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Income/Franchise:
Oregon Tax Court Magistrate Says In-State Activities Create Substantial Nexus and Special Industry Apportionment Applies

Case No. TC-MD 170037R, Or. Tax Ct. (3/25/25). In an unpublished order of the Magistrate Division of the Oregon Tax Court, a magistrate held that an interstate broadcaster's in-state business activities created a substantial nexus with Oregon under both state and federal law – including satisfying both Due Process and Commerce Clauses – and that the taxpayer failed to meet its burden of proof that Oregon's statutory interstate broadcaster formula unfairly apportions income relative to its in-state business activities. Specifically, the magistrate explained that based on the collective facts at hand, the taxpayer derived substantial economic benefit from its engagement with Oregon's market, and its continuous and intentional delivery of programming content to Oregon viewers established a substantial virtual presence that generated significant advertising revenue attributable to Oregon viewership – thus satisfying federal constitutional standards under the Due Process Clause and Commerce Clause. Please contact us with any questions.
URL: https://cdm17027.contentdm.oclc.org/digital/collection/p17027coll6/id/9880/rec/1

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