

SECTION 2  
**CORPORATE TAX RECEIPTS**

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This section 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—composed of estimated payments, final payments associated with a return, and refunds issued to taxpayers.

**Trends in Corporate Tax Receipts**

Exhibit 2.1 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 dramatically in fiscal year 2002. Fiscal year 2003 may be the beginning of a new growth trend. 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 two 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 2.1**  
**Oregon Corporation Excise and Income Tax Net Receipts**

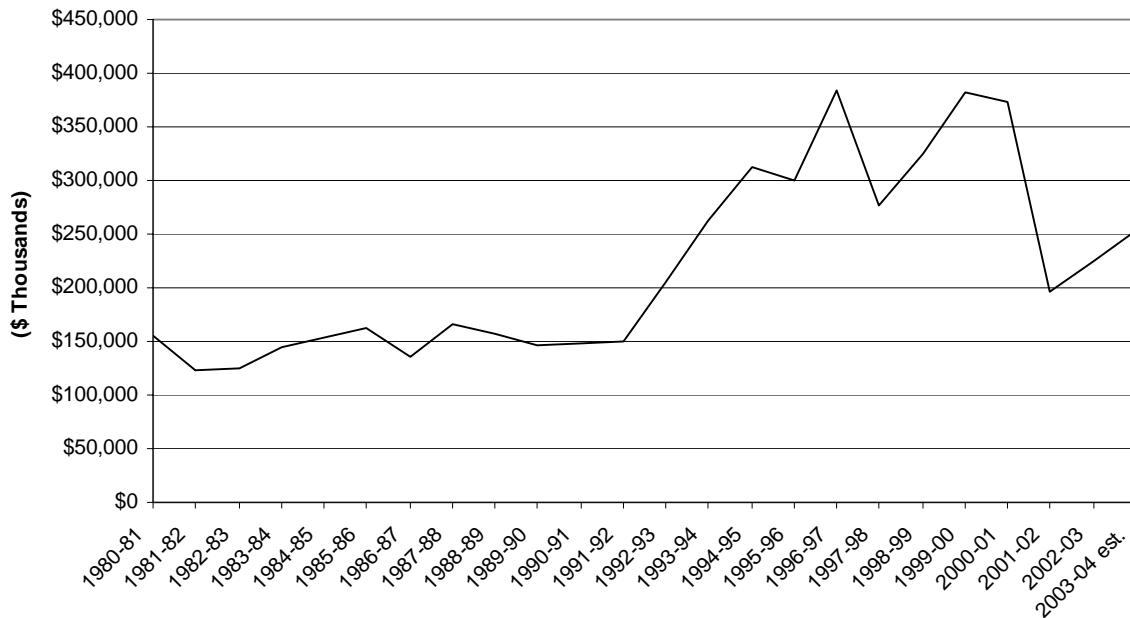


Exhibit 2.2 shows corporate receipts history beginning fiscal year 1970.

<b>Exhibit 2.2—Corporate Receipts History</b>		
<b>Dollars in thousands</b>		
<b>Fiscal Year</b>	<b>Net Receipts</b>	<b>Percent Growth</b>
1970-71	\$36,544	
1971-72	\$40,606	11.1%
1972-73	\$51,130	25.9%
1973-74	\$85,734	67.7%
1974-75	\$90,691	5.8%
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 <sup>est.</sup>	\$252,971	12.2%

Fiscal year starts July 1.

## Receipts by Industry Sector

Corporate receipts decreased in fiscal year 2001. 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. A decline in manufacturing taxable income was a primary factor in reducing total corporate tax collections in fiscal 2002. In fiscal 2003 total receipts increased, with increases in management of companies and finance and insurance contributing the most. Other sectors, such as construction and retail trade, experienced declines in this time period.

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

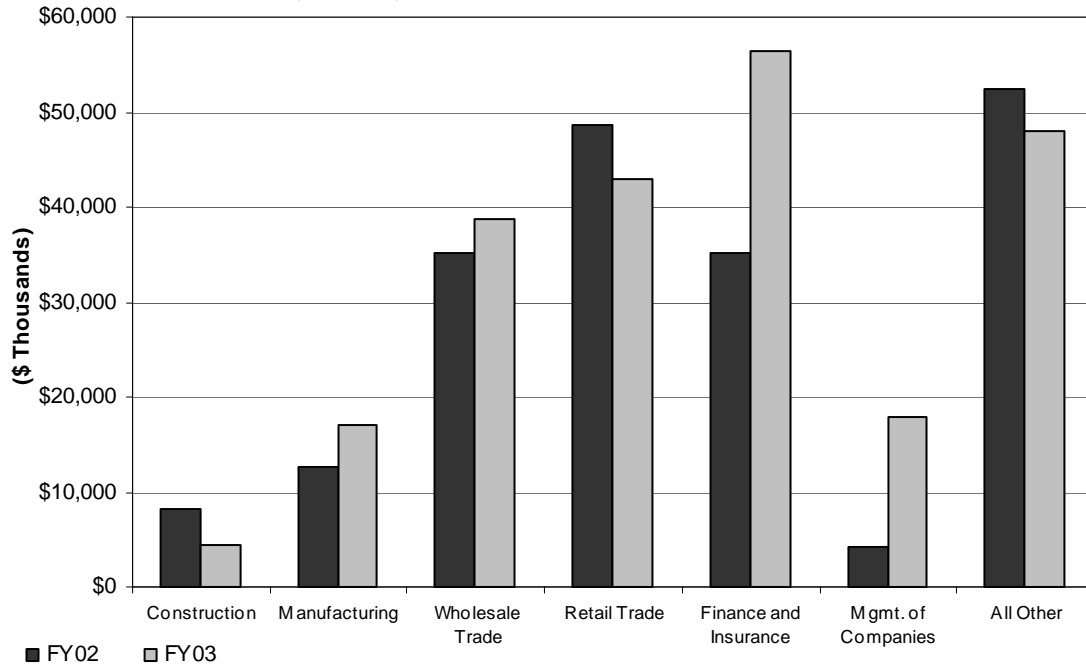


Exhibit 2.4 provides the collections detail for all sectors in fiscal years 2002 and 2003.

### Exhibit 2.4—Corporate Tax Receipts

#### By Industry Sector

Dollars in thousands

Industry Sector <sup>1</sup>	FY 2002	FY 2003	Percent Change
Agriculture, Forestry, Fishing, and Hunting	\$3,822	\$3,526	-8%
Mining	\$1,430	\$48	-97%
Utilities	\$6,072	\$2,511	-59%
Construction	\$8,128	\$4,488	-45%
Manufacturing	\$12,592	\$17,109	36%
Wholesale Trade	\$35,126	\$38,702	10%
Retail Trade	\$48,584	\$43,003	-11%
Transportation and Warehousing	\$1,639	\$4,021	145%
Information	\$1,670	\$8,185	390%
Finance and Insurance	\$35,251	\$56,351	60%
Real Estate, Rental, and Leasing	\$5,802	\$3,317	-43%
Professional, Scientific, and Technical Services	\$4,661	\$4,629	-1%
Management of Companies and Enterprises	\$4,180	\$17,949	329%
Administrative, Support, and Waste Management	\$5,297	\$2,345	-56%
Educational Services	\$417	\$774	86%
Health Care and Social Assistance	\$807	\$2,376	194%
Arts, Entertainment, and Recreation	\$326	\$429	32%
Accommodation and Food Services	\$4,028	\$1,447	-64%
Other Services (except Public Administration)	\$2,031	\$1,005	-51%
Unknown	\$14,409	\$13,310	-8%
<b>Total</b>	<b>\$196,272</b>	<b>\$225,525</b>	<b>15%</b>

<sup>1</sup> Selected detail of the industries found in each sector is 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 2.5 (on the next page) shows the movement of each sector over a five year period, relative to its value at the beginning of the period (September 1998). The graph shows that total receipts have declined over this period. Receipts from manufacturing corporations increased strongly through March 2001, then fell sharply through March 2003. Total receipts and receipts from the manufacturing, wholesale trade, and finance and insurance sectors are still below their September 1998 levels. Receipts from the retail trade sector have grown to about 150 percent of their September 1998 level.

**Exhibit 2.5**  
**Corporate Tax Receipts**  
**Index of 12-Month Totals**

