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NOTICE OF PROPOSED RULEMAKING

INCLUDING STATEMENT OF NEED & FISCAL IMPACT

CHAPTER 150
DEPARTMENT OF REVENUE

FILED: 10/28/2026 4:29 PM
ARCHIVES DIVISION SECRETARY OF STATE

FILING CAPTION: Provides guidance regarding designated reporting entities and clarifies when changes are permitted under ORS317A.106

LAST DAY AND TIME TO OFFER COMMENT TO AGENCY: 12/01/2026 5:00 PM
The Agency requests public comment on whether other options should be considered for achieving the rule's substantive goals while reducing negative economic impact of the rule on business.

CONTACT:
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Filed By:
Katie McCann
Rules Coordinator

HEARING(S)
Auxiliary aids for persons with disabilities are available upon advance request. Notify the contact listed above.

DATE: 12/01/2026
TIME: 9:00 AM
OFFICER: Maribel Luna

REMOTE HEARING DETAILS
MEETING URL: Click here to join the meeting
PHONE NUMBER: 503-446-4951
SPECIAL INSTRUCTIONS:
Join by Teams video: https://teams.microsoft.com/meet/287820800679047?p=yn7qH4yH3hZj1Tvlp7
Meeting ID: 287 820 800 679 047
Passcode: wd68HG3P

Join by phone: 503-446-4951
Conference ID: 604 400 508#

NEED FOR THE RULE(S):

The rule provides guidance for Corporate Activity Tax unitary groups. The amendment clarifies when unitary groups are required or permitted to change their designated reporting entity under ORS 317A.106.

DOCUMENTS RELIED UPON, AND WHERE THEY ARE AVAILABLE:

Oregon Revised Statutes: 317A.100 – 317A.161.

STATEMENT IDENTIFYING HOW ADOPTION OF RULE(S) WILL AFFECT RACIAL EQUITY IN THIS STATE:

This rule has no direct impact on racial equity; any impacts stem from statutory requirements. Under ORS 317A.106, unitary groups are required to designate a single member of the unitary group to act as the reporting entity responsible for registering, filing, and paying taxes on behalf of the group. This rule provides guidance to all unitary groups that may need to change their designated reporting entity for corporate activity tax filings, regardless of demographics.

FISCAL AND ECONOMIC IMPACT:

OAR 150-317-1023 provides guidance to unitary groups for appointing a designated reporting entity. This rule clarifies the statutory requirements and does not impose additional costs.

COST OF COMPLIANCE:
(1) Identify any state agencies, units of local government, and members of the public likely to be economically affected by the rule(s). (2) Effect on Small Businesses: (a) Estimate the number and type of small businesses subject to the rule(s); (b) Describe the expected reporting, recordkeeping and administrative activities and cost required to comply with the rule(s); (c) Estimate the cost of professional services, equipment supplies, labor and increased administration required to comply with the rule(s).

(1) This rule has no impact on state agencies or units of local government. Any effects on the public, specifically corporate activity tax filers, arise from statutory requirements under ORS 317A.106. Unitary groups are required to designate a single member of the unitary group as the reporting entity responsible for registering, filing, and paying taxes on behalf of the group.
(2)(a) All entity types with more than $1 million in gross receipts are required to file a corporate activity tax return. Approximately 44,000 businesses will be subject to the corporate activity tax. Based on this information, we estimate Oregon has approximately 25,000 small businesses with fewer than 50 employees that are subject to corporate activity tax. We estimate that 9,800 of the 25,000 small businesses are part of a unitary group and subject to OAR 150-317-1023.
(b) General recordkeeping requirements such as documentation to substantiate inventory, deductions, and credits are already required under both federal and state law. We don't anticipate additional costs for professional services to comply with the requirements of these rules.
(c) None known.

DESCRIBE HOW SMALL BUSINESSES WERE INVOLVED IN THE DEVELOPMENT OF THESE RULE(S):

The department formed a rules advisory committee, with members representing the Oregon Farm Bureau, Oregon Business & Industry, and tax practitioners representing various business industries. In addition, the department will be notifying interested parties of the rulemaking process including the public hearing prior to adopting these rules as permanent. During the public comment period, interested parties, including small businesses, can provide the department with feedback.

WAS AN ADMINISTRATIVE RULE ADVISORY COMMITTEE CONSULTED? YES

AMEND: 150-317-1023

RULE SUMMARY: Provides guidance regarding designated reporting entities and clarifies when changes are permitted under ORS 317A.106

CHANGES TO RULE:

150-317-1023
Unitary Group Designated Reporting Entity
(1) Effective Date. The provisions of this rule apply to tax years beginning on or after January 1, 2021.¶
(2) General Rule. Unitary groups must designate a single member of the unitary group with substantial nexus to this state under ORS 317~~A~~.116 and OAR 150-317-1010 as the group's reporting entity to register, file and pay the corporate activity tax on behalf of the unitary group. ¶
(3) Groups with Two or More Federal Consolidated Return Members. If a unitary group has two or more members that file a federal consolidated return, the unitary group may designate any member of the group as the group's reporting entity that:¶
(a) has substantial nexus to this state under ORS 317A.116 and OAR 150-317-1010; and ¶
(b) uses the annual accounting period of the federal consolidated group under section 441 of the Internal Revenue Code. ¶
(4) ~~Change in Designated Reporting Entity. The~~A unitary group must notify the department if the designated reporting entity changes its name, or merges or consolidates with another entity.¶
(5) Changing the Reporting Entity - When Required or Permitted. A unitary group ~~must~~is required to change the designated reporting entity if the designated entity no longer meets the applicable provisions of sections (2) or (3) of this rule. ~~If the designated reporting entity merges or consolidates with another entity or changes its name, the unitary group must notify the department of the merger, consolidation, or name change. A unitary group may~~A unitary group is permitted to change the designated reporting entity to another member of the group provided that the member ~~meets th~~satisfies the applicable provisions of sections (2) and (3) of this rule. ¶
[Publications: Contact the Oregon Department of Revenue for information about how to obtain a copy of the publication referred to or incorporated by reference in this rule pursuant to ORS 183.360(2) and ORS 183.355(1)(b).]
Statutory/Other Authority: ORS 305.100, 317A.106, 317A.143
Statutes/Other Implemented: ORS 317A.106