

# A-Engrossed Senate Bill 123

Ordered by the Senate June 12  
Including Senate Amendments dated June 12

Printed pursuant to Senate Interim Rule 213.28 by order of the President of the Senate in conformance with pre-session filing rules, indicating neither advocacy nor opposition on the part of the President (at the request of Senate Interim Committee on Finance and Revenue)

## SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure. The statement includes a measure digest written in compliance with applicable readability standards.

**Digest: The Act makes changes to the CAT. (Flesch Readability Score: 100.0).**

*[Digest: The Act tells the LRO to study the corporate activity tax. (Flesch Readability Score: 64.9).]*

*[Requires the Legislative Revenue Officer to study the corporate activity tax. Directs the Legislative Revenue Officer to submit findings to the interim committees of the Legislative Assembly related to revenue not later than December 1, 2026.]*

**Modifies the provision that exempts receipts from the sale by certain pharmacies of prescription drugs to allow use of the exemption by critical access pharmacies and to require pharmacies allowed the exemption based on the number of locations to have at least one location in this state.**

**Applies to tax years beginning on or after January 1, 2026.**

**Removes the sunset from the exclusion for subcontracting payments.**

**Takes effect on the 91st day following adjournment sine die.**

## A BILL FOR AN ACT

Relating to the corporate activity tax; creating new provisions; amending ORS 317A.123 and section 59, chapter 579, Oregon Laws 2019; and prescribing an effective date.

**Be It Enacted by the People of the State of Oregon:**

**SECTION 1.** ORS 317A.123 is amended to read:

317A.123. (1) As used in this section:

(a) "Eligible pharmacy" means a pharmacy that has *[nine or fewer locations under common ownership in this state]* **at least one but fewer than 10 locations under common ownership in this state or a critical access pharmacy, as defined by the Oregon Health Authority by rule for purposes related to the Oregon Prescription Drug Program.** "Eligible pharmacy" does not include a pharmacy that caters primarily to veterinary customers.

(b) "Pharmacy" has the meaning given that term in ORS 689.005.

(2) Notwithstanding ORS 317A.100, amounts received by an eligible pharmacy in receipt for the sale of prescription drugs are excluded from the definition of commercial activity and are exempt from the tax imposed under ORS 317A.116.

**SECTION 2. The amendments to ORS 317A.123 by section 1 of this 2025 Act apply to tax years beginning on or after January 1, 2026.**

**SECTION 3.** Section 59, chapter 579, Oregon Laws 2019, is amended to read:

**Sec. 59.** *[Section 58 of this 2019 Act]* **Notwithstanding ORS 315.037, ORS 317A.122 applies to all tax years beginning on or after January 1, 2020[, and before January 1, 2026].**

**NOTE:** Matter in **boldfaced** type in an amended section is new; matter *[italic and bracketed]* is existing law to be omitted. New sections are in **boldfaced** type.

1        **SECTION 4. This 2025 Act takes effect on the 91st day after the date on which the 2025**  
2        **regular session of the Eighty-third Legislative Assembly adjourns sine die.**  
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