

Background

In 2019, Oregon's Corporate Activity Tax (CAT) was created in House Bill 3427 with a few technical modifications adopted in House Bill 2164.

Additional technical modifications and policy clarifications have been made by House Bill 4202 (2020 1st Special Session) and SB 164 (2021).

[Senate Bill 125](#) proposes to exclude from commercial activity receipts for the administration or dispensing of medication in a clinical setting other than a hospital and exclude receipts for reimbursement amounts received for health care provided to medical assistance recipients, Medicare and Medicaid recipients, and PEBB, OEBC, CHIP or Department of Defense TRICARE members.

Administrative Concern

Section 1, subsection (XX) adds a new exclusion for the "administration or dispensing of medications in a clinical setting other than a hospital". The terms "medication" and "clinical setting" are not defined in CAT statutes. It is unclear whether "medication" is to be limited to prescription medications or include more broadly over-the-counter medicines. It is also unclear what a "clinical setting" is for purposes of this exclusion.

Senate Bill 125 may need to be amended to provide legislative intent and clarity for the terms "medication" and "clinical setting". Without additional clarity, Department of Revenue may need to define the terms by administrative rule with input from interested parties.

Agency Contact

Xann Culver, Policy Coordinator xann-marie.f.culver@dor.oregon.gov (971) 304-5377

Marjorie Taylor, Legislative Director marjorie.taylor@dor.oregon.gov (503) 476-7644

