

HB 3226 STAFF MEASURE SUMMARY

House Committee On Revenue

Prepared By: Jonathan Hart, Economist

Meeting Dates: 3/9

WHAT THE MEASURE DOES:

Specifies that if a taxpayer has no taxable commercial activity for a quarter the taxpayer is not required to make an estimated payment of Corporate Activity Tax for that quarter. Applies to tax years beginning on or after January 1, 2024. Takes effect on the 91st day after adjournment sine die.

ISSUES DISCUSSED:

EFFECT OF AMENDMENT:

No amendment.

BACKGROUND:

Oregon law (ORS 317A.137) requires quarterly estimated payments for Corporate Activity Tax, and has a potential five percent penalty for underpayment. Estimated payments are due if a taxpayer expects to owe \$5,000 or more in tax. HB 3226 would clarify that when a taxpayer has no quarterly commercial activity that no quarterly estimated payment is due.