

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 that 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.

Exhibit 3.1—Tax Year 2002 Corporation Tax Returns			
Type of Return Filed			
Dollars in thousands			
Oregon Tax Form Filed	Number of Returns	Oregon Taxable Income	Oregon Tax
20 Oregon Corporation Excise Tax Return	33,551	\$3,549,504	\$215,157
20-I Oregon Corporation Income Tax Return	266	\$2,152	\$142
20-S Oregon S Corporation Tax Return	45,723	\$7,465	\$990
20-INS Oregon Insurance Excise Tax Return	1,194	\$257,368	\$13,690
20-MTC Multistate Tax Commission Return	8	\$0	\$0
Total	80,742	\$3,816,490	\$229,979

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 ¹
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	40,390	39,390	79,780	\$352,874	\$352,773
1999	41,935	38,420	80,355	\$382,560	\$382,312
2000	43,782	37,835	81,617	\$381,657	\$381,874
2001	44,678	36,614	81,292	\$238,090	\$237,809
2002	45,723	35,019	80,742	\$229,994	\$229,979

¹ Net tax differs from Oregon tax by the Oregon surplus refund (kicker) and adjustments for Last In, First Out (LIFO) benefit recapture. For additional information on kicker refunds, please see Appendix D — "Surplus Kicker."

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.

This section provides detail on excise tax C corporation taxpayers. C corporations paid over 99 percent of the total corporate excise and income tax payments for tax year 2002. 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:

- **Taxable income category**
- **Industry sector**
- **State of commercial domicile**
- **Apportioned returns**
 - Total
 - By industry sector
- **Credit usage**
 - All credits
 - Additional detail for business energy facilities credit
 - Additional detail for pollution control credit
 - Additional detail for qualified research activities credit
- **Minimum tax returns**
 - By income group
 - Reason for minimum tax payment
 - 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. Sixty-four taxpayers paid nearly half of the total tax.

Exhibit 3.3—Tax Year 2002 C Corporation Excise Tax Returns
Taxable Income Category

Oregon Taxable Income Category	Number of Returns	Oregon Taxable Income (\$000)	Oregon Tax (\$000)
Zero Income or Loss ¹	22,638	\$0	\$242
\$1 - \$50,000	8,704	\$98,490	\$6,392
\$50,000 - \$100,000	1,260	\$88,816	\$5,663
\$100,000 - \$250,000	925	\$144,889	\$9,135
\$250,000 - \$500,000	441	\$154,716	\$9,588
\$500,000 - \$1 million	310	\$218,448	\$13,503
\$1 million to \$5 million	347	\$721,425	\$43,251
\$5 million to \$10 million	64	\$452,845	\$26,953
\$10 million to \$25 million	43	\$656,680	\$39,882
Over \$25 million	21	\$1,270,563	\$74,237
Total	34,753	\$3,806,872	\$228,848

Percentage Distribution of Taxable Returns

Oregon Taxable Income Category	Number of Returns	Oregon Taxable Income	Oregon Tax
Zero Income or Loss ¹	65.1%	0.0%	0.1%
\$1 - \$50,000	25.0%	2.6%	2.8%
\$50,000 - \$100,000	3.6%	2.3%	2.5%
\$100,000 - \$250,000	2.7%	3.8%	4.0%
\$250,000 - \$500,000	1.3%	4.1%	4.2%
\$500,000 - \$1 million	0.9%	5.7%	5.9%
\$1 million to \$5 million	1.0%	19.0%	18.9%
\$5 million to \$10 million	0.2%	11.9%	11.8%
\$10 million to \$25 million	0.1%	17.2%	17.4%
Over \$25 million	0.1%	33.4%	32.4%
Total	100.0%	100%	100%

¹ 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 some corporations (though relatively little tax) into appropriate sectors. For tax year 2002, finance and insurance corporations contributed over one-fifth of total tax payments.

Exhibit 3.4—Tax Year 2002 C Corporation Excise Tax Returns			
Industry Sector			
Industry Sector ¹	Number of Returns	Oregon Taxable Income (\$000)	Oregon Tax
Agriculture, Forestry, Fishing, and Hunting	1,388	\$44,793	\$2,925
Mining	46	\$11,361	\$715
Utilities	34	\$35,200	\$1,724
Construction	3,224	\$72,126	\$4,631
Manufacturing	2,012	\$489,602	\$27,473
Wholesale Trade	3,111	\$655,841	\$41,735
Retail Trade	2,502	\$613,475	\$39,799
Transportation and Warehousing	805	\$62,616	\$4,129
Information	653	\$112,196	\$6,507
Finance and Insurance	2,264	\$923,464	\$52,981
Real Estate, Rental, and Leasing	1,012	\$60,958	\$3,991
Professional, Scientific, and Technical Services	2,589	\$63,485	\$4,153
Management of Companies and Enterprises	129	\$286,204	\$14,352
Administrative, Support, and Waste Management	1,204	\$44,837	\$2,559
Education Services	165	\$9,552	\$633
Health Care and Social Assistance	1,935	\$18,822	\$1,124
Arts, Entertainment, and Recreation	241	\$3,756	\$249
Accommodation and Food Services	857	\$52,449	\$3,443
Other Services (except Public Administration)	1,603	\$25,473	\$1,656
Unknown	8,979	\$220,664	\$14,067
Total	34,753	\$3,806,872	\$228,848
Percentage Distribution			
Industry Sector ¹	Number of Returns	Oregon Taxable Income	Oregon Tax
Agriculture, Forestry, Fishing, and Hunting	4.0%	1.2%	1.3%
Mining	0.1%	0.3%	0.3%
Utilities	0.1%	0.9%	0.8%
Construction	9.3%	1.9%	2.0%
Manufacturing	5.8%	12.9%	12.0%
Wholesale Trade	9.0%	17.2%	18.2%
Retail Trade	7.2%	16.1%	17.4%
Transportation and Warehousing	2.3%	1.6%	1.8%
Information	1.9%	2.9%	2.8%
Finance and Insurance	6.5%	24.3%	23.2%
Real Estate, Rental, and Leasing	2.9%	1.6%	1.7%
Professional, Scientific, and Technical Services	7.4%	1.7%	1.8%
Management of Companies and Enterprises	0.4%	7.5%	6.3%
Administrative, Support, and Waste Management	3.5%	1.2%	1.1%
Education Services	0.5%	0.3%	0.3%
Health Care and Social Assistance	5.6%	0.5%	0.5%
Arts, Entertainment, and Recreation	0.7%	0.1%	0.1%
Accommodation and Food Services	2.5%	1.4%	1.5%
Other Services (except Public Administration)	4.6%	0.7%	0.7%
Unknown	25.8%	5.8%	6.1%
Total	100.0%	100.0%	100.0%

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."

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 2002, 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 about two-thirds of the total liability.

Exhibit 3.5—Tax Year 2002 C Corporation Excise Tax Returns State of Commercial Domicile

Dollars in thousands				
Region	Number of Returns	Oregon Taxable Income	Oregon Tax	Percent of Total Tax
Northeast ¹	1,892	\$339,793	\$20,310	8.9%
Midwest ²	1,969	\$728,621	\$39,663	17.3%
South ³	2,253	\$520,443	\$33,396	14.6%
West ⁴	28,481	\$2,213,414	\$135,178	59.1%
Outside U.S.	158	\$4,601	\$301	0.1%
Total	34,753	\$3,806,872	\$228,848	100%

¹ Connecticut, Maine, Massachusetts, New Hampshire, New Jersey, New York, Pennsylvania, Rhode Island, and Vermont.

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

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

⁴ Alaska, Arizona, California, Colorado, Hawaii, Idaho, Montana, Nevada, New Mexico, Oregon, Utah, Washington, and Wyoming.

Tax Year 2002 C Corporation Excise Tax Returns State of Commercial Domicile Western States

Dollars in thousands				
State	Number of Returns	Oregon Taxable Income	Oregon Tax	Percent of Total Tax
Alaska	29	\$388	\$25	0.0%
Arizona	147	\$15,897	\$1,023	0.4%
California	1,713	\$498,463	\$29,482	12.9%
Colorado	234	\$13,646	\$894	0.4%
Hawaii	21	\$10,081	\$595	0.3%
Idaho	166	\$65,969	\$4,328	1.9%
Montana	34	\$2,102	\$139	0.1%
Nevada	103	\$11,766	\$777	0.3%
New Mexico	14	\$51	\$3	0.0%
Oregon	24,706	\$1,259,776	\$78,074	34.1%
Utah	115	\$10,955	\$710	0.3%
Washington	1,187	\$324,217	\$19,120	8.4%
Wyoming	12	\$104	\$7	0.0%
Total	28,481	\$2,213,414	\$135,178	59.1%

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 2002 returns were filed using the double-weighted sales factor.

Most Oregon corporate tax liability comes from multistate corporations.

Exhibit 3.6—Tax Year 2002 C Corporation Excise Tax Returns Apportioned Returns

Dollars in thousands				
Apportionment	Number of Returns	Oregon Taxable Income	Oregon Tax	Percent of Total Tax
Multistate (Apportioned)	11,548	\$3,208,741	\$190,455	83.2%
Nonapportioned	23,205	\$598,131	\$38,393	16.8%
Total	34,753	\$3,806,872	\$228,848	100%

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

Exhibit 3.7—Tax Year 2002 C Corporation Excise Tax Returns Industry Sector for Multistate (Apportioned) Returns

Dollars in thousands				
Industry Sector ¹	Number of Returns	Oregon Taxable Income	Oregon Tax	Percent of Total Oregon Tax
Agriculture, Forestry, Fishing, and Hunting	93	\$21,003	\$1,386	0.7%
Mining	7	\$9,181	\$606	0.3%
Utilities	10	\$35,040	\$1,714	0.9%
Construction	585	\$43,012	\$2,704	1.4%
Manufacturing	502	\$413,751	\$22,693	11.9%
Wholesale Trade	1,816	\$589,525	\$37,480	19.7%
Retail Trade	475	\$532,510	\$34,683	18.2%
Transportation and Warehousing	275	\$55,471	\$3,655	1.9%
Information	264	\$99,808	\$5,690	3.0%
Finance and Insurance	1,565	\$792,226	\$44,631	23.4%
Real Estate, Rental, and Leasing	190	\$25,417	\$1,679	0.9%
Professional, Scientific, and Technical Services	765	\$41,837	\$2,740	1.4%
Management of Companies and Enterprises	59	\$283,167	\$14,198	7.5%
Administrative, Support, and Waste Management	386	\$36,418	\$2,017	1.1%
Education Services	54	\$8,605	\$570	0.3%
Health Care and Social Assistance	108	\$9,920	\$524	0.3%
Arts, Entertainment, and Recreation	37	\$1,002	\$66	0.0%
Accommodation and Food Services	96	\$30,066	\$1,981	1.0%
Other Services (except Public Administration)	161	\$14,417	\$935	0.5%
Unknown	4,100	\$166,365	\$10,503	5.5%
All	11,548	\$3,208,741	\$190,455	100%

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."

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 2002 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
General Corporation Credits				
Business Energy Facilities	204	\$8,747	139	\$3,766
Dependent Care Assistance	18	\$2,312	14	\$996
Farm Machinery and Equipment	7	\$26	5 or fewer	\$16
Farm-Worker Housing Lender's Credit	5 or fewer	\$220	5 or fewer	\$220
Long-Term Care Facilities	6	\$4	6	\$3
Oregon Affordable Housing Credit	24	\$3,679	22	\$3,678
Oregon Trust for Cultural Development	12	\$23	12	\$19
Pollution Control	107	\$12,105	77	\$7,093
Pollution Prevention	10	\$364	5 or fewer	\$5
Qualified Research Activities	153	\$25,320	67	\$3,215
Reclaimed Plastics Credit	5 or fewer	\$48	5 or fewer	\$8
Other Corporation Credits	13	\$1,885	9	\$338
Insurance Only Credits				
Fire Insurance Credit	285	\$4,436	180	\$1,124
Oregon IGA Assessments	251	\$2,457	172	\$818
Oregon Life and Health IGA Assessments	177	\$455	104	\$213
Workers' Compensation Assessments	80	\$3,513	59	\$998
Total¹	1,044	\$65,594	655	\$22,510

¹ The total number of taxpayers does not match detail due to taxpayers claiming multiple credits.

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

Exhibit 3.9—Tax Year 2002 C Corporation Excise Tax Returns**Business Energy Facilities****Credit Usage by Industry Sector and Taxable Income**

Industry Sector	Number of Taxpayers Claiming Credit	Amount of Credit Claimed (\$000)	Number of Taxpayers with Reduction in Tax Liability	Amount of Credit Used (\$000)
Agriculture, Forestry, Fishing, and Hunting	22	\$158	13	\$52
Utilities	5 or fewer	\$2,383	5 or fewer	\$563
Manufacturing	42	\$2,691	22	\$649
Wholesale Trade	25	\$527	21	\$363
Retail Trade	42	\$416	35	\$383
Finance and Insurance	10 or fewer	\$478	10 or fewer	\$477
Management of Companies and Enterprises	10 or fewer	\$1,024	5 or fewer	\$932
All Other and Unknown	55	\$1,068	33	\$348
Total	204	\$8,747	139	\$3,766

Oregon Taxable Income Category	Number of Taxpayers Claiming Credit	Amount of Credit Claimed (\$000)	Number of Taxpayers with Reduction in Tax Liability	Amount of Credit Used (\$000)
Zero Income or Loss ¹	64	\$3,000	0	\$0
\$1 - \$50,000	38	\$159	37	\$32
\$50,000 - \$100,000	11	\$30	11	\$29
\$100,000 - \$250,000	18	\$93	18	\$88
\$250,000 - \$500,000	11	\$119	11	\$92
\$500,000 - \$1 million	10 or fewer	\$2,071	10 or fewer	\$251
\$1 million to \$5 million	24	\$382	24	\$382
\$5 million to \$10 million	10 or fewer	\$60	10 or fewer	\$60
\$10 million to \$25 million	10 or fewer	\$356	10 or fewer	\$356
Over \$25 million	13	\$2,477	13	\$2,477
Total	204	\$8,747	139	\$3,766

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

Exhibit 3.10—Tax Year 2002 C Corporation Excise Tax Returns**Pollution Control****Credit Usage by Industry Sector and Taxable Income**

Industry Sector	Number of Taxpayers Claiming Credit	Amount of Credit Claimed (\$000)	Number of Taxpayers with Reduction in Tax Liability	Amount of Credit Used (\$000)
Agriculture, Forestry, Fishing, and Hunting	12	\$112	7	\$15
Construction	5 or fewer	\$113	5 or fewer	\$113
Manufacturing	34	\$6,194	22	\$2,410
Wholesale Trade	15	\$317	13	\$92
Retail Trade	11	\$190	9	\$181
Finance and Insurance	5 or fewer	\$1,790	5 or fewer	\$1,790
Management of Companies and Enterprises	6	\$2,026	5 or fewer	\$1,883
Administrative, Support, and Waste Management	7	\$321	5 or fewer	\$285
All Other and Unknown	14	\$1,042	10	\$322
Total	107	\$12,105	77	\$7,093

Oregon Taxable Income Category	Number of Taxpayers Claiming Credit	Amount of Credit Claimed (\$000)	Number of Taxpayers with Reduction in Tax Liability	Amount of Credit Used (\$000)
Zero Income or Loss ¹	29	\$4,233	5 or fewer	\$0
\$1 - \$50,000	18	\$172	17	\$24
\$50,000 - \$100,000	7	\$55	7	\$31
\$100,000 - \$250,000	10	\$85	10	\$81
\$250,000 - \$500,000	5 or fewer	\$73	5 or fewer	\$73
\$500,000 - \$1 million	8	\$759	8	\$156
\$1 million to \$5 million	14	\$980	14	\$980
\$5 million to \$10 million	6	\$1,137	6	\$1,137
\$10 million to \$25 million	6	\$1,448	6	\$1,448
Over \$25 million	10 or fewer	\$3,163	10 or fewer	\$3,163
Total	107	\$12,105	77	\$7,093

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

Exhibit 3.11—Tax Year 2002 C Corporation Excise Tax Returns**Qualified Research Activities****Credit Usage by Industry Sector and Taxable Income**

Industry Sector	Number of Taxpayers Claiming Credit	Amount of Credit Claimed (\$000)	Number of Taxpayers with Reduction in Tax Liability	Amount of Credit Used (\$000)
Manufacturing	51	\$9,596	28	\$1,600
Wholesale Trade	25	\$3,849	10	\$531
Information	24	\$7,050	7	\$897
Professional, Scientific, and Technical Services	24	\$3,081	9	\$50
All Other and Unknown	29	\$1,747	13	\$137
Total	153	\$25,320	67	\$3,215

Oregon Taxable Income Category	Number of Taxpayers Claiming Credit	Amount of Credit Claimed (\$000)	Number of Taxpayers with Reduction in Tax Liability	Amount of Credit Used (\$000)
Zero Income or Loss ¹	85	\$20,127	0	\$0
\$1 - \$50,000	13	\$73	12	\$14
\$50,000 - \$100,000	9	\$155	9	\$31
\$100,000 - \$250,000	5 or fewer	\$62	5 or fewer	\$34
\$250,000 - \$500,000	5 or fewer	\$78	5 or fewer	\$58
\$500,000 - \$1 million	9	\$168	9	\$157
\$1 million to \$5 million	20	\$3,026	20	\$1,289
\$5 million to \$10 million	6	\$1,026	6	\$1,026
Over \$10 million	5 or fewer	\$606	5 or fewer	\$606
Total	153	\$25,320	67	\$3,215

¹ 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. About 69 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 2002 C Corporation Excise Tax Returns
Minimum Tax Returns**

Oregon Taxable Income Category	Tax Returns Paying Minimum Tax	Total Number of Returns	Percent Paying Minimum
Zero Income or Loss ¹	22,632	22,638	100.0%
\$1 - \$50,000	1,153	8,704	13.2%
\$50,000 - \$100,000	27	1,260	2.1%
\$100,000 - \$250,000	27	925	2.9%
\$250,000 - \$500,000	15	441	3.4%
\$500,000 - \$1 million	8	310	2.6%
\$1 million to \$5 million	17	347	4.9%
\$5 million to \$10 million	5 or fewer	64	N/A
\$10 million to \$25 million	5 or fewer	43	N/A
Over \$25 million	5 or fewer	21	N/A
Total	23,884	34,753	68.7%

¹ 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 tax returns.

**Exhibit 3.13—Tax Year 2002 C Corporation Excise Tax Returns
Minimum Tax Payment Details**

Reason For Minimum Tax Payment	Number of Returns
Current Income	
Zero income or loss in current year	17,316
Minimal income in current year	1,325
Losses Carried Forward	
Losses carried forward from prior years result in zero income or loss	4,863
Losses carried forward from prior years result in minimal income	139
Credits	
Credits reduce tax to minimum	211
Combination	
Combination of losses carried forward and credits reduce tax to minimum	30
Total	23,884

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

**Exhibit 3.14—Tax Year 2002 C Corporation Excise Tax Returns
Minimum Tax Returns By Industry Sector**

Industry Sector ¹	Returns Paying Minimum Tax	Total Returns	Percent Paying Minimum
Agriculture, Forestry, Fishing, and Hunting	986	1,388	71.0%
Mining	35	46	76.1%
Utilities	25	34	73.5%
Construction	2,276	3,224	70.6%
Manufacturing	1,405	2,012	69.8%
Wholesale Trade	1,910	3,111	61.4%
Retail Trade	1,539	2,502	61.5%
Transportation and Warehousing	543	805	67.5%
Information	498	653	76.3%
Finance and Insurance	1,327	2,264	58.6%
Real Estate, Rental, and Leasing	653	1,012	64.5%
Professional, Scientific, and Technical Services	1,762	2,589	68.1%
Management of Companies and Enterprises	74	129	57.4%
Administrative, Support, and Waste Management	820	1,204	68.1%
Education Services	114	165	69.1%
Health Care and Social Assistance	1,474	1,935	76.2%
Arts, Entertainment, and Recreation	162	241	67.2%
Accommodation and Food Services	540	857	63.0%
Other Services (except Public Administration)	1,146	1,603	71.5%
Unknown	6,595	8,979	73.4%
Total	23,884	34,753	68.7%

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."

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

With 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 at the corporate level 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 2002 S Corporation Tax Returns				
S Corporation Summary				
Dollars in thousands				
Type of Filer	Number of Returns	Number Paying Minimum Tax	Oregon Taxable Income	Oregon Tax
Income Tax	658	566	\$308	\$19
Excise Tax	45,065	44,858	\$7,157	\$971
Total 20-S	45,723	45,424	\$7,465	\$990

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 2002 S Corporation Tax Returns			
S Corporation Characteristics			
Dollars in thousands			
	Number of Returns	Oregon Taxable Income	Oregon Tax
Apportionment for 20-S Filers			
Multistate (Apportioned)	4,538	\$2,551	\$234
Nonapportioned	41,185	\$4,914	\$756
State of Domicile for 20-S Filers			
Oregon	41,683	\$6,028	\$857
Other	4,040	\$1,438	\$133

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

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.

Exhibit 3.17—Tax Year 2002 20-I Tax Returns			
Income Tax Returns Summary			
Dollars in thousands			
	Number of Returns	Oregon Taxable Income	Oregon Tax
Total 20-I Returns	266	\$2,152	\$142