 1 (ORS 317A.100):

- Removes crop insurance payments from the definition of commercial activity
- Replaces 'business revenue' with 'commercial activity'
- Clarifies that refunds from any tax program are not commercial activity
- Adds reference to the vehicle use tax
- Removes certain milk sales from the definition of commercial activity
- Provides an alternate 'cost inputs' calculation for certain farm businesses
- Ensures that manufactured dwelling park nonprofit cooperatives are not subject to the CAT
- Ties 'unrelated business income' to definitions in the IRC

Section 1a (ORS 317A.106):

- Provides that foreign members of a unitary group with no connection to Oregon may be excluded from the unitary group for reporting purposes
- Grants DOR rule-making authority

Section 2 (ORS 317A.116):

- Clarifies that returns and allowances are an offset to commercial activity in the year they are made

Section 3 (ORS 317A.119):

- Restructures/clarifies the calculation of the 35% subtraction; allows for the use of the apportionment factor used for the income tax or one defined in rule by DOR

Section 3a-b (new ORS):

- Defines terms
- Allows farmers to obtain from a broker or wholesaler a certificate specifying the share of commodities exported or to use an industry average as an alternative

Section 4 (ORS 317A.131):

- Clarifies that registration is required only once, not annually

Section 5-6 (ORS 317A.161):

- Sets the quarterly penalty to 5% and establishes a safe harbor based on the prior year's corresponding quarter
- Extends the 80% threshold through 2021

Section 7-8 (Applicability):

- Changes generally effective beginning 1-1-2020
- The 90% threshold begins 1-1-2022

Section 9 (Effective Date):

- Effective on the 91st day following adjournment sine die