



## FAQs about the new Oregon Corporate Activity Tax

### FAQ – What, you mean there is another new tax?

- Yes, In May 2019 a new tax was added to the Oregon tax structure.
- This tax is imposed on businesses for the privilege of doing business in the beautiful state of Oregon.
- The tax is titled the Oregon Corporate Activity Tax [ CAT].
- The tax is applicable for tax years beginning after January 1, 2020.

### FAQ – I don't have to worry about this tax if I am not a corporation, Right?

- Well, one would think that given the name of the tax that it only applied to Corporations; but you would be wrong. This tax applies to **ALL** businesses (unless excluded) no matter what form they operate in.
- LLCs, Partnerships, Sole-Proprietorships, C Corporations and S Corporations all get the privilege of being subject to this tax.

### FAQ – Is there exclusion for a small business?

- Yes, you do not have to pay any Oregon Corporate Activity Tax if your gross receipts are under one million dollars. [Gross receipts are determined using the same method you use for your tax return.]
- Only taxpayers with more than \$1 million of gross receipts will have a filing obligation.
- Non-profit organizations, Farmer's cooperatives, Governmental entities, Hospitals and Long-term care facilities are excluded from the CAT.

### FAQ – So as long as my gross receipts don't go over \$1 million I don't have to do anything, right?

- Well not quite – once your gross receipts go over \$750,000 you need to register with the Oregon Department of Revenue within thirty days.
- You can register at <https://www.oregon.gov/DOR/programs/businesses/Pages/corporate-activity-tax.aspx>

### FAQ – How much is this tax and how do I pay it?

- The CAT is applied to the entities “commercial activity”.
- The tax is \$250 + .57% of commercial activity over \$1,000,000.