

This section presents summary information based on corporate receipts. Receipts received in any one fiscal year will be associated with multiple tax years as shown in Exhibit 2.1. The numbers presented below are net payments—composed of estimated payments, final payments associated with a return, and refunds issued to taxpayers.

Timing of Tax Payments

Corporations file a tax return after the end of their tax year, which is usually the same as a calendar year. However, for some corporations, the tax year is a year that covers a period of time significantly different from a calendar year.³ Because corporations may get extensions to file returns, and they make quarterly estimated payments; nearly all of the payments associated with the Oregon Corporate Excise and Income tax are received before the corresponding tax returns are filed. Other payments or refunds occur after the tax returns are filed due to amended or audited returns. Payments received by the Oregon Department of Revenue during any fiscal year represent tax liabilities from many different tax years.

Exhibit 2.1 provides details on the tax years for which payments were received in fiscal year 2005. Most of the payments were received for tax years 2004 and 2005, while refunds issued for earlier tax years were significant. The refunds issued for tax year 2000 amended returns were unusually high. In fiscal year 2005, about 670 corporations made net payments for tax year 2000 and about 220 corporations received net refunds for the same year. The average for corporations' net refunds was about \$145 thousand while the average for net payments was only about \$6 thousand.

**Exhibit 2.1—Corporate Tax Receipts for FY 2005
By Tax Year**

Dollars in thousands

Tax Year	Net Receipts	Percent of Total
Unclassified*	-1,473	-0.5%
1999 and prior	11,329	3.5%
2000	-27,550	-8.5%
2001	731	0.2%
2002	-6,592	-2.0%
2003	-93,790	-28.9%
2004	328,536	101.1%
2005	113,744	35.0%
Total	\$324,936	100.0%

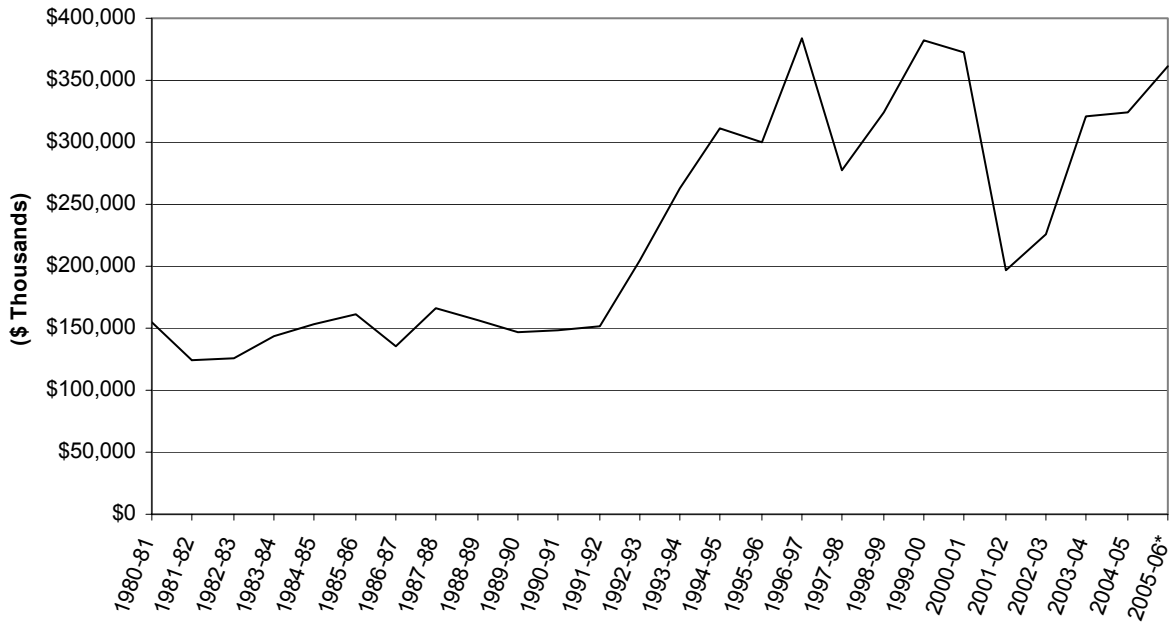
*Unclassified payments were processed in June 2005 but did not have a tax year assigned at month end.

³ For more detail on corporations' fiscal years and the due dates of corporations' tax returns, see Appendix C.

Trends in Corporate Tax Receipts

Exhibit 2.2 shows net corporate tax receipts since fiscal year 1980-81. These net receipts were relatively flat throughout the 1980s, grew throughout the 1990s, and declined in fiscal year 2002. The swings from fiscal year 1996 to fiscal year 1998 are related to the distribution of corporate “kickers.” The Oregon surplus credit, or kicker, occurs if revenues exceed the forecast by more than 2 percent. Oregon refunds this surplus to corporate taxpayers in the form of a credit. See Appendix D for more information and a history of kicker amounts.

Exhibit 2.2
Oregon Corporation Excise and Income Tax Net Receipts



*2005-06 Receipts forecast by Oregon Department of Administrative Services, Office of Economic Analysis

Exhibit 2.3 shows corporate receipts history for the 30 most recent fiscal years and the estimate of receipts for the fiscal year ending June 30, 2006.

Exhibit 2.3—Corporate Receipts History		
Dollars in thousands		
Fiscal Year¹	Net Receipts	Percent Growth
1975-76	\$66,631	-26.5%
1976-77	\$91,104	36.7%
1977-78	\$125,474	37.7%
1978-79	\$165,855	32.2%
1979-80	\$177,176	6.8%
1980-81	\$155,441	-12.3%
1981-82	\$123,783	-20.4%
1982-83	\$125,150	1.1%
1983-84	\$144,003	15.1%
1984-85	\$153,822	6.8%
1985-86	\$161,660	5.1%
1986-87	\$135,309	-16.3%
1987-88	\$166,779	23.3%
1988-89	\$157,026	-5.8%
1989-90	\$146,842	-6.5%
1990-91	\$149,074	1.5%
1991-92	\$150,884	1.2%
1992-93	\$204,605	35.6%
1993-94	\$262,841	28.5%
1994-95	\$311,848	18.6%
1995-96	\$299,977	-3.8%
1996-97	\$383,976	28.0%
1997-98	\$277,481	-27.7%
1998-99	\$324,295	16.9%
1999-00	\$381,908	17.8%
2000-01	\$372,969	-2.3%
2001-02	\$196,272	-47.4%
2002-03	\$225,525	14.9%
2003-04	\$320,164	42.0%
2004-05	\$324,936	1.5%
2005-06*	\$362,078	11.4%

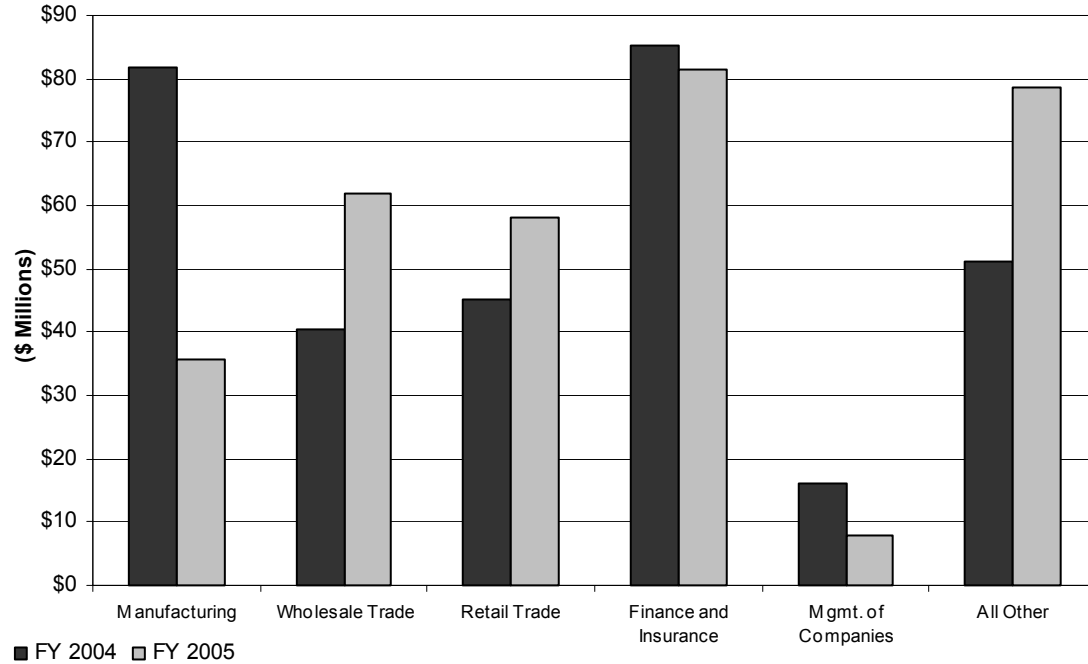
¹ Fiscal year starts July 1.

* Dec. 2005 forecast by Dept. of Admin. Services, Office of Economic Analysis

Receipts by Industry Sector

Exhibits 2.4 and 2.5 (on the next page) show a comparison between corporate receipts in fiscal years 2004 and 2005, and provide some detail of which sectors contributed to the changes. Receipts increased by about one percent. While corporations in most sectors paid more in fiscal year 2005, payments from corporations in manufacturing and finance decreased.

Exhibit 2.4
Corporate Tax Receipts By Industry Sector



Section 2: Corporate Tax Receipts

Exhibit 2.5 provides the detail of receipts from all sectors in fiscal years 2004 and 2005.

Exhibit 2.5—Corporate Tax Receipts By Industry Sector

Dollars in thousands

Industry Sector ¹	FY 2004	FY 2005	Percent Change
Agriculture, Forestry, Fishing, and Hunting	\$3,313	\$6,430	94%
Mining	\$1,500	\$4,476	198%
Utilities	\$3,622	\$2,567	-29%
Construction	\$5,849	\$11,553	98%
Manufacturing	\$81,865	\$35,754	-56%
Wholesale Trade	\$40,555	\$61,812	52%
Retail Trade	\$45,128	\$58,043	29%
Transportation and Warehousing	\$7,571	\$6,942	-8%
Information	\$6,762	\$15,805	134%
Finance and Insurance	\$85,385	\$81,353	-5%
Real Estate, Rental, and Leasing	\$4,838	\$5,393	11%
Professional, Scientific, and Technical Services	\$4,684	\$8,193	75%
Management of Companies and Enterprises	\$16,087	\$8,012	-50%
Administrative, Support, and Waste Management	\$1,109	\$2,951	166%
Educational Services	\$981	\$1,203	23%
Health Care and Social Assistance	\$2,335	\$1,684	-28%
Arts, Entertainment, and Recreation	\$422	\$596	41%
Accommodation and Food Services	\$3,400	\$4,321	27%
Other Services (except Public Administration)	\$1,793	\$4,291	139%
Unknown	\$2,967	\$2,087	-30%
Total	\$320,164	\$323,464	1%

¹ The order and definitions for these sectors is from the North American Industry Classification System. For additional information on NAICS sectors, please see Appendix B — "Selected Glossary of Industry Sectors."

Another way to look at changes in corporate tax receipts is to look at indexed values for the largest sectors. Exhibit 2.6 (on the next page) shows 12-month cumulative receipts of selected sectors, relative to their value in January 2000. Total receipts were increasing through mid-2001, and then fell through the beginning of 2003. As of September 2005, total receipts have nearly grown back to their January 2000 level. Receipts from the finance sector have grown to about twice their level while receipts from the manufacturing sector are less than half of their January 2000 level.

Exhibit 2.6
Corporate Tax Receipts
Index of 12-Month Totals (January 1999 = 1)
January 2000 through September 2005

