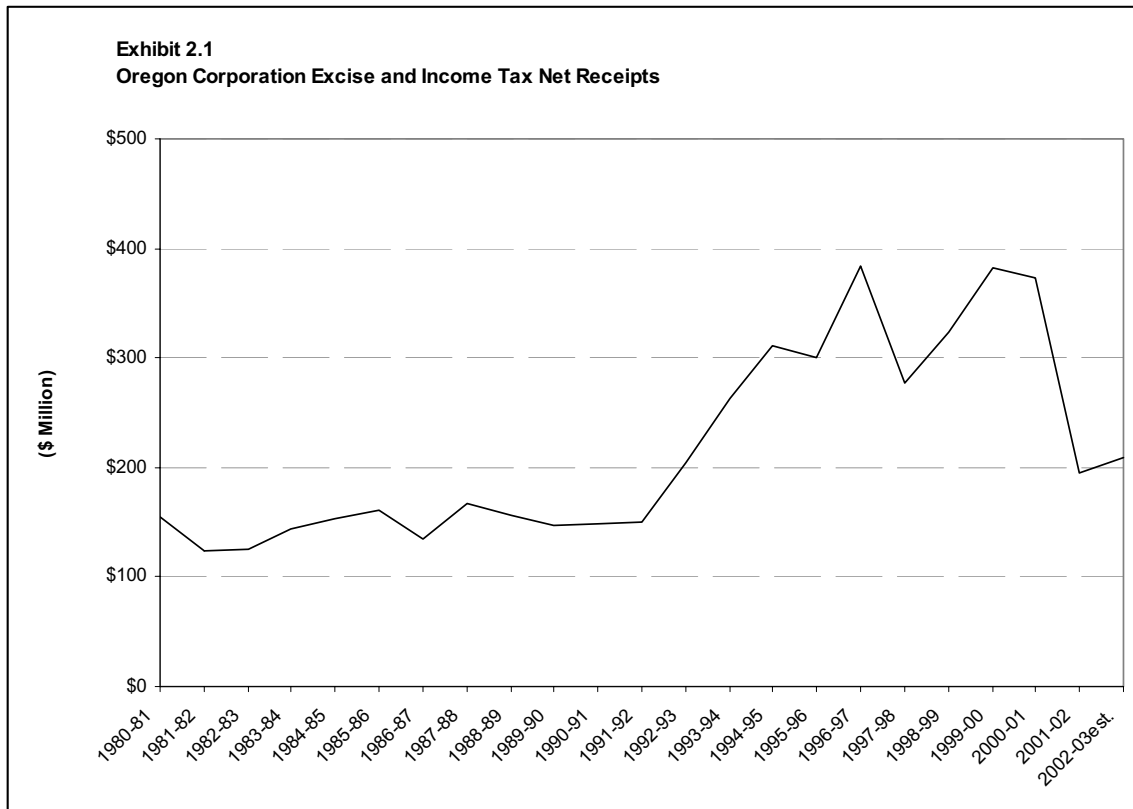


Section two presents summary information based on corporate receipts. Receipts received in any one fiscal year will be associated with multiple tax years. The numbers presented below are net payments—net of estimated payments, final payments associated with a return, and refunds issued to taxpayers.

Recent Trends in Collections

Exhibit 2.1 shows net corporate tax collections since fiscal year 1980-81. These net receipts were relatively flat throughout the 1980s, grew dramatically throughout the 1990s, and declined severely in fiscal year 2002. The substantial swings that can be seen in this series from fiscal year 1996 to fiscal year 1998 are related to a couple of relatively large corporate kickers. (The Oregon Surplus Credit, or kicker credit, occurs if revenues exceed the forecast by more than two percent. The surplus is refunded to corporate taxpayers in the form of a credit. See Appendix D for more information and a history of kicker amounts.)



In fiscal year 2001-02, corporate collections showed a dramatic 47 percent decline due to slowing economic conditions and were actually below fiscal 1993 levels.

SECTION 2B
CORPORATE TAX RECEIPTS
COLLECTIONS BY INDUSTRY SECTOR

The decline in corporate receipts stems largely from a decline in the manufacturing sector, which contributed the largest share of corporate income tax through the late 1990s. The dramatic drop in corporate tax collections from fiscal 2001 to fiscal 2002 was largely due to the drop in manufacturing taxable income.

Exhibit 2.2 shows the dramatic drop in manufacturing receipts as well as year-over-year change in receipts for selected corporation sectors for fiscal 2001 and 2002.

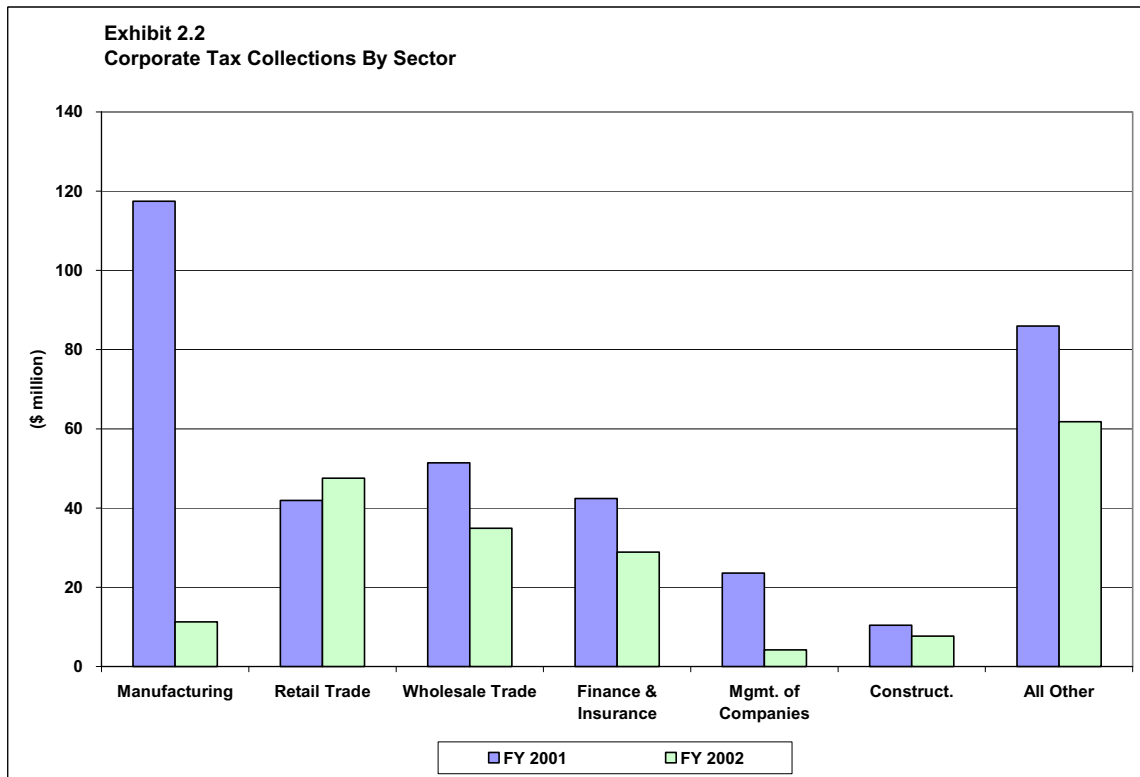


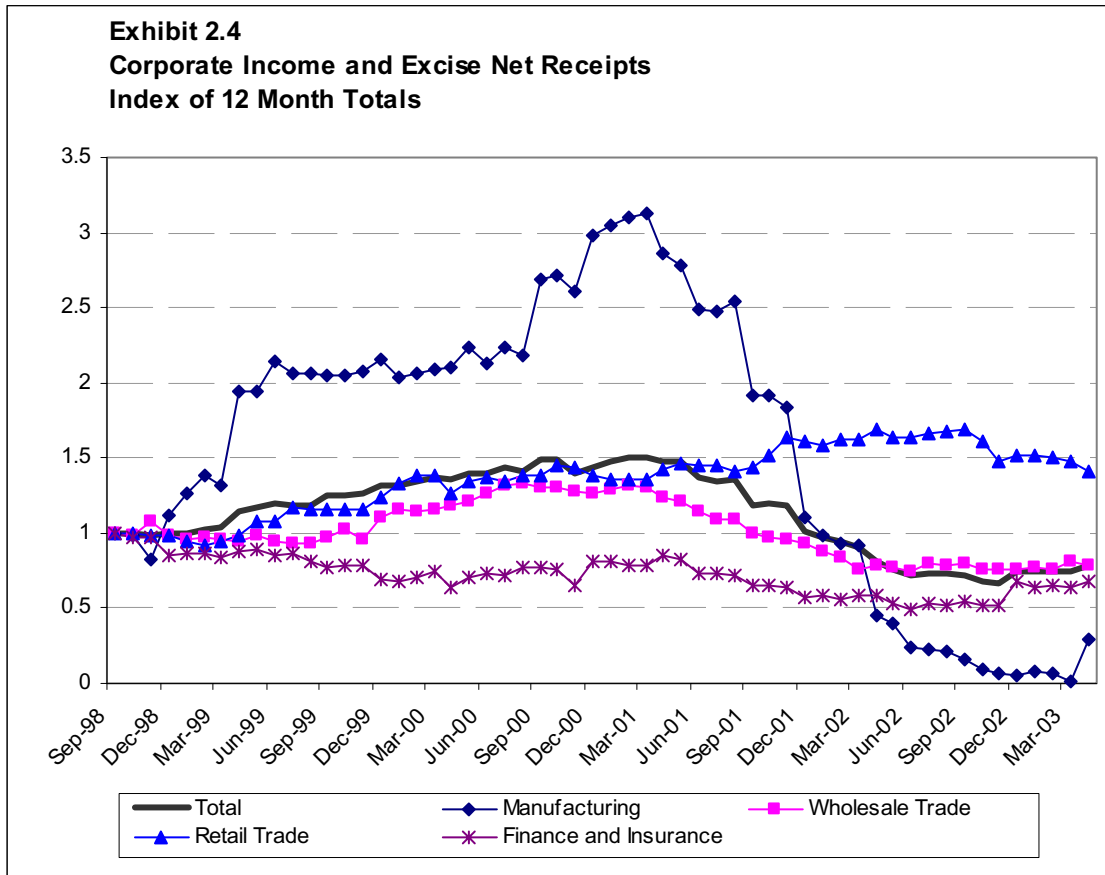
Exhibit 2.3 provides the dollars associated with collections for all sectors.

**Exhibit 2.3—Corporate Income Tax Receipts
By Industry Sector**

Industry Sector ¹	FY 2001 \$ Million	FY 2002 \$ Million	Change \$ Million	Percentage Change	% of Total
Agriculture, Forestry, Fishing and Hunting	2.8	3.3	0.5	17%	2%
Mining	1.7	1.4	-0.3	-17%	1%
Utilities	-3.4	6.0	9.4	NA	3%
Construction	10.5	7.7	-2.8	-27%	4%
Manufacturing	118.4	11.3	-107.1	-90%	6%
Wholesale Trade	53.1	34.9	-18.2	-34%	18%
Retail Trade	42.0	47.5	5.5	13%	24%
Transportation and Warehousing	8.3	1.4	-6.9	-83%	1%
Information	18.4	-2.3	-20.7	-113%	-1%
Finance and Insurance	43.3	28.9	-14.4	-33%	15%
Real Estate and Rental and Leasing	4.9	4.6	-0.3	-7%	2%
Professional, Scientific, and Technical Services	5.5	4.4	-1.1	-20%	2%
Management of Companies and Enterprises	25.0	4.2	-20.8	-83%	2%
Administrative, Support, and Waste Management	3.3	4.9	1.6	47%	3%
Educational Services	0.4	0.3	-0.1	-22%	0%
Health Care and Social Assistance	1.1	0.8	-0.3	-27%	0%
Arts, Entertainment, and Recreation	0.3	0.2	-0.2	-51%	0%
Accommodation and Food Services	3.9	4.0	0.1	4%	2%
Other Services (except Public Administration)	2.1	2.0	-0.1	-5%	1%
Unknown	31.7	30.5	-1.1	-4%	16%
Total	373.3	196.1	-177.2	-47%	100%

¹ Selected detail of the industries found in each sector are provided in Appendix B - Selected Glossary of Industry Sectors.

Another way to look at patterns of corporate tax receipts is to look at indexed values for each sector. Exhibit 2.4 shows the movement of each sector relative to its value at a fixed point in time. This charts the index of the moving total of the most recent 12 months of payments relative to the 12 months ending September 1998. The expansion and then contraction of manufacturing may be seen.



Appendix E contains historical data for corporate tax receipts from fiscal year 1970-71.