

# Corporate Activity Tax

A Brief Overview





# Basic Facts on Oregon's CAT

Parameter	Description
Commercial Activity	"...the total amount realized by a person, arising from transactions and activity in the regular course of the person's trade or business..."
Rate	0.57% (0.0057)
Threshold	\$1,000,000
Tax	\$250 + 0.57% of commercial activity above \$1 million
Subtraction	35% of either COGS or Employee Labor Costs
Selected Exclusions	Retail and wholesale groceries, fuel
Special Exclusion	Builders of single-family residential homes allowed 15% of subcontractor labor costs to be excluded
Effective Date	January 1, 2020



# SB 164 – CAT Adjustments

Section	Description
1	Adds language indicating that commercial activity does not include <ul style="list-style-type: none"><li>• <b>Exchange of new vehicles between franchised motor vehicle dealerships</b></li><li>• Groceries sold by a <b>consignee (consignment) store operator</b></li></ul>
2	Adds language allowing vehicle dealers to collect the estimated portion of the tax on <b>leases</b> of vehicles
3	Defines applicability of above provisions to tax years beginning on or after <b>January 1, 2022</b>
4	Prescribes effective date on the 91 <sup>st</sup> day following adjournment sine die.

