Larry's Tax Law

Upcoming CAT Call – Speak Now or Forever Hold Your Peace!

By Larry Brant on 6.15.20 | Posted in Legislation, State and Local Tax, Tax Laws

The Oregon Department of Revenue ("DOR") announced that it will be conducting a public hearing on June 23, 2020 to discuss a second set of temporary administrative rules relative to the Oregon Corporate Activity Tax (the "CAT") that it intends to make permanent.

Due to the COVID-19 pandemic, the hearing will be held telephonically. The conference call will commence at 9:00 a.m. Pacific Time on June 23, 2020.

Listening Option

To listen to the hearing, taxpayers and tax practitioners need to call (541) 465-2805 and enter the conference PIN 234470.

Participation Option

For those taxpayers and tax practitioners that wish to be heard (i.e., testify), they will also need to pre-register either by:

(1) Calling the conference call line before the hearing commences on June 23, 2020 (the hearing date). That line will be open by 8:45 a.m.; **or**

(2) Contacting the DOR Administrative Rules Coordinator, Ms. Katie McCann, before 8:45 a.m. on June 23, 2020 (the hearing date). Her mailing address is: Director's Office, 955 Center Street NE, Salem, OR 97301-2555. Ms. McCann's direct telephone number is: (503) 509-9787; her email address is: Rulescoordinator.dor@oregon.gov and her fax number is: (503) 945-8290.

Written Comments

Taxpayers and tax practitioners may also submit written comments about the rules to Ms. McCann by email, fax or regular mail. For comments to be considered by the DOR, however, Ms. McCann must receive them no later than 5:00 p.m. on June 23, 2020.

Hearing Agenda

The purpose of the hearing is limited to discussing whether to make the four temporary administrative rules relating to the CAT permanent, namely:

1. OAR 150-317-1050 (Sourcing of Commercial Activity for Financial Institutions);
2. OAR 150-317-1060 (Farmers Sales to Agricultural Cooperatives);
3. OAR 150-317-1040 (Wholesale Sale of Groceries Exclusion); and
4. OAR 150-317-1400 (Determining Property Resold Out of State).

Prior Discussion

We have discussed some of these temporary rules in prior blog posts. In particular, I suspect a lot of attention at the hearing will be on the last two rules, namely the rules relating to the Wholesale Groceries Exclusion and the Exclusion for Property to be Resold Out of State. A great number of questions remain on tax practitioners' and taxpayers' minds relative to these two rules, including:

1. Tracking grocery sales and related compliance matters;
2. Properly documenting wholesale transactions;
3. Properly certifying the sale of products to be resold out of state;
4. Computing the so-called "approximation ratio;" and
5. When and how to use an alternative approximation methodology for property to be resold out of state.

Speak Up

As discussed in our prior post, there are many aspects of the temporary rules that are not very practical and/or are difficult to follow. If you have questions, concerns or comments about any of these four rules, now is the time to speak up, or forever hold your peace.

Tags: corporate activity tax, Corporate Tax, Grocery Exclusion, Oregon, Oregon businesses, Oregon Department of Revenue, Oregon DOR, Oregon Taxpayers, Out-of-State Wholesale Exclusion, rulemaking, tax practitioner, wholesale exclusion