

SB 440 STAFF MEASURE SUMMARY

Senate Committee On Finance and Revenue

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Meeting Dates: 3/3

WHAT THE MEASURE DOES:

Increases the Corporate Activity Tax filing requirement from more than \$1 million in commercial activity to more than \$10 million in commercial activity for homebuilding contract receipts. Exempts homebuilding contract commercial activity of less than \$10 million from the Corporate Activity Tax. Applies to tax years beginning on or after January 1, 2026. Takes effect on the 91st day following adjournment sine die.

ISSUES DISCUSSED:

EFFECT OF AMENDMENT:

No amendment.

BACKGROUND:

The Corporate Activity Tax was enacted by the 2019 Legislature and established a filing requirement and tax on Oregon commercial activity greater than \$1 million. Currently, home building construction commercial activity is generally taxable by the Corporate Activity Tax. The Corporate Activity Tax does allow a 15% subtraction for general contractor's subcontractor labor cost related to the construction of a single-family home.