

## Income/Franchise:

### Oregon: Proposed Rules Address Fiscal Year CAT Returns, Accounting Period Differences and Designated Filers

*Proposed OAR sections 150-317-1015, 150-317-1022, 150-317-1023*, Or. Dept. of Rev. (10/21/21). Reflecting recently enacted legislation [see S.B. 164 (2021) and previously issued Multistate Tax Alert for details on new law in Oregon that modifies various provisions of the Oregon corporate activity tax related to fiscal year filings, insurance companies, and other exemptions and definitions], the Oregon Department of Revenue (Department) has proposed the following rule changes:

**URL:** <https://www.oregonlegislature.gov/housedemocrats/Documents/NoticeFilingTrackedChanges.pdf>

**URL:** <https://olis.oregonlegislature.gov/liz/2021R1/Downloads/MeasureDocument/SB164/Enrolled>

**URL:** <https://www2.deloitte.com/content/dam/Deloitte/us/Documents/Tax/us-tax-mta-oregon-enacts-modifying-provisions-of-the-corporate-activity-tax.pdf>

- Proposed OAR section 150-317-1015: Provides guidance to Oregon corporate activity tax (CAT) taxpayers who are required to change their tax year from a calendar year to a fiscal year or experience changes in their federal income tax year and are required to file a short tax period return; and prescribes the manner in which such taxpayers must calculate proration amounts for their short year CAT returns;
- Proposed OAR sections 150-317-1022: Provides guidance to unitary group taxpayers whose members have an annual accounting period that differs from the unitary group's required annual accounting period; and
- Proposed OAR sections 150-317-1023: Provides guidance for unitary groups regarding the designation of the designated filer who must register, file, and pay the CAT on behalf of the group; the proposal requires the CAT designated filer to have substantial nexus with Oregon.

A virtual public hearing to discuss these proposed changes has been scheduled for November 18, 2021, and any public comments are due on the same date.

The Department also has updated its answers to related frequently asked questions (FAQs) to reflect the recently enacted CAT law changes. Under the new law, businesses filing on a fiscal year-end that are subject to Oregon's CAT are required to file fiscal-year returns beginning with the 2021 tax year; fiscal-year taxpayers must file a short-year CAT return covering January 1, 2021 through the end of their fiscal tax year, which will be due by April 15, 2022 [see *State Tax Matters*, Issue 2021-33, for additional details on these law changes]. Please contact us with any questions.

**URL:**  
[https://www.oregon.gov/dor/programs/businesses/Pages/CAT/CATFAQ.aspx?utm\\_medium=email&utm\\_source=govdeli](https://www.oregon.gov/dor/programs/businesses/Pages/CAT/CATFAQ.aspx?utm_medium=email&utm_source=govdeli)  
very

**URL:** [https://dhub.blob.core.windows.net/dhub/Newsletters/Tax/2021/STM/210820\\_4.html](https://dhub.blob.core.windows.net/dhub/Newsletters/Tax/2021/STM/210820_4.html)

— Scott Schiefelbein (Portland)  
Managing Director  
Deloitte Tax LLP  
sschiefelbein@deloitte.com

Sara Clear (Minneapolis)  
Manager  
Deloitte Tax LLP  
sclear@deloitte.com

This document contains general information only and Deloitte is not, by means of this document, rendering accounting, business, financial, investment, legal, tax, or other professional advice or services. This document is not a substitute for such professional advice or services, nor should it be used as a basis for any decision or action that may affect your business. Before making any decision or taking any action that may affect your business, you should consult a qualified professional advisor. Deloitte shall not be responsible for any loss sustained by any person who relies on this document.

**About Deloitte**

Deloitte refers to one or more of Deloitte Touche Tohmatsu Limited (“DTTL”), its global network of member firms, and their related entities (collectively, the “Deloitte organization”). DTTL (also referred to as “Deloitte Global”) and each of its member firms and related entities are legally separate and independent entities, which cannot obligate or bind each other in respect of third parties. DTTL and each DTTL member firm and related entity is liable only for its own acts and omissions, and not those of each other. DTTL does not provide services to clients. Please see [www.deloitte.com/about](http://www.deloitte.com/about) to learn more.