

This section focuses on completed tax returns.

### Summary of Corporate Returns

Corporations may file one of five Oregon tax returns depending on their business structure and nature of their business.

- **Form 20, Excise Tax.** Corporations doing business in Oregon file Form 20 and pay the corporation excise tax. The minimum corporation excise tax is \$10.
- **Form 20-I, Income Tax.** Corporations not doing business in Oregon, but with income from one or more Oregon sources, pay the income tax and file Form 20-I. Income tax filers are not subject to a minimum tax.
- **Form 20-S, S Corporation.** An S corporation is one that has chosen to pass net income through to its shareholders for taxation. This election is made with the Internal Revenue Service. S Corporations subject to either the excise or the income tax file Form 20-S. Shareholders must include S corporation income or loss on their personal income tax returns.
- **Form 20-INS, Insurance.** Insurance corporations file form 20-INS and pay the excise tax.
- **Form 20-MTC, Multistate Tax Commission (MTC).** Certain corporations whose only activity in Oregon is sales (under \$100,000) and who have no property in Oregon may file Form 20-MTC. This form allows simplified filing for several states.

If a corporation or group of corporations files a consolidated federal return, it also must file a consolidated Oregon return, reflecting the activities of all the members.

<b>Exhibit 3.1—Tax Year 2001 Corporation Tax Returns</b>			
<b>Type of Return Filed</b>			
<b>Dollars in thousands</b>			
<b>Oregon Tax Form Filed</b>	<b>Number of Returns</b>	<b>Oregon Taxable Income</b>	<b>Oregon Tax</b>
20 Oregon Corporation Excise Tax Return	34,318	\$3,695,313	\$222,146
20-I Oregon Corporation Income Tax Return	249	\$4,549	\$300
20-S Oregon S Corporation Tax Return	44,117	\$11,393	\$1,174
20-INS Oregon Insurance Excise Tax Return	1,199	\$269,777	\$13,508
20-MTC Multistate Tax Commission Return	8	\$0	\$0
<b>Total</b>	<b>79,891</b>	<b>\$3,981,031</b>	<b>\$237,129</b>

**Exhibit 3.2—Corporate Return History**

Dollars in thousands

Tax Year	Number of S Corporation Returns	Number of C Corporation Returns	Total Number of Returns	Oregon Tax (Before Kicker)	Oregon Net Tax <sup>1</sup>
1990	18,437	35,510	53,947	\$175,944	\$175,857
1991	21,090	35,200	56,290	\$173,644	\$173,769
1992	23,731	35,660	59,391	\$218,832	\$215,751
1993	26,751	36,879	63,630	\$324,148	\$325,300
1994	29,752	38,344	68,096	\$339,291	\$339,423
1995	32,689	39,496	72,185	\$449,406	\$225,351
1996	35,337	38,852	74,189	\$346,684	\$376,841
1997	37,711	38,607	76,318	\$401,527	\$232,174
1998	40,290	39,200	79,490	\$351,233	\$351,125
1999	41,715	38,130	79,845	\$381,882	\$381,631
2000	43,290	37,084	80,374	\$379,380	\$379,478
2001	44,117	35,774	79,891	\$237,129	\$236,849

<sup>1</sup> Net tax differs from Oregon tax by the Oregon surplus refund (kicker) and adjustments for Last In, First Out (LIFO) benefit recapture.

The following sections provide additional information about corporate taxpayers. C corporation excise taxpayers file Forms 20, 20-INS, and 20-MTC. Section 3B gives details for C Corporations, the most common returns filed in Oregon. Section 3C summarizes information for 20-S filers. Section 3D describes 20-I income returns.

**T**his section provides detail on excise tax C corporation taxpayers. C corporations paid about 94 percent of the total corporate excise and income tax payments for tax year 2001. These taxpayers are doing business in Oregon. They must file one of the following tax forms: 20, 20-INS, or 20-MTC. For ease of reading, the sections and exhibits that follow show combined returns from all three return types and present results for all C corporation excise taxpayers.

Summary characteristics are presented for the following types of C corporation excise tax returns:

- **Income groups**
- **Industry sector**
- **State of commercial domicile**
- **Apportioned returns**
  - Total
  - By industry sector
- **Credit claimants**
  - All credits
  - Additional detail for business energy facilities credit
  - Additional detail for pollution control credit
  - Additional detail for qualified research activities credit
- **Minimum taxpayers**
  - Reason for minimum tax payment
  - By income group
  - By industry sector

Exhibit 3.3 shows the distribution of returns by taxable income category. Taxable income and book income are not necessarily the same because of differences in accounting rules. For example, a company that reports a profit on its public financial statements may have no taxable income. This exhibit shows the concentration of the corporate excise tax. Seventy-four taxpayers paid nearly half of the total tax.

**Exhibit 3.3—Tax Year 2001 C Corporation Excise Tax Returns**  
**Taxable Income Category**

Dollars in thousands

Oregon Taxable Income Category	Number of Returns	Oregon Taxable Income	Oregon Tax
Zero Income or Loss <sup>1</sup>	22,587	\$0	\$226
\$1 - \$50,000	9,363	\$106,612	\$6,857
\$50,000 - \$100,000	1,264	\$88,403	\$5,614
\$100,000 - \$250,000	1,017	\$159,394	\$10,486
\$250,000 - \$500,000	460	\$161,144	\$10,091
\$500,000 - \$1 million	341	\$241,028	\$14,897
\$1 million to \$5 million	352	\$778,074	\$47,853
\$5 million to \$10 million	67	\$451,761	\$28,004
\$10 million to \$25 million	51	\$799,911	\$43,869
Over \$25 million	23	\$1,178,762	\$67,759
<b>Total</b>	<b>35,525</b>	<b>\$3,965,089</b>	<b>\$235,655</b>

**Percentage Distribution of Taxable Returns**

Oregon Taxable Income Category	Number of Returns	Oregon Taxable Income	Oregon Tax
Zero Income or Loss <sup>1</sup>	63.6%	0.0%	0.1%
\$1 - \$50,000	26.4%	2.7%	2.9%
\$50,000 - \$100,000	3.6%	2.2%	2.4%
\$100,000 - \$250,000	2.9%	4.0%	4.4%
\$250,000 - \$500,000	1.3%	4.1%	4.3%
\$500,000 - \$1 million	1.0%	6.1%	6.3%
\$1 million to \$5 million	1.0%	19.6%	20.3%
\$5 million to \$10 million	0.2%	11.4%	11.9%
\$10 million to \$25 million	0.1%	20.2%	18.6%
Over \$25 million	0.1%	29.7%	28.8%
<b>Total</b>	<b>100.0%</b>	<b>100%</b>	<b>100%</b>

<sup>1</sup> Includes losses in current year as well as losses carried forward from prior years that result in \$0 income.

Exhibit 3.4 shows the distribution of returns by industry sector. Missing information prevents classification of a large number of corporations into appropriate sectors. For tax year 2001, retail trade contributed nearly one-fifth of total tax payments.

<b>Exhibit 3.4—Tax Year 2001 C Corporation Excise Tax Returns</b>			
<b>Industry Sector</b>			
<b>Dollars in thousands</b>			
<b>Industry Sector<sup>1</sup></b>	<b>Number of Returns</b>	<b>Oregon Taxable Income</b>	<b>Oregon Tax</b>
Agriculture, Forestry, Fishing, and Hunting	1,430	\$62,476	\$2,983
Mining	51	\$14,753	\$946
Utilities	34	\$86,171	\$5,234
Construction	3,331	\$128,880	\$8,367
Manufacturing	2,092	\$622,704	\$31,860
Wholesale Trade	3,124	\$604,216	\$39,346
Retail Trade	2,645	\$694,808	\$45,203
Transportation and Warehousing	851	\$65,996	\$4,350
Information	659	\$183,646	\$11,667
Finance and Insurance	2,356	\$785,102	\$44,268
Real Estate, Rental, and Leasing	1,044	\$50,099	\$3,295
Professional, Scientific, and Technical Services	2,640	\$63,145	\$4,121
Management of Companies and Enterprises	119	\$258,769	\$12,828
Administrative and Support and Waste Management	1,250	\$56,944	\$3,524
Educational Services	154	\$6,850	\$453
Health Care and Social Assistance	1,955	\$25,871	\$1,652
Arts, Entertainment, and Recreation	247	\$6,251	\$414
Accommodation and Food Services	876	\$46,351	\$3,063
Other Services (except Public Administration)	1,596	\$39,745	\$1,674
Unknown	9,071	\$162,313	\$10,407
<b>Total</b>	<b>35,525</b>	<b>\$3,965,089</b>	<b>\$235,655</b>
<b>Percentage Distribution</b>			
<b>Industry Sector<sup>1</sup></b>	<b>Number of Returns</b>	<b>Oregon Taxable Income</b>	<b>Oregon Tax</b>
Agriculture, Forestry, Fishing, and Hunting	4.0%	1.6%	1.3%
Mining	0.1%	0.4%	0.4%
Utilities	0.1%	2.2%	2.2%
Construction	9.4%	3.3%	3.6%
Manufacturing	5.9%	15.7%	13.5%
Wholesale Trade	8.8%	15.2%	16.7%
Retail Trade	7.4%	17.5%	19.2%
Transportation and Warehousing	2.4%	1.7%	1.8%
Information	1.9%	4.6%	5.0%
Finance and Insurance	6.6%	19.8%	18.8%
Real Estate, Rental, and Leasing	2.9%	1.3%	1.4%
Professional, Scientific, and Technical Services	7.4%	1.6%	1.7%
Management of Companies and Enterprises	0.3%	6.5%	5.4%
Administrative and Support and Waste Management	3.5%	1.4%	1.5%
Educational Services	0.4%	0.2%	0.2%
Health Care and Social Assistance	5.5%	0.7%	0.7%
Arts, Entertainment, and Recreation	0.7%	0.2%	0.2%
Accommodation and Food Services	2.5%	1.2%	1.3%
Other Services (except Public Administration)	4.5%	1.0%	0.7%
Unknown	25.5%	4.1%	4.4%
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>

<sup>1</sup> Selected detail of industries found in each sector is provided in Appendix B — "Selected Glossary of Industry Sectors."

Exhibit 3.5 shows the distribution of returns by the state of commercial domicile as reported on the tax return. The location of a corporation's headquarters determines its state of domicile. The state of domicile is not necessarily the same state as the address on the return or the state under whose laws the corporation was incorporated.

For tax year 2001, most of the corporate income tax liability did not come from corporations domiciled in the state of Oregon. Corporations domiciled outside of Oregon accounted for almost 65 percent of the total liability.

### Exhibit 3.5—Tax Year 2001 C Corporation Excise Tax Returns State of Domicile

Dollars in thousands				
Region	Number of Returns	Oregon Taxable Income	Oregon Tax	Percent of Total Tax
Northeast <sup>1</sup>	1,891	\$451,970	\$25,836	11.0%
Midwest <sup>2</sup>	2,028	\$807,548	\$46,437	19.7%
South <sup>3</sup>	2,309	\$491,976	\$28,827	12.2%
West <sup>4</sup>	29,145	\$2,207,948	\$134,193	56.9%
Outside U.S.	152	\$5,648	\$362	0.2%
<b>Total</b>	<b>35,525</b>	<b>\$3,965,089</b>	<b>\$235,655</b>	<b>100%</b>

<sup>1</sup> Connecticut, Maine, Massachusetts, New Hampshire, New Jersey, New York, Pennsylvania, Rhode Island, and Vermont

<sup>2</sup> Illinois, Indiana, Iowa, Kansas, Michigan, Minnesota, Missouri, Nebraska, North Dakota, Ohio, South Dakota, and Wisconsin.

<sup>3</sup> Alabama, Arkansas, Delaware, Florida, Georgia, Kentucky, Louisiana, Maryland, Mississippi, North Carolina, Oklahoma, South Carolina, Tennessee, Texas, Virginia, Washington D.C., and West Virginia.

<sup>6</sup> Alaska, Arizona, California, Colorado, Hawaii, Idaho, Montana, Nevada, New Mexico, Oregon, Utah, Washington, and Wyoming.

### Western States

Dollars in thousands				
State	Number of Returns	Oregon Taxable Income	Oregon Tax	Percent of Total Tax
Alaska	26	\$445	\$29	0.0%
Arizona	150	\$28,769	\$975	0.4%
California	1,762	\$452,373	\$26,101	11.1%
Colorado	238	\$18,673	\$1,199	0.5%
Hawaii	21	\$11,167	\$667	0.3%
Idaho	174	\$69,458	\$4,578	1.9%
Montana	35	\$1,820	\$120	0.1%
Nevada	90	\$10,269	\$678	0.3%
New Mexico	21	\$49	\$3	0.0%
Oregon	25,313	\$1,359,927	\$84,418	35.8%
Utah	109	\$10,090	\$613	0.3%
Washington	1,195	\$244,880	\$14,808	6.3%
Wyoming	11	\$27	\$2	0.0%
<b>Total</b>	<b>29,145</b>	<b>\$2,207,948</b>	<b>\$134,193</b>	<b>56.9%</b>

Taxpayers doing business in multiple states must apportion their income using a three factor formula. The Oregon apportionment percentage is a weighted average percent of sales, payroll, and property. Tax year 2001 returns were filed using the double-weighted sales factor.

Most Oregon corporate tax liability comes from multi-state corporations.

### Exhibit 3.6—Tax Year 2001 C Corporation Excise Tax Returns Apportioned Returns

Dollars in thousands				
Apportionment	Number of Returns	Oregon Taxable Income	Oregon Tax	Percent of Total Tax
Multi-state (Apportioned)	11,710	\$3,276,173	\$193,761	82.2%
Nonapportioned	23,815	\$688,917	\$41,893	17.8%
<b>Total</b>	<b>35,525</b>	<b>\$3,965,089</b>	<b>\$235,655</b>	<b>100%</b>

Exhibit 3.7 shows the distribution of the multi-state (apportioned) excise tax returns by industry sector.

### Exhibit 3.7—Tax Year 2001 C Corporation Excise Tax Returns Industry Sector for Multistate (Apportioned) Returns

Dollars in thousands				
Industry Sector <sup>1</sup>	Number of Returns	Oregon Taxable Income	Oregon Tax	Percent of Total Oregon Tax
Agriculture, Forestry, Fishing, and Hunting	103	\$18,959	\$1,247	0.6%
Mining	9	\$13,971	\$894	0.5%
Utilities	10	\$85,954	\$5,219	2.7%
Construction	631	\$91,081	\$5,861	3.0%
Manufacturing	536	\$516,509	\$25,018	12.9%
Wholesale Trade	1,769	\$554,127	\$36,445	18.8%
Retail Trade	512	\$571,760	\$37,290	19.2%
Transportation and Warehousing	285	\$58,596	\$3,858	2.0%
Information	277	\$158,126	\$9,980	5.2%
Finance and Insurance	1,617	\$654,032	\$37,152	19.2%
Real Estate, Rental, and Leasing	207	\$28,352	\$1,857	1.0%
Professional, Scientific, and Technical Services	795	\$45,240	\$2,943	1.5%
Management of Companies and Enterprises	50	\$234,126	\$11,284	5.8%
Administrative, Support, and Waste Management	400	\$48,063	\$2,971	1.5%
Educational Services	49	\$6,083	\$402	0.2%
Health Care and Social Assistance	113	\$10,281	\$615	0.3%
Arts, Entertainment, and Recreation	42	\$2,678	\$177	0.1%
Accommodation and Food Services	99	\$30,347	\$2,003	1.0%
Other Services (except Public Administration)	146	\$31,976	\$1,158	0.6%
Unknown	4,060	\$115,911	\$7,387	3.8%
<b>Total</b>	<b>11,710</b>	<b>\$3,276,173</b>	<b>\$193,761</b>	<b>100%</b>

<sup>1</sup> Selected detail of industries found in each sector is provided in Appendix B — "Selected Glossary of Industry Sectors."

A number of credits are available to corporate excise taxpayers. Not all taxpayers claiming a credit are able to use the full amount because their credits exceed their tax liability. Most unused credits may be carried forward for up to five years to offset future tax liability. Corporations must claim the full amount of credit, to the extent of their liability, before the credit may be carried forward.

### Exhibit 3.8—Tax Year 2001 C Corporation Excise Tax Returns Credit Usage

Dollars in thousands

Credit	Number of Taxpayers Claiming Credit	Amount of Credit Claimed	Number of Taxpayers with Reduction in Tax Liability	Amount of Credit Used
<b>General Corporation Credits</b>				
Business Energy Facilities	172	\$9,375	114	\$2,308
Dependent Care Assistance	18	\$2,455	13	\$1,135
Farm-Worker Housing Lender's Credit	5 or fewer	\$424	5 or fewer	\$424
Oregon Affordable Housing Credit	24	\$3,550	23	\$3,547
Pollution Control	105	\$14,626	81	\$8,773
Pollution Prevention	13	\$145	10 or fewer	\$100
Qualified Research Activities	140	\$25,217	55	\$2,767
Reclaimed Plastics Credit	10 or fewer	\$53	10 or fewer	\$14
Other Corporation Credits	18	\$135	10	\$76
<b>Insurance Only Credits</b>				
Fire Insurance Credit	291	\$4,520	181	\$1,137
Oregon IGA Assessments	19	\$37	11	\$3
Oregon Life and Health IGA Assessments	321	\$1,880	233	\$1,048
Workers' Compensation Assessments	91	\$3,497	64	\$951
<b>Total Credits<sup>1</sup></b>	<b>1,226</b>	<b>\$65,914</b>	<b>807</b>	<b>\$22,283</b>

<sup>1</sup> Number of taxpayers does not match detail due to taxpayers claiming multiple credits. The amount of credit used for total credits does not match detail due to unused credits.

The three corporation tax credits with the highest total claims were business energy facilities, pollution control, and qualified research activities. Additional details for taxpayers claiming these credits are in the next three Exhibits.



**Exhibit 3.9—Tax Year 2001 C Corporation Excise Tax Returns**  
**Business Energy Facilities Credit Claimants by Industry Sector and Taxable Income**

Dollars in thousands

Industry Sector	Number of Taxpayers Claiming Credit	Amount of Credit Claimed	Number of Taxpayers with Reduction in Tax Liability	Amount of Credit Used
Agriculture, Forestry, Fishing, and Hunting	23	\$129	10	\$28
Manufacturing	40	\$1,039	23	\$604
Wholesale Trade	16	\$247	14	\$188
Retail Trade	29	\$279	25	\$244
Finance and Insurance	10 or fewer	\$438	7	\$433
Professional, Scientific, and Technical Services	10 or fewer	\$11	5 or fewer	\$7
Management of Companies and Enterprises	5 or fewer	\$211	5 or fewer	\$131
All Other and Unknown	44	\$7,022	27	\$673
<b>Total</b>	<b>172</b>	<b>\$9,375</b>	<b>114</b>	<b>\$2,308</b>

Oregon Taxable Income Category	Number of Taxpayers Claiming Credit	Amount of Credit Claimed	Number of Taxpayers with Reduction in Tax Liability	Amount of Credit Used
Zero Income or Loss <sup>1</sup>	58	\$6,943	0	\$0
\$1 - \$50,000	31	\$64	31	\$24
\$50,000 - \$100,000	11	\$37	11	\$17
\$100,000 - \$250,000	9	\$48	9	\$48
\$250,000 - \$500,000	11	\$67	11	\$67
\$500,000 - \$1 million	14	\$232	14	\$196
\$1 million to \$5 million	13	\$209	13	\$183
\$5 million to \$10 million	6	\$48	6	\$48
\$10 million to \$25 million	8	\$459	8	\$459
Over \$25 million	11	\$1,266	11	\$1,266
<b>Total</b>	<b>172</b>	<b>\$9,375</b>	<b>114</b>	<b>\$2,308</b>

<sup>1</sup> Includes losses in current year as well as losses carried forward from prior years that result in \$0 income.

**Exhibit 3.10—Tax Year 2001 C Corporation Excise Tax Returns**  
**Pollution Control Credit Claimants by Industry Sector and Taxable Income**

Dollars in thousands

Industry Sector	Number of Taxpayers Claiming Credit	Amount of Credit Claimed	Number of Taxpayers with Reduction in Tax Liability	Amount of Credit Used
Agriculture, Forestry, Fishing, and Hunting	16	\$71	11	\$46
Manufacturing	38	\$9,200	28	\$6,020
Wholesale Trade	11	\$75	10	\$57
Retail Trade	14	\$404	14	\$341
All Other and Unknown	26	\$4,876	18	\$2,308
<b>Total</b>	<b>105</b>	<b>\$14,626</b>	<b>81</b>	<b>\$8,773</b>

Oregon Taxable Income Category	Number of Taxpayers Claiming Credit	Amount of Credit Claimed	Number of Taxpayers with Reduction in Tax Liability	Amount of Credit Used
Zero Income or Loss <sup>1</sup>	24	\$5,761	0	\$0
\$1 - \$50,000	15	\$54	15	\$32
\$50,000 - \$100,000	12	\$50	12	\$40
\$100,000 - \$250,000	7	\$49	7	\$49
\$250,000 - \$500,000	5 or fewer	\$73	5 or fewer	\$73
\$500,000 - \$1 million	10	\$181	10	\$179
\$1 million to \$5 million	15	\$725	15	\$667
\$5 million to \$10 million	5 or fewer	\$328	5 or fewer	\$328
\$10 million to \$25 million	6	\$2,751	6	\$2,751
Over \$25 million	8	\$4,654	8	\$4,654
<b>Total</b>	<b>105</b>	<b>\$14,626</b>	<b>81</b>	<b>\$8,773</b>

<sup>1</sup> Includes losses in current year as well as losses carried forward from prior years that result in \$0 income.

**Exhibit 3.11—Tax Year 2001 C Corporation Excise Tax Returns  
Qualified Research Activities Credit Claimants by Industry Sector and Taxable Income**

Dollars in thousands

Industry Sector	Number of Taxpayers Claiming Credit	Amount of Credit Claimed	Number of Taxpayers with Reduction in Tax Liability	Amount of Credit Used
Manufacturing	42	\$7,284	26	\$2,036
Wholesale Trade	24	\$3,918	10 or fewer	\$81
Information	20	\$5,973	5 or fewer	\$441
Professional, Scientific, and Technical Services	27	\$6,970	10 or fewer	\$56
All Other and Unknown	27	\$1,073	11	\$154
<b>Total</b>	<b>140</b>	<b>\$25,217</b>	<b>55</b>	<b>\$2,767</b>

Oregon Taxable Income Category	Number of Taxpayers Claiming Credit	Amount of Credit Claimed	Number of Taxpayers with Reduction in Tax Liability	Amount of Credit Used
Zero Income or Loss <sup>1</sup>	85	\$21,307	0	\$0
\$1 - \$50,000	6	\$58	6	\$9
\$50,000 - \$100,000	9	\$176	9	\$28
\$100,000 - \$250,000	8	\$68	8	\$67
\$250,000 - \$500,000	5 or fewer	\$90	5 or fewer	\$45
\$500,000 - \$1 million	7	\$322	7	\$168
\$1 million to \$5 million	15	\$1,438	15	\$692
\$5 million to \$10 million	5 or fewer	\$228	5 or fewer	\$228
\$10 million to \$25 million	5 or fewer	\$1,030	5 or fewer	\$1,030
Over \$25 million	5 or fewer	\$500	5 or fewer	\$500
<b>Total</b>	<b>140</b>	<b>\$25,217</b>	<b>55</b>	<b>\$2,767</b>

<sup>1</sup> Includes losses in current year as well as losses carried forward from prior years that result in \$0 income.

The minimum excise tax is \$10. Over 65 percent of all C corporation excise taxpayers paid the minimum tax. Exhibit 3.12 shows the number of C corporations paying the minimum tax for various income levels. Taxpayers in higher income categories paying the minimum tax have credits that reduce their tax liability to \$10.

**Exhibit 3.12—Tax Year 2001 C Corporation Excise Tax Returns  
Minimum Taxpayers**

<b>Oregon Taxable Income Category</b>	<b>Total Number of Minimum Tax Returns</b>
Zero Income or Loss <sup>1</sup>	22,578
\$1 - \$50,000	1,153
\$50,000 - \$100,000	35
\$100,000 - \$250,000	27
\$250,000 - \$500,000	16
\$500,000 - \$1 million	13
\$1 million to \$5 million	11
\$5 million to \$10 million	5 or fewer
\$10 million to \$25 million	5 or fewer
Over \$25 million	5 or fewer
<b>Total</b>	<b>23,840</b>

<sup>1</sup> Includes losses in current year as well as losses carried forward from prior years that result in \$0 income.

Most taxpayers paying the minimum had no income in the current year or used a loss carried forward from another year to result in zero taxable income. Exhibit 3.13 details the reason for minimum tax payment for the minimum excise taxpayers.

**Exhibit 3.13—Tax Year 2001 C Corporation Excise Tax Returns  
Minimum Tax Payment Details**

<b>Reason For Minimum Tax Payment</b>	<b>Number of Returns</b>
<b>Current Income</b>	
Zero income or loss in current year	17,631
Minimal income in current year	1,346
<b>Losses Carried Forward</b>	
Losses carried forward from prior years result in zero income or loss	4,488
Losses carried forward from prior years result in minimal income	146
<b>Credits</b>	
Credits reduce tax to minimum	213
<b>Combination</b>	
Combination of losses carried forward and credits reduce tax to minimum	16
<b>Total</b>	<b>23,840</b>

Minimum taxpayers appear in all industry sectors. Exhibit 3.14 shows minimum taxpayers by sector.

**Exhibit 3.14—Tax Year 2001 C Corporation Excise Tax Returns  
Minimum Taxpayers By Industry Sector**

<b>Industry Sector</b> <sup>1</sup>	<b>Returns Paying Minimum Tax</b>	<b>Total Returns</b>	<b>Percent Paying Minimum</b>
Agriculture, Forestry, Fishing, and Hunting	996	1,430	69.7%
Mining	35	51	68.6%
Utilities	24	34	70.6%
Construction	2,302	3,331	69.1%
Manufacturing	1,358	2,092	64.9%
Wholesale Trade	1,889	3,124	60.5%
Retail Trade	1,612	2,645	60.9%
Transportation and Warehousing	567	851	66.6%
Information (includes Telecommunications)	492	659	74.7%
Finance and Insurance	1,350	2,356	57.3%
Real Estate, Rental, and Leasing	681	1,044	65.2%
Professional, Scientific, and Technical Services	1,753	2,640	66.4%
Management of Companies and Enterprises	68	119	57.1%
Administrative, Support, and Waste Management	815	1,250	65.2%
Educational Services	100	154	64.9%
Health Care and Social Assistance	1,465	1,955	74.9%
Arts, Entertainment, and Recreation	154	247	62.3%
Accommodation and Food Services	537	876	61.3%
Other Services (except Public Administration)	1,016	1,596	63.7%
Unknown	6,626	9,071	73.0%
<b>Total</b>	<b>23,840</b>	<b>35,525</b>	<b>67.1%</b>

<sup>1</sup> Selected detail of industries found in each sector is provided in Appendix B — "Selected Glossary of Industry Sectors."

SECTION 3C  
**CORPORATE TAX RETURNS**  
SUMMARY OF 20-S RETURNS

With a few exceptions, S corporations pass their income (or loss) through to their shareholders. The income is not taxed at the corporation level, rather it is taxed as income of the shareholders. S corporation income is taxed on the corporate side when an S corporation has built-in gains or net excess passive income.

S corporations paying either the income or the excise tax file Form 20-S. The minimum tax for excise taxpayers is \$10 and the minimum tax for income taxpayers is \$0. Corporations doing business in Oregon are subject to the minimum excise tax even if they pass their income through to shareholders.

**Exhibit 3.15—Tax Year 2001 S Corporation Tax Returns  
S Corporation Summary**

<b>Dollars in thousands</b>				
<b>Type of Filer</b>	<b>Number of Returns</b>	<b>Number Paying Minimum Tax</b>	<b>Oregon Taxable Income</b>	<b>Oregon Tax</b>
Income Tax	683	557	\$473	\$32
Excise Tax	43,434	43,220	\$10,920	\$1,143
<b>Total 20-S</b>	<b>44,117</b>	<b>43,777</b>	<b>\$11,393</b>	<b>\$1,174</b>

Exhibit 3.16 shows that most 20-S filers do not apportion their income between Oregon and other states, and most are domiciled (i.e. have their headquarters) in Oregon.

**Exhibit 3.16—Tax Year 2001 S Corporation Tax Returns  
S Corporation Characteristics**

<b>Dollars in thousands</b>			
	<b>Number of Returns</b>	<b>Oregon Taxable Income</b>	<b>Oregon Tax</b>
<b>Apportionment for 20-S Filers</b>			
Multi-state (Apportioned)	4,127	\$6,523	\$461
Nonapportioned	39,990	\$4,870	\$713
<b>State of Domicile for 20-S Filers</b>			
Oregon	40,316	\$7,707	\$902
Other	3,801	\$3,686	\$272

SECTION 3D  
**CORPORATE TAX RETURNS**  
SUMMARY OF 20-I RETURNS

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Only a handful of taxpayers are subject to the corporate income tax. These taxpayers are not doing business in Oregon. They do, however, have income from an Oregon source.

Income is from an Oregon source if it is derived from:

- Tangible or intangible property located in Oregon; or
- Any activity carried on in Oregon, whether intrastate, interstate, or foreign commerce.

There is no minimum tax for corporate income tax filers.

These taxpayers must file Form 20-I. Exhibit 3.17 shows the number of returns and tax associated with 20-I filers.

<b>Exhibit 3.17—Tax Year 2001 20-I Tax Returns Income Tax Returns Summary</b>			
<b>Dollars in thousands</b>			
	<b>Number of Returns</b>	<b>Oregon Taxable Income</b>	<b>Oregon Tax</b>
Total 20-I Returns	249	\$4,549	\$300