

**HB 2433 STAFF MEASURE SUMMARY**

**House Committee On Revenue**

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**Prepared By:** Jonathan Hart, Economist

**Meeting Dates:** 2/9, 3/2

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**WHAT THE MEASURE DOES:**

Increases the amount of commercial activity exempt from the Corporate Activity Tax, and the threshold for filing a tax return from \$1 million to \$5 million. Applies to tax years beginning on or after January 1, 2024. Takes effect on the 91st day after adjournment sine die.

**ISSUES DISCUSSED:**

- Oregon business climate
- Resources for education

**EFFECT OF AMENDMENT:**

No amendment.

**BACKGROUND:**

Businesses are required to register with the Department of Revenue if their commercial activity in a year exceeds \$750,000 and are required to file a Corporate Activity Tax return if their commercial activity exceeds \$1 million. If a business has commercial activity over \$1 million, it owes a flat \$250 tax plus tax at the 0.57% tax rate for taxable commercial activity over \$1 million. This bill would increase the threshold for both filing and taxation to \$5 million.