Oregon Combined Payroll Tax Report

2007

Oregon Department of Revenue

Oregon Employment Department

Oregon Department of Consumer & Business Services

Forms and Instructions For Oregon Employers

— **FORMS ORDER REQUEST**

— **FORM 013**
CHANGE IN STATUS REPORT

— **FORM WR**
OREGON ANNUAL WITHHOLDING TAX RECONCILIATION REPORT

2007 Oregon Combined Tax Payment Coupons (Form OTC) are not in this booklet. They are sent separately to employers.

How to ensure that your report is processed timely

✓ Do you use a tax preparer? If so, the preparer may need this booklet to file your reports.

✓ Double-check your math.

✓ When sending a payment, you must include an OTC with your Form OQ.

✓ If you are subject to a program and you have no payroll or subject hours worked, enter a -0- for that program.

✓ **File electronically.** See page 9 for details.

150-211-155-2 (Rev. 12-06)

Oregon Department of Revenue
955 Center Street NE
Salem OR 97301-2555

TABLE OF CONTENTS

Filing Due Dates for Quarterly Reports, Where to File and Pay 3
New Information 4
Important Information 6
Required Forms 8
Filing the Combined Quarterly Tax Report 9
Payment Instructions 10
Guidelines for Oregon Withholding Payment Due Dates 11
Penalties and Interest 12
Quarterly Tax Report (Form OQ) Instructions 13
Employee Detail Report (Form 132) Instructions 16
Schedule B Instructions 16
Unemployment Insurance (UI) Tax Information 17
Withholding Tax Information 19
Transit District Excise Tax Information 21
Workers' Benefit Fund Assessment Information 23

Use the numbers below if you need help or more information.

State withholding, TriMet, LTD taxes

OREGON DEPARTMENT OF REVENUE

Salem: 503-945-8091 or 1-800-356-4222
TTY users: 503-945-8617
Internet: **www.oregon.gov/DOR**
e-mail: payroll.help.dor@state.or.us

Reporting forms:
Oregon Quarterly Tax Report—Form OQ
Oregon Schedule B
Oregon Annual Withholding Tax Reconciliation Report—Form WR
Change in Status Report—Form 013

Workers' Benefit Fund assessment

OREGON DEPARTMENT OF CONSUMER & BUSINESS SERVICES (DCBS)

Assessment questions:
Salem: 503-378-2372
TTY users: 503-378-2372
Internet: **www.oregon.gov/DCBS/FABS/wbf.shtml**
e-mail: wbfassess.fabs@state.or.us

Subjectivity questions:
Salem: 503-947-7815 or 1-888-877-5670
e-mail: workcomp.questions@state.or.us

Reporting form:
Oregon Quarterly Tax Report—Form OQ

State unemployment insurance tax

OREGON EMPLOYMENT DEPARTMENT

Salem: 503-947-1488
TTY users: 711
Internet: **www.oregon.gov/EMPLOY/TAX**
e-mail: taxinfo@emp.state.or.us

Reporting forms:
Oregon Quarterly Tax Report—Form OQ
Employee Detail Report—Form 132
Change in Status Report—Form 013
Order Request form

Payments for all tax programs

Payment coupons (Form OTC) are mailed separately to employers. You must include one with each payment.

To order OTCs call:

Salem: 503-945-8091 or 503-378-4988
EFT Help Line: 503-947-2017
(electronic funds transfer)

Other internet addresses

Oregon Business Guide is available at: **www.oregon.gov/SOS**

Federal payroll tax and FUTA forms are available at: **www.irs.gov**

FILING DUE DATES FOR QUARTERLY REPORTS

Quarter	Quarter Ending Date	Report Due Date
1st — Jan–Feb–Mar	March 31, 2007	April 30, 2007
2nd — Apr–May–Jun	June 30, 2007	July 31, 2007
3rd — Jul–Aug–Sep	September 30, 2007	October 31, 2007
4th — Oct–Nov–Dec	December 31, 2007	January 31, 2008

If the due date is on a weekend or holiday, the report is due the next working day.

WHERE TO FILE AND PAY

All reports in
Paper form

All payments
Form OTC
(see page 8)

→

Mail to:
Oregon Department of Revenue
PO Box 14800
Salem OR 97309-0920

All reports on
Magnetic Media
(CD / diskette in federal format)

→

Mail to:
Tax Section, Room 107
Employment Department
875 Union St NE
Salem OR 97311-0030

All reports using
Employment Department software
(see page 9)

→

Send electronically

Form WR
Annual Withholding Tax Reconciliation Report

→

Mail to:
Oregon Department of Revenue
PO Box 14260
Salem OR 97309-5060

ADA THE KEY TO ACCESSIBILITY

In compliance with the Americans with Disabilities Act (ADA), this information is available in alternative formats by calling the **Oregon Department of Revenue** at 503-378-4988, or 1-800-356-4222 (toll free from an Oregon prefix) or the **Oregon Employment Department** at 503-947-1488.

NEW INFORMATION

Tax rates

- The Workers' Benefit Fund (WBF) assessment rate is reduced to **0.028.**
- The taxable wage base for unemployment insurance is **$29,000.**
- Tri-County Metropolitan Transportation District (TriMet) tax rate is **0.006518.**
- Lane Transit District (LTD) tax rate remains at **0.0062.**

Oregon withholding tax tables

Effective January 1, 2007, the Oregon withholding tax tables have been updated. The tables are available on the internet at: **www.oregon.gov/DOR.** If you do not have internet access, you may call 503-945-8091.

Oregon income tax withholding—Information circular

www.oregon.gov/DOR/BUS/withholding.shtml

Employers of Oregon nonresidents

You must withhold Oregon income tax from all wages earned by nonresident employees for services performed in Oregon, unless their Oregon earnings for the year will be less than the standard deduction amount for their filing status. The Oregon standard deduction amounts for tax year 2006 are as follows:

Single or married filing separately	$1,840
Head of household	$2,965
Married filing jointly	$3,685
Qualifying widow(er)	$3,685

Nonresident employees with wages greater than their standard deduction amount are required to file an Oregon nonresident income tax return. Nonresident employees with Oregon wages less than their standard deduction still may request that you withhold tax; usually they have additional Oregon income from other sources.

Independent contractor definition

Individuals who meet the statutory definition of an independent contractor are not employees and their compensation for services is not taxable wages. Beginning January 1, 2006, Oregon implemented a new statute [Oregon Revised Statute (ORS) 670.600] defining independent contractor for the Department of Revenue, Employment Department, Construction Contractors Board, and Landscape Contractors Board. More information concerning independent contractors is available on the internet at: **www.OregonIndependentContractors.com.**

Small employers and withholding

Starting in 2006, the IRS implemented new rules, new processes, and a new form (Form 944) for designated small employers, allowing them to file and pay their federal employment tax returns annually instead of quarterly. Oregon does not have a similar program for state payroll tax reporting.

Unless they qualify as an agricultural or domestic employer under Oregon law, small employers are required to file their entire state payroll tax liability, using Form OQ (Oregon Quarterly Tax Report), on a quarterly basis with the Department of Revenue. Generally, payments for unemployment insurance tax, Workers' Benefit Fund assessment, TriMet transit tax, and Lane transit tax are due quarterly and should be paid when Form OQ is filed. But Oregon law does allow employers to make their state withholding payments no later than their federal payments.

For those employers instructed by the IRS to deposit annually, we ask you to voluntarily deposit your Oregon withholding payment quarterly when you file your return. However, to waive late payment penalties and interest that may occur when you file your return quarterly, but deposit your state withholding payment annually, you must submit a request to the Department of Revenue with a copy of your IRS notification.

More information concerning small employer filing requirements is available on the internet at **www.oregon.gov/DOR.**

Penalties for failure to respond timely to audit findings

DCBS has taken increasingly proactive measures to audit the WBF assessment accounts of employers that fail to report or report inaccurately. The cost of following up on employers that report inaccurately and fail to respond to audit findings increases the cost of the workers' compensation system to everyone. To more effectively ensure fair and equitable distribution of costs, DCBS is now exercising its authority under ORS 656.745 and Oregon Administrative Rule (OAR) 436-070-0050 to issue civil

penalties up to $2,000 for failure to respond timely to notices and orders associated with audit findings. If you use a payroll service provider, please be advised that it is still your responsibility to ensure timely response to all audit findings.

Oregon stabilization

During 2005, the legislature passed House Bill 2127. This bill reduces unemployment insurance taxes by an average of 12 percent, serves as a tool to retain and recruit new business to Oregon, and helps stabilize funding for assistance services for both businesses and job seekers provided by the Employment Department. Because employer tax rates are based on each employer's own experience with the Unemployment Insurance system, not every employer will see a decrease in their tax rate, but most will.

The reductions contained in House Bill 2127 will be effective for taxes paid starting in 2007.

IMPORTANT INFORMATION

Oregon Department of Revenue, Employment Department, and Department of Consumer and Business Services rules differ. ***Please read all instructions carefully. If you have questions, please contact the appropriate agency*** (see page 2).

What is considered a filed return

While there are multiple tax and assessment programs represented on the Oregon Quarterly Tax Report, it is important to note the following filing requirements for state withholding, Tri-County Metropolitan Transportation District (TriMet), and Lane Transit District (LTD) tax programs that are administered by the Oregon Department of Revenue.

- Only columns filled in with numerical information will be considered a filed return for that program.
- If you are subject to a specific tax, but have no tax to pay for that period, you should enter "0" in the appropriate column.
- If you enter something other than a number in a specific tax column or leave a specific tax column blank, we will conclude you are communicating to us that you are not subject to that tax and that you are not filing a return for purposes of that tax.

Withholding on distribution of pensions or annuities

State withholding on distribution of pensions or annuities shall be made with respect to any distribution for which federal income taxes are to be withheld or are required to be withheld under Section 3405 of the Internal Revenue Code.

Employer new hire reporting program

All Oregon employers are required to report new and rehired employees to the Division of Child Support within 20 days of date of hire. For information on the law and the procedures for reporting, contact: Department of Justice
Employer New Hire Reporting Program
1495 Edgewater St NW
Salem OR 97304

Telephone: 503-378-2868
Fax: 503-378-2863 or 877-877-7415
E-mail: employer.reports@doj.state.or.us
Website: **www.oregon.gov/DOJ**

Capitalize your report!

Extensive testing of our electronic processing equipment has shown that your wage reports are read **much more accurately** if you prepare them using capital letters rather than changing cases or using lower case. **Please** help us avoid processing errors and unnecessary notices to you by preparing your report using **CAPITAL LETTERS ONLY!**

Tax tables

Effective January 1, 2007, the Oregon withholding tax tables have been updated. The tables are available on the internet at: **www.oregon.gov/DOR.** If you do not have internet access, you may call 503-945-8091.

Reporting hours may differ

The number of hours reported for UI tax on the Wage Detail Report (Form 132) will not necessarily equal the number of hours reported for the WBF assessment in box 9 on Form OQ (see pages 13–15 for more information).

Reporting subject wages

Total wages reported for UI and withholding could be different depending on the subjectivity requirements for each program (see pages 17–20 for more information).

Easy, free electronic filing

You can file your quarterly Oregon payroll tax report electronically on the internet, by e-mail, or on diskette. Or, if you have no payroll or subject hours to report, you can file by telephone (see page 9).

Filing for bankruptcy

If you file for bankruptcy, you need to notify **separately** each state agency that administers the payroll taxes and/or assessments to which you are subject. Despite combined reporting, each agency manages its own tax program.

Common pay agent

Oregon **does not** recognize common pay agent reporting.

Oregon identification numbers

Your Oregon business identification number (BIN) is not the same as your registry number issued by the Oregon Secretary of State's Corporation Division. **If you do not know your BIN, contact the Department of Revenue at 503-378-4988.**

The correct format for a BIN is NNNNNNN-N (for example, 1234567-8).

It is important that you include your BIN on the top of all correspondence, returns, and payments that you file with the Department of Revenue, the Employment Department, and the Department of Consumer and Business Services.

Important: If the structure of your business has changed in the past year, you may have to obtain a new BIN. Contact the Department of Revenue at 503-378-4988 for further information.

Updating a business address or telephone number

To update your business address and/or telephone number, please complete the form, Change in Status Report (150-211-157), or e-mail the information to payroll.help.dor@state.or.us.

Latest payroll tax information

Sign up for "Payroll Tax—News," a new e-mail list that allows subscribers to receive the latest payroll tax information such as interest rates, legislative issues, and return processing questions. Employers and other interested individuals can subscribe to the list to receive the latest information via e-mail at **www.oregon.gov/DOR/BUS/payrolltaxnews.shtml.**

Keep your records

WBF assessment-related payroll records must be kept for no less than the current year and three preceding years.

All other payroll records must be kept **at least** five years after filing the required reports.

Penalties for illegal tax rate manipulation

Under Oregon law, a person (employer) may not engage in or advise another person (employer) to engage in activity to transfer or acquire, or attempt to transfer or acquire, a trade or business or any portion of a trade or business solely or primarily for the purpose of obtaining a lower unemployment insurance (UI) tax rate. If a person (employer) knowingly engages in such activity, the highest UI tax rate (currently 5.4 percent) will be assigned to that trade or business for the tax year in which the activity occurred and for the next three years. However, if the person (employer) is already subject to the highest tax rate for the year or if the amount of increase in the tax rate is less than 2 percent, an additional penalty tax rate of 2 percent will be added to the calculated tax rate. In addition, if a person (employer) advises another person (employer) to engage in this activity, they may be assessed a civil penalty not to exceed $10,000. Criminal penalties for engaging in tax avoidance schemes may also be imposed.

Further information is available on the internet at: **www.oregon.gov/EMPLOY/TAX.**

REQUIRED FORMS

If you file using paper, using the forms in this booklet ensures faster and more accurate processing. Failure to use the correct forms or format may result in a penalty (see page 12 for more information on penalties).

If you use a tax preparer, please check to see if the preparer needs this booklet to file your reports. Your forms can be sent directly to your tax preparer. Fill out the "Change in Status Report" to change your forms' mailing address to your tax preparer's address for future mailings.

Use the Order Request at the back of this booklet to order additional reporting forms or reporting software. You may also order forms or software on the internet at: **www.oregon.gov/EMPLOY/TAX** under "Reporting Methods."

- Do not send photocopies of reports.
- Do not fax your reports.

These are considered out of format and may result in penalties.

Forms needed for reporting

- **Form OQ—*Oregon Quarterly Tax Report.*** Use this form to report state UI tax, state withholding tax, WBF assessment, TriMet, and LTD taxes.
- **Oregon Schedule B—State Withholding Tax.** Use this form **only** if state income tax withholding deposits are required semi-weekly or on a one-banking day basis. File Oregon Schedule B with Form OQ.
- **Form 132—*Employee Detail Report.*** If your business is subject to Oregon UI tax, use this form to report employee detail. File this form with Form OQ. **If you have more than 20 employees, order additional Form 132s using the Order Request at the back of this booklet.** Forms that are incorrectly formatted or photocopied may be returned, and a penalty may be assessed.
- **Form OTC—Oregon Combined Tax Payment Coupon.** Form OTCs are mailed separately, by December 31 of each year, to every employer that does not pay using electronic funds transfer (EFT). If you need to order additional coupons, write the Oregon Department of Revenue, PO Box 14800, Salem OR 97309-0920, or call 503-945-8091 or 503-378-4988. When ordering, tell us how many coupons you need for the remainder of the year.
- **Please use blue or black ink.** Our equipment can only read these colors.
- **Please do not use colored paper.**

NOTE:

Form OQ, Oregon Schedule B, and Form 132 are processed by the Employment Department using automated equipment. Form OTC and payments are processed by the Department of Revenue. To correctly apply payments, we must receive a Form OTC with every payment, including payments made with your Form OQ. Form OTC is not required for payments made by EFT.

Other forms

- **Form 013—Change in Status Report.** Use this form to report changes in your business. Do not use Form OTC or Form OQ to make changes. See the "Change in Status Report" at the back of this booklet for detailed instructions. The "Change in Status Report" is also available on the internet at: **www.oregon.gov/DOR.**
- **Form WR—Oregon Annual Withholding Tax Reconciliation Report.** Use this form to reconcile your state withholding account. Form WR is due by February 28 of each year. Form WR is available on the internet at: **www.oregon.gov/DOR.**

FILING THE COMBINED QUARTERLY TAX REPORT

Who must file

You must file a Form OQ each quarter:

- As long as you are registered as an active employer with Oregon Department of Revenue or Oregon Employment Department, **even if you had no payroll during the quarter.** Reimbursing employers and Local Government Employers Benefit Trust Fund employers also must file Form OQ.
- If you have paid individuals (workers, owners, officers) who are subject to Oregon's workers' compensation law or who are covered by workers' compensation insurance through personal election, even if you have no payroll during the quarter.
- If you withhold on a distribution of pensions or annuities.

You must file Form 132:

- If you are an employer subject to UI law. Reimbursing employers and Local Government Employers Benefit Trust Fund employers also must file Form 132.

You must file Oregon Schedule B:

- If you are required to deposit withholding taxes on a semi-weekly or a one-banking day basis.

When to file

See page 3 for the report due dates.

Filing options

Electronic filing is far more efficient, accurate, and less time consuming than paper filing. You can file electronically through the internet, by e-mail, or by telephone.

- **OTTER.** You can file through the internet, by e-mail, or on diskette using the computer-based "OTTER" (Oregon Tax Employer Reporting) software program. The software is free, user friendly, and popular with both large and small employers. Your data can be imported from separate payroll programs directly into the electronic reporting format or copied from one quarter to the next.

  You may order OTTER by calling 503-947-1488, by using the order form in this book, or by downloading the program from **www.oregon.gov/EMPLOY/TAX.**

- **SETRON.** Web-based SETRON (Secure Employer Tax Reporting On-line) reporting allows any employer to report over the internet. Because it's web-based, any employer can report electronically regardless of computer type. SETRON is on the Employment Department's website at: **www.oregon.gov/EMPLOY/TAX.** Remember to print a paper copy of your report to keep for your records.
- **Telephone (IVR).** If you are an employer who has no payroll or subject hours to report for all programs or for a particular quarter, you can file a "no payroll/no hours worked" report by telephone, 24 hours a day, 7 days a week. The telephone number is 503-378-3981. Confirmation numbers are not issued; however, you will be notified at the end of the call if your report was accepted.

Option specifications

For reporting-option specifications, call the Employment Department at 503-947-1488 (option 3). Options also are available on the internet at: **www.oregon.gov/EMPLOY/TAX** under: "Reporting Methods." You also may use the order form at the back of this booklet.

Oregon annual filing

- If you file federal Form 943, you may file your Oregon withholding reports once a year using Form WA. Agricultural employers subject to unemployment tax, WBF assessment, or transit tax must file Form OQ in addition to Form WA. Call the Oregon Department of Revenue at 503-945-8091 for more information.
- Employers with exclusively domestic (in-home services) employment may file the Combined Payroll Tax Reports annually. The annual forms are sent out by November of each year. Call the Oregon Employment Department at 503-947-1488 for more information.

Amended reports or adjustments

To amend data on Form OQ, Schedule B, or Form 132. Copy the original report, make the necessary changes on the copy, clearly write "Amended" at the top of the form, write a brief explanation of why you are amending your report, and mail to: Oregon Department of Revenue, PO Box 14800, Salem OR 97309-0920. **Do not use red ink.** If you have a payment due, please include Form OTC with your payment.

To amend a report you filed using OTTER. Make the necessary corrections to your original report using the appropriate program. **Print a paper copy** of the corrected report, write "Amended" in large letters at the top of the corrected report, and write a brief explanation of why you are amending your report. Mail the paper copy of your corrected report to: Oregon Department of Revenue, PO Box 14800, Salem OR 97309-0920. **Do not send your corrected report electronically. Do not use red ink. Do not highlight.**

The time period allowable for adjustments to WBF assessment reports is the current calendar year and three preceding years. DCBS cannot initiate or accept adjustments to WBF reports or payments for any quarters that pre-date this period.

Failure to file

If you don't file a correct and complete quarterly report, you may receive an assessment(s) based on available information. Penalty and interest will be charged on the amount assessed (see page 12).

PAYMENT INSTRUCTIONS

Oregon combined payments

Use current year OTC coupons. Oregon withholding tax due dates are the same as the dates for depositing federal tax liability (see page 11 for guidelines for due dates). Unemployment insurance (UI) tax, Workers' Benefit Fund (WBF) assessment, and transit tax payments are due quarterly.

- **Please use blue or black ink.** Our equipment can only read these colors.
- Make your check payable to "**Oregon Department of Revenue.**"

Making your Oregon combined payments

To make sure your payments are correctly applied:

- Complete and send in a Form OTC with every payment, when due, including payments made with your OQ.
- Indicate the amount paid to each tax program in the appropriate box. **Do not include credits.**
- Enter the quarter in the box to indicate when the payroll was paid to employees.
- When making a payment for more than one quarter, submit a separate coupon for each quarter.
- Do not alter coupons or use coupons from previous years.

Send payments with Form OTC coupons to:

Oregon Department of Revenue
PO Box 14800
Salem OR 97309-0920

Do not staple or tape your payment to Form OTC.

Payment record

Retain records of payments made to all programs for each quarter for use when you file Form OQ.

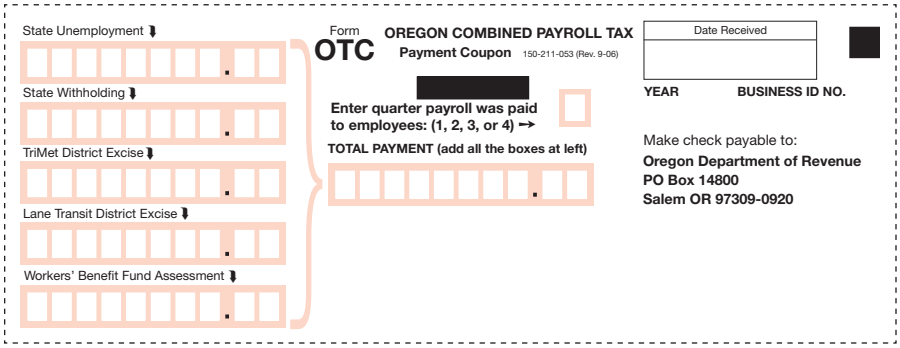
Electronic funds transfer (EFT)

You can make payments for combined payroll taxes using the Oregon Department of Revenue's electronic funds transfer (EFT) program. This program allows you to make payments using a touch-tone telephone, a secure internet site, or through your financial institution.

You must pay your Oregon combined payroll taxes electronically if you are mandated to pay your federal tax liability electronically.

If you do not meet the federal requirements for mandatory participation in the EFT program, you may participate on a voluntary basis.

A business is required to have an authorization agreement filed with the Department of Revenue



before initiating EFT payments. Information and authorization agreements are available on the internet at: **www.oregon.gov/DOR** or by calling the EFT help line at 503-947-2017.

Alternate payment method

Multi-state employers who believe that federal withholding methods create an undue burden for them that is not shared by most other similar employers may request a different method of withholding tax payments. You must submit a written request to:

Withholding Manager
Oregon Department of Revenue
955 Center Street NE
Salem OR 97301-2555

Your written request must contain the following information:

- The business name of the employer.
- The Oregon business identification number.
- The nature of the burden.
- The remedy requested.
- And a proposed effective date of the modified withholding method.

You cannot use an alternative withholding method before the Oregon Department of Revenue has approved your request in writing and has designated the effective date of the change. (Refer to ORS 316.191.)

Federal Form 944 filers

Please see new information on page 4 concerning small employers and withholding.

GUIDELINES FOR OREGON WITHHOLDING PAYMENT DUE DATES

If your total federal tax liability is:		Oregon withholding tax payments are due:	
• Less than $2,500 for the quarter	→	by the quarterly report due date	
• $50,000 or less in the lookback period*	→	by the 15th of the month following payroll	
• More than $50,000 in the lookback period*	→	**Semi-weekly Deposit Schedule**	
		If the day falls on a:	**Then pay taxes by:**
		Wednesday, Thursday, or Friday	the following Wednesday
		Saturday, Sunday, the following Friday	Monday, or Tuesday
• $100,000 in a single pay period	→	within one banking day	

Payrolls paid in:
Quarter 1 Jan–Feb–Mar
Quarter 2 Apr–May–Jun
Quarter 3 Jul–Aug–Sep
Quarter 4 Oct–Nov–Dec

* The lookback period is the twelve-month period that ended the preceding June 30. The lookback period for agricultural employers is the calendar year prior to the calendar year just ended.

PENALTIES

Unemployment insurance tax

A late filing penalty may be assessed if Form OQ or the Employee Detail Report (Form 132) is filed more than 10 calendar days after the due date, and you have received a previous warning. **This is in addition to interest due.** The late filing penalty is $6 for each employee reported, with $75 minimum and $1,500 maximum penalty amounts. Incomplete reports also may be assessed a similar penalty. If no subject wages are reportable but the report is filed late, a $5 late filing penalty may be assessed.

In addition, if Form OQ or Form 132 are not correctly formatted or are incomplete, they may be returned. If the out-of-format report is not resubmitted before the tenth day following the due date, a penalty may be assessed. To prevent this, send the reports electronically using the OTTER software the Employment Department provides (see page 9).

An additional penalty may be charged to employers who have failed as of September 1 to:

- File all unemployment insurance tax reports:

  —Form OQ—Oregon Quarterly Tax Report,

  or

  —Form 132—Employee Detail Report,

  or

- Pay all unemployment insurance taxes due.

The penalty is 1 percent of the employer's previous year's taxable payroll.

State withholding and transit taxes

- You will be charged a 5 percent late payment penalty on any unpaid tax after the due date of the return.
- You will be charged an additional 20 percent penalty on any tax due as of the due date if Form OQ is filed more than three months late.
- You will be charged a 100 percent penalty on any tax due if Form OQs are not filed for three years in a row.

Workers' Benefit Fund assessment

You are subject to a late filing penalty if Form OQ is filed or payment is received more than 10 calendar days after the due date. A civil penalty of up to $2,000 may be assessed for each violation if the payment or Form OQ is not filed timely. Penalties will be assessed at 10 percent of the outstanding balance, with a minimum of $50 for each violation.

In addition, if your account is audited for failure to report or inaccurate reporting, penalties up to $2,000 will be assessed for failure to respond timely to notices and orders associated with audit findings (see page 4 for details).

INTEREST

Unemployment insurance tax

Interest is assessed on unpaid or late paid unemployment insurance tax. The rate is 1.5 percent per month or fraction of a month after the payment is due. Payments are due the last day of the month following the quarter. Interest is assessed if the payment is one day late. Use only unpaid tax when calculating interest. Do not calculate interest on previously assessed interest or penalties.

Use this same calculation for Local Government Employers Benefit Trust Fund participants. Reimbursing employers should not calculate interest. Interest due on unpaid balances is billed to these accounts.

State withholding and transit taxes

You will be charged interest on any remaining tax left unpaid after the due date. Employers should not calculate interest due. You will be billed for interest due on unpaid balances.

Workers' Benefit Fund assessment

Interest is assessed on unpaid or late paid Workers' Benefit Fund assessments. The rate of 9 percent per year may be charged on all overdue balances. If your account is assigned for collection, you will be responsible for the collection agency's fee. This additional collection fee may amount to as much as 28 percent of the total dollars collected.

QUARTERLY TAX REPORT (FORM OQ)

Line-by-Line Instructions

Before you complete Form OQ, review the business name, mailing address, Oregon business identification number **(BIN)**, and federal employer identification number **(FEIN)** to be sure they are all correct. Make corrections on the "Change in Status Report" included at the end of this booklet.

The North American Industry Classification System (NAICS) code is assigned by the Employment Department. Coding determination is based on information you supplied and reflects the primary activity for your company in Oregon. If you have questions regarding these codes, call 1-800-262-3912, ext. 7-1248 (toll-free within Oregon) or 503-947-1248.

Line-by-line instructions

Number of covered workers for state unemployment insurance. Complete this section if you are subject to unemployment insurance (UI). If you have questions on how to count workers, call 1-800-262-3912, ext. 7-1248 (toll-free within Oregon) or 503-947-1248.

The "monthly number of covered workers" you report on Form OQ should include all full-time and part-time workers who worked or received pay subject to unemployment insurance law during the payroll period which includes the 12th of the month. Some examples include:

- Daily pay period. Enter the number of workers on the daily payroll for the workday nearest the 12th of the month.
- Weekly, bi-weekly, or semi-monthly pay period. Enter the number of workers on the payroll for the period that includes the 12th of the month.
- Monthly pay period. Enter the number of workers on your monthly payroll.
- If there were no covered workers during any pay period, enter zero in the appropriate boxes. Do not leave these boxes blank.

Add the numbers for the three months and place the sum in the **Total** (M1 + M2 + M3) box. This total is used to verify that the automated equipment has correctly read the monthly entries.

OQ columns

In each column, enter the total subject wages paid for each tax program this quarter. If you have questions, refer to the specific program information in this booklet.

In each column, enter the total tax owed to each state program. If any of the amounts are less than zero, enter -0-. Do not enter any credit items. **Any credit in one tax program may only be used in that same program. A credit may be used in a future quarter or refunded by request.**

Column A. Unemployment Insurance (UI)

Box 1. Subject wages. This amount must be the same as line 1 (total subject wages) on Form 132. Include wages exceeding the taxable wage base for UI reporting purposes.

Box 2. Excess wages. Excess wages are wages above the taxable wage base for the year *per employee*. The taxable wage base **for 2007 is $29,000** per employee per year. Reimbursing employers and Local Government Employers Benefit Trust Fund participants leave this box blank.

Box 3. Taxable wages. Enter box 1A minus box 2A. Reimbursing employers leave this box blank.

Box 4. Tax rate. Use your current year's UI tax rate. If you are subject to UI tax and no rate is printed, call the Employment Department at 503-947-1488. Reimbursing employers leave this box blank.

Box 5. Total tax. Multiply box 3A by box 4A. Round down to the nearest cent and enter the tax amount. Enter -0- if you had no UI tax this quarter.

Box 6. Tax prepaid this quarter. Enter the amount of UI tax prepaid or credits used this quarter. Include any credit amount that may have been overpaid in previous quarters where no refund was requested or issued.

UI tax payments are due once per quarter on the same day as the tax reports.

Box 7. UI penalty and interest owed. Enter the amount of penalty and interest owed if the report is late. Figure the penalty amount by multiplying the number of employees by $6. The minimum penalty is $75. The maximum penalty is $1,500. If there were no employees, the penalty is $5. Late reports are those submitted more than 10 days after the due date.

To calculate interest owed, multiply the unpaid tax owed by 0.015 for each month or fraction of a month after the date the payment is due. Interest is assessed even if the payment is one day late.

When calculating interest, use only the amount of unpaid tax. Do not calculate interest on previously assessed interest or penalties.

Box 8. Total due. Enter box 5A **minus** box 6A **plus** box 7A. If the amount is less than zero, enter -0-.

Column B. State withholding

Box 1. Subject wages. Enter total *wages subject to income tax* (salaries, commissions, and bonuses), paid to Oregon employees this quarter.

- If you are reporting withholding on pension or annuity distributions, enter the amount of distributions with Oregon withholding.
- This amount need not match box 1A.
- Enter -0- if you had no subject payroll this quarter.

Box 5. Total tax. Enter total Oregon tax withheld this quarter. Enter -0- if you had subject payroll but no withholding tax to pay this quarter (see page 10 for deposit rules). Only numerical information entered in the state withholding tax column will be considered a filed return for that program. If you enter something other than a number in the state withholding tax column or leave that column blank, we will conclude you are communicating to us you are not subject to state withholding tax and you are not filing a return for purposes of state withholding tax. If you deposit:

- **Quarterly—**complete only box 5B.
- **Monthly—**complete boxes on line 15 (M1, M2, and M3) on Form OQ. Add boxes and enter the total into box 5B. Note: Box 5B and line 15 **must total** the same amounts.
- **Semi-weekly or one-banking day depositors—** complete and file Oregon Schedule B. Enter the total in box 5B. Note: Box 5B and Schedule B total **must** be the same amount.

Box 6. Tax prepaid this quarter. Enter the amount of withholding tax prepaid this quarter. Include any withholding credits used.

Box 8. Total due. Enter box 5B minus box 6B. If the amount is less than zero, enter -0-.

Column C. Tri-County Metropolitan Transportation District (TriMet)

Box 1. Subject wages. Enter wages paid for work done in the TriMet district. Enter -0- if there was no subject payroll in the district this quarter.

Box 4. Tax rate. The 2007 TriMet tax rate is 0.006518.

Box 5. Total tax. Multiply box 1C by box 4C. Round off to the nearest cent and enter the tax amount. If you are subject to TriMet but had no tax this quarter, enter -0-. Only numerical information entered in the TriMet Transit District tax column will be considered a filed return for that program. If you enter something other than a number in the TriMet Transit District tax column or leave that column blank, we will conclude you are communicating to us you are not subject to TriMet Transit District tax and you are not filing a return for purposes of TriMet Transit District tax.

Box 6. Tax prepaid this quarter. Enter the amount of TriMet tax prepaid this quarter. Include any TriMet credits used.

Box 8. Total due. Enter box 5C minus box 6C. If the amount is less than zero, enter -0-.

Column D. Lane Transit District (LTD)

Box 1. Subject wages. Enter wages paid for work done in the Lane Transit District. Enter -0- if there was no subject payroll in the district this quarter.

Box 4. Tax rate. The 2007 LTD tax rate is 0.0062.

Box 5. Total tax. Multiply box 1D by box 4D. Round off to the nearest cent and enter the tax amount. If you are subject to LTD but had no tax this quarter, enter -0-. Only numerical information entered in the Lane Transit District tax column will be considered a filed return for that program. If you enter something other than a number in the Lane Transit District tax column or leave that column blank, we will conclude you are communicating to us you are not subject to Lane Transit District tax and you are not filing a return for purposes of Lane Transit District tax.

Box 6. Tax prepaid this quarter. Enter the amount of LTD tax prepaid this quarter. Include any LTD credits used.

Box 8. Total due. Enter box 5D minus box 6D. If the amount is less than zero, enter -0-.

Workers' Benefit Fund (WBF) assessment

Box 9. Total all hours and partial hours worked by all paid individuals (workers, owners, officers) subject to Oregon's Workers' Compensation law or covered by workers' compensation insurance through personal election. Enter the total hours rounded down to the nearest whole (no fractions or decimals). (Note: hours reported for WBF assessment may differ from hours reported for UI tax.) If you have no hours to report for the quarter, enter -0-. More detail on determining hours worked is available at **www.oregon.gov/DCBS/FABS/wbf.shtml** or by calling 503-378-2372.

Box 10. Assessment rate. The current WBF assessment rate is 0.028. Employers contribute one-half of the hourly assessment amount and deduct one-half from workers' wages.

Box 11. Multiply box 9 times box 10. Round down to the nearest cent. This is the total WBF assessment due for the quarter. If no assessment is due for the quarter, enter -0-.

Box 12. Enter the amount of prepaid WBF assessment or WBF assessment credits used this quarter.

Box 13. Subtract box 12 from box 11. This is the net WBF assessment amount due for the quarter. This amount should match the amount you enter in the "Workers' Benefit Fund Assessment" box on Form OTC. If the amount is less than zero, enter -0-.

Box 14. Total payment due

Enter total payment due. Add boxes 8A, 8B, 8C, 8D, and 13. **Do not include any credits.** Make your payment to the Department of Revenue using electronic funds transfer (EFT). **Or** make your check payable to "Oregon Department of Revenue." **Include a payment coupon (Form OTC)** when you mail your check.

Note: You cannot use Form OQ to transfer credits between programs.

- **Credit applied to another program:**

  Send a written request along with a copy of Form OQ to the agency that handles the program that has the credit. Include your account name, BIN, tax program, quarter, and year where the credit exists. Give the same information for where you want the credit applied. Also include any notices or memos you've received about the credit.

- **Credit refunded:**

  Send a written request to the agency that handles the program that has the credit. Include your account name, BIN, the word **"Refund,"** and the amount to refund. Also include any notices or memos you have received about the credit.

Box 15. Monthly summary of state withholding tax liability

This line is for those who are required to deposit withholding taxes on a monthly basis. Show the amount withheld in each month of the quarter then total the amount withheld during the quarter. The total must equal the total withholding tax reported in box 5B.

Do not include payments made for UI tax, WBF assessment, or transit taxes in these boxes.

If you deposit only once a quarter, enter the total amount withheld in box 5B.

If you are required to deposit withholding on a daily or semi-weekly basis, do not complete this line. Report withholding on Oregon Schedule B (see page 10 for determining how often withholding must be deposited).

Box 16. Special payroll tax

Multiply box 3A by the special payroll tax (0.0012) for the first quarter of 2007 and by 0.0009 for the remaining three quarters. Do not add or subtract this amount from boxes 5A or 14. Reimbursing and Local Government Employers Benefit Trust Fund (LGEBTF) employers do not complete this section. Employers not required to pay FUTA are not required to complete this section. See page 17 for more information on the special payroll tax.

Signature

Preparer needs to sign Form OQ on the signature line and include a telephone number and the date the form was prepared. A signature is required even if you file a -0- report.

EMPLOYEE DETAIL REPORT (FORM 132)

Complete only if you pay unemployment insurance tax or reimburse the Employment Department for benefits paid.

Line 1. Total subject wages. Enter the total subject wages for all employees for the quarter. If you use multiple pages of Form 132, enter the total amount on page 1 only. This figure (total for all pages) must equal the amount in box 1A on Form OQ.

Column 2. Social Security number. Enter the Social Security number for each employee reported.

Column 3. Employee name. Enter the first initial and last name of each employee reported.

Column 4. Hours worked during this quarter. Enter the number of hours the employee worked in the quarter. If you do not track hours for a full-time employee, use 520 hours for the report. **Do not report fractions or portions of an hour worked by an individual.** Round up any portion of an hour to the nearest whole hour.

Report the actual number of hours worked. This is straight time and overtime. Do not report hours paid for sick leave, vacation leave, or any other hours paid where no work was performed. Even though these hours are not reported in column 4, wages paid are still reported as subject wages in column 5.

Report hours in the quarter worked and wages in the quarter received.

The number of hours worked subject to unemployment insurance does not need to equal the number of hours reported for Workers' Benefit Fund assessment.

Enter -0- for an employee who did not work during the quarter but received wages (**do not leave blank).**

If you need to adjust hours worked in a previous quarter, file an amended Form 132 for that quarter (see page 9).

Column 5. Total subject wages paid this quarter. Wages are reported in the quarter paid to the employee regardless of when earned. Enter the total subject wages paid to each employee during the quarter regardless of whether the employee's wages exceeded the taxable wage base.

Do not use this report to correct wages for another quarter. File an amended Form 132 for that quarter (see page 9).

Box 6. Page total. Enter the total subject wages for all employees reported on the page. Do not include the totals from other pages of this form.

SCHEDULE B

Example: How to complete Oregon Schedule B

A. Daily Oregon Withholding Tax Liability — First Month of the Quarter														
1	2500	00	8			15	1600	00	22			29		
2			9			16			23	300	00	30		
3			10			17			24			31		
4			11			18			25					
5			12	1450	00	19			26					
6			13			20			27					
7	450	00	14			21			28					
A. Total Withholding Tax Liability for the First Month of the Quarter.												A	6300	00

Line instructions—Oregon Schedule B

Complete Oregon Schedule B if you are required to deposit on a semi-weekly or one-banking day basis. This form includes a box for every day of the quarter. Locate the boxes that match your payroll dates. Enter the amount of Oregon tax withheld from your employees during each payroll period. Enter the total tax withheld for each month in boxes A, B, and C. Enter the total of all the amounts in box D. The total should equal the total withholding tax reported in box 5B on Form OQ. **DO NOT ENTER CREDITS.**

UNEMPLOYMENT INSURANCE TAX INFORMATION

Subject wages

Generally, wages reportable for Federal Unemployment Tax Act (FUTA) purposes are reportable for Oregon Unemployment Insurance (UI) tax. All wages, including draws, are reportable when paid to the employee. For example, wages paid April 1, for work performed in March are reportable in the second quarter (April–June).

An employee is any person (including aliens and minors) employed for pay by any employer subject to Employment Department law (ORS 657.015). This includes contract, casual, or temporary labor.

"Wages" means all compensation for service, unless specifically excluded by law. Payments other than cash are reportable at their cash value in the quarter in which they are available to the employee.

The following are examples of subject wages:

- Payments for services to individuals in the employ of any type of corporation, except those electing to be excluded under the family corporation provision (see excluded wages).
- Payments for agricultural and domestic (in-home services) labor by qualified employers.
- Payments for services to individuals in the employ of nonprofit organizations or political subdivisions.
- Payments for services performed in the employ of a church or other religious organization.
- Special payment for services, such as commissions, fees, bonuses, prizes, separation allowances, guaranteed wage payments, vacation, and holiday pay.
- Employee tips reported by the employer pursuant to Section 3306 of the Internal Revenue Code.
- Board provided to employees as part of their pay shall have a minimum value of **30 percent of the standard per diem meal rate within the continental U.S. The rate per day will be rounded to the nearest dollar. The rate per month will be 30 times the rounded daily rate.** If room is furnished in addition to board, no additional value will ordinarily be placed upon the room. If room and board are furnished at hotels, resorts, or lodges, or if a room only, an apartment, a house, or any other consideration is provided, the value for tax purposes will be the **fair market value** thereof. **Note:** noncash payments for agricultural and domestic (in-home services) services are not subject.

Excluded wages

Examples of payments that are not subject under unemployment insurance law are:

- Payments to a proprietor or the proprietor's child under 18, spouse, or parent.
- Payments to a legally responsible and registered general partner or partners of a Limited Liability Partnership (LLP) or to members of a Limited Liability Company (LLC).
- Noncash payments to workers in agricultural or domestic (in-home services) employment.
- Sick pay under workers' compensation law.
- Closely held family corporations may elect, by written request, to exclude payments for services to corporate officers who:
  - —Are directors,
  - —Have a substantial ownership interest in the corporation, **and**
  - —Are members of the same family, as parents, stepparents, grandparents, spouses, sons-in-law, daughters-in-law, brothers, sisters, children, stepchildren, adopted children, or grandchildren.

However, those excluded may be subject to higher FUTA tax.

An election to exclude corporate officers must be in writing and will be effective the first day of the calendar quarter in which it is submitted for approval.

Unemployment insurance tax payments

UI tax payments are due quarterly in accordance with the payment instructions on page 10. When there is more owed than taxes, payments are applied first to legal fees, penalties, and interest. The remainder is applied to tax owed.

Special payroll tax

The Oregon Legislature has authorized the unemployment insurance tax system to collect revenues using a special payroll tax which is due every quarter starting in 2007. Employers subject to federal unemployment insurance tax (FUTA) must deduct

the special payroll tax from the total state unemployment tax to determine the amount reported as "contributions paid to the state unemployment fund" on Federal Unemployment (FUTA) Forms 940 and 940EZ.

The special payroll tax is collected to assist the Wage Security Fund (BOLI) and the Supplemental Employment Department Administration Fund (SEDAF). The BOLI fund pays final wages when a business closes and does not have sufficient reserves to make final payroll. The SEDAF fund is used to provide Employment Department services. Do not include the special payroll tax to calculate a credit when reporting on federal Form 940 and 940EZ. To calculate "contributions paid to the state," use two lines in item 3 on Form 940 (computation of tentative credit), one for the first quarter, and one for the remaining quarters. The "state experience rating" for the first quarter is the unemployment insurance tax rate less 0.0012 and for the remaining three quarters it would be less 0.0009.

Example 1: An employer has a tax rate of 3 percent (0.03). In the first quarter, the experience rate will be 2.88 percent (0.0288), which is the tax rate less the 0.12 percent (0.0012) special payroll tax offset.

Example 2: An employer has a tax rate of 3 percent (0.03). In the second quarter, the experience rate will be 2.91 percent (0.0291), which is the tax rate less the 0.09 percent (0.0009) special payroll tax offset.

Example 3: An employer has been assigned the highest state unemployment tax rate—5.4 percent (0.054). The employer does not calculate the amount of the special payroll tax offset. The employer should use the unadjusted amount of taxes paid to the state as "contributions paid to your state unemployment fund."

"Contributions actually paid to the state" should equal the amounts found on line 17 of Form OQ for each quarter. If the amounts paid were less than what is owed, report the amount **actually** paid. To obtain Forms 940 or 940EZ, contact the IRS at 1-800-829-3676. You may also download the forms from the internet at **www.irs.ustreas.gov.**

Employer ceases to be subject to UI tax

An employer who ceases to have sufficient employment or payroll subject to ORS Chapter 657 must file an application for such a finding by the director of the Employment Department in accordance with ORS 657.415. Such exemption shall continue until the employer again qualifies as an employer as defined in ORS 657.

Employer account access

You can review your unemployment insurance account information anytime, day or night, on the internet by going to **www.oregon.gov/EMPLOY/TAX.** Want to know when your last report was posted, what your tax rate is, or when we received your last UI tax payment? It's all there. Just click on "Your Account Info Center," enter the information to register your Personal Identification Number (PIN), and **you can look at your information without having to contact the Employment Department!**

Equal opportunity employer

The Employment Department is an equal opportunity agency and does not discriminate in providing services on the basis of race, color, religion, sex, nation of origin, age, disability, political affiliation or belief, citizenship, or marital status. Auxiliary aids and services are available upon request to disabled individuals. Contact the nearest Employment Department office for assistance.

Employment office

Information on unemployment insurance tax laws is available by calling 503- 947-1488 for the Central Office in Salem. The TTY number is 711. Written inquiries may be sent to: Tax Section, Employment Department, 875 Union St NE, Salem OR 97311-0030. The e-mail address is: **taxinfo@emp.state.or.us.**

WITHHOLDING TAX INFORMATION

Subject wages

Some examples of taxable wages are:

- Salaries, commissions, bonuses, wages, fees, prizes, separation allowances, guaranteed wage payments, and vacation or holiday pay.
- Payments by a corporation, including S corporations and professional corporations, to a corporate officer for services, including guaranteed wage payments for services.
- Wages paid when an employer-employee relationship exists between a husband and wife or a parent and child.

Exempt wages

Oregon withholding law exempts wages paid for certain kinds of services, labor, employee allowances for the benefit of employer, and reimbursed employee business expenses. A list of exempt wages is in the Oregon Business Guide. Call the Oregon Business Information Center at 503-986-2200 to order a copy.

Figuring allowances

Use the number of allowances claimed by an employee on Internal Revenue Service Form W-4. Oregon does not have its own W-4 or W-4P. If an employee didn't file a Form W-4, use "single -0-" allowances. Don't permit the allowances on W-4 if:

- The employee claims exempt status for state withholding tax only, **or**
- The Oregon Department of Revenue or the Internal Revenue Service tells you not to permit the allowances.

You must send a copy of Form W-4 to the Department of Revenue within 20 days after receiving it if the employee claims:

- More than 10 allowances.
- Exemption from federal or state tax, and the employee's income is expected to exceed $200 per week.
- Exemption from state withholding tax but not from federal withholding tax.

Send copies to: W-4 Project Manager, PO Box 14560, Salem OR 97309-5011. Make sure that Form W-4 has complete information on both employer (including FEIN) and employee.

Withholding on IRAs, annuities, and compensation plans

The withholding of taxes from commercial annuities, employer-deferred compensation plans, and retirement plans is mandatory for the payer. However, an individual may choose to have no withholding. The payer must present federal Form W-4P or a similar form to the payee. The payee uses Form W-4P to show the exemptions for state withholding. Withhold as if the payments were wages, using the tax tables furnished by the Oregon Department of Revenue. The amount of withholding per payee must be $10 or more.

- Withholding on pensions and annuities requires a separate Business Identification Number (BIN) from your payroll account because these are not payroll wages.

Oregon does not follow the federal backup withholding rules for pensions and annuities distributions.

The payer issues 1099s to the payees at the end of the year and files Form WR with the Oregon Department of Revenue.

For more information, call 503-945-8091.

Figuring withholding tax

The withholding tax tables have been updated effective January 1, 2007. To figure the amount of tax to withhold from an employee's wages:

- Use the Oregon withholding tax tables. This information is available on the internet at **www.oregon.gov/DOR.** If you do not have internet access, you may call 503-945-8091 or 503-378-4988.
- For computer payroll systems, use the percentage formula in the Oregon withholding tax tables, available on the internet at **www.oregon.gov/DOR.**

All Oregon employers must withhold tax from employee wages (including draws) at the time employees are paid. Taxes are withheld and reported in the quarter the employee is paid.

Employees who need additional state withholding can request information circular 150-206-643 from the Department of Revenue. Some employers must withhold and report state withholding tax even though they don't have to withhold federal tax.

Payroll questions answered by e-mail

You can now receive answers to your payroll questions by e-mail from the Oregon Department of Revenue. Send an e-mail with your questions to: **payroll.help.dor@state.or.us.**

Revenue field offices listed below

Forms and assistance are available at the offices shown below. Don't send your reports or payments to these addresses. You also may call 1-800-356-4222 (toll-free within Oregon) or 503-378-4988 in Salem. The TTY number is 1-800-886-7204 (toll-free within Oregon) or 503-945-8617 in Salem. A message line is available all year for those who need assistance in Spanish. The number in Salem is 503-945-8618. Written inquiries may be sent to: Oregon Department of Revenue, 955 Center Street NE, Salem OR 97301-2555. The internet address is: **www.oregon.gov/DOR.**

OREGON DEPARTMENT OF REVENUE FIELD OFFICES

Office	Address
Bend	951 SW Simpson Ave, Suite 100
Eugene	1600 Valley River Dr, Suite 310
Gresham	1550 NW Eastman Parkway, Ste 220
Medford	24 West 6th Street
Newport	119 4th St NE, Suite 4
North Bend	3030 Broadway
Pendleton	700 SE Emigrant Ave, Suite 310
Portland	800 NE Oregon St, Suite 505
Salem Main	955 Center St, Room 135
Salem Field	4275 Commercial St SE Building 2, Suite 180
Tualatin	6405 SW Rosewood St, Suite A

TRANSIT DISTRICT EXCISE TAX INFORMATION

These tax programs are administered by the Oregon Department of Revenue for the Tri-County Metropolitan Transportation District (TriMet) and the Lane Transit District (LTD). They provide revenue for mass transit (ORS Chapter 267). Transit payroll (excise) tax is imposed on most employers who pay wages for services performed in the TriMet or LTD districts. If you use a payroll service, you may need to inform them of this tax.

TriMet service area

TriMet serves the Portland Metropolitan area, which includes parts of Multnomah, Washington, and Clackamas counties. For information on TriMet boundaries, call 503-962-6466 or the Oregon Department of Revenue at 503-945-8091.

ZIP codes completely in TriMet district

97005	97201	97229
97006	97202	97230
97008	97203	97232
97024	97204	97233
97027	97205	97239
97030	97206	97258
97034	97209–97223	97266
97035	97225	97267
97036	97227	97268
97068		

ZIP codes partially in TriMet district

97007	97045	97116
97009	97055	97123
97013	97060	97124
97015	97062	97140
97019	97070	97224
97022	97080	97231
97023	97113	97236

LTD service area

LTD serves the entire Eugene-Springfield urban area as well as several rural areas. Some ZIP codes may not coincide with district boundaries. For information on LTD boundaries, call 541-682-6100 or the Oregon Department of Revenue at 503-945-8091.

City	Zip Code
Alvadore	97409
Blue River	97413
Coburg	97401
Cottage Grove	97424
Creswell	97426
Dexter	97431
Elmira	97437
Eugene	97401
Eugene	97402
Eugene	97403
Eugene	97404
Eugene	97405
Eugene	97406
Eugene	97407
Eugene	97408
Eugene	97440
Fall Creek	97438
Finn Rock	97488
Goshen	97401
Jasper	97438
Junction City	97448
Lancaster	97448
Leaburg	97489
Lowell	97452
Maywood	97413
McKenzie Bridge	97413
Pleasant Hill	97455
Springfield	97477
Springfield	97478
Thurston	97482
Trent	97431
Veneta	97487
Vida	97488
Walterville	97488

Who must file a report?

All employers who have resident and non-resident employees working in the TriMet or LTD districts and who aren't exempt (see "Exempt payroll" on page 22) must register and file with the Oregon Department of Revenue. If an employer doesn't have employees working within the transit district boundaries, the payroll isn't subject to the transit tax.

Wages subject to transit districts

Wages means all salaries, commissions, bonuses, fees, or other items of value paid to a person for

services performed within a transit district. See ORS 267.380 for further details. Transit district wages also include:

- Contributions to a Simplified Employee Pension (SEP) made at the election of the employee.
- Payments for the purchase of IRC section 403(b) annuities under salary reduction agreements.
- Contributions to 401(k) retirement plans made at the election of the employee, including employer-matched contributions.
- Pick-up payments to governmental retirement plans under salary reduction agreements.
- Amount deferred under governmental deferred compensation plans.
- Any amount deferred under a nonqualified deferred compensation plan.
- Payment to an IRC408 Individual Retirement Account under salary reduction agreement.

Exempt payroll

The following are exempt from TriMet and LTD excise taxes:

- Federal government units.
- Federal credit unions.
- Public school districts.
- Organizations, except hospitals, that have qualified for exemption under ORS 267.380(1)(b).
- All foreign insurers are exempt.
- Insurance adjusters, agents, and agencies, as well as their office support staff, are exempt from transit tax to the extent that the business income is derived from insurance-related activity. Non-insurance income is taxable (ORS 731.840).
- Domestic service in a private home.
- Cafeteria plans.
- Casual labor.
- Services performed outside the district.
- Seamen who are exempt from garnishment.
- Employee trusts that are exempt from taxation.
- Tips paid by the customer to the employee.
- Wages paid to employees whose labor is solely connected to planting, cultivating, or harvesting seasonal agricultural crops.

The following are exempt from LTD but subject to TriMet:

- Public education districts.
- Public special service and utility districts.
- Port authorities.
- Fire districts.
- City, county, and other local government units.

How to figure the transit tax

The transit tax is imposed directly on the employer. It is imposed only for the amount of gross payroll paid for services performed within the TriMet or LTD district.

Use the current TriMet or LTD tax rates. If you are subject to TriMet or LTD transit tax and no tax rate is printed, contact the Oregon Department of Revenue at 503-945-8091.

WORKERS' BENEFIT FUND ASSESSMENT INFORMATION

The Workers' Benefit Fund (WBF)

The Workers' Benefit Fund supports programs that directly benefit injured workers and the employers who help them return to the work force. More information about specific programs supported by the fund is on the internet at: **www.oregon.gov/DCBS/FABS/wbf.shtml.**

Note: The Workers' Benefit Fund (WBF) assessment is separate from your workers' compensation insurance premium and does not provide you with insurance coverage.

Workers subject to Workers' Benefit Fund assessment

Individuals subject to the WBF assessment are (1) all paid workers for whom the employer is required by Oregon law to provide workers' compensation insurance coverage, and (2) all paid individuals (workers, owners, officers) that may otherwise be nonsubject, but whom the employer covers under workers' compensation insurance through personal election.

If you do not file Form OQ during the time you have subject workers or personal elections, you may be assessed a penalty.

Workers' Benefit Fund assessment reporting exemptions

You may qualify for exemption from reporting the WBF assessment if you do not have any paid individuals (including yourself) covered by your workers' compensation insurance policy. To request an exemption from WBF assessment reporting, complete and mail to DCBS a "Corrections and Changes Notification for WBF Assessment" form. The form is available on the internet at **www.oregon.gov/DCBS/FABS/wbf.shtml** or by calling 503-378-2372.

You must resume reporting the WBF assessment as soon as you have paid subject workers or elect to cover yourself or other paid nonsubject individuals with your workers' compensation insurance policy.

Hourly assessment

The assessment is based on the total number of hours and partial hours worked by all paid subject workers in the same pay period that is used to compute the employee's withholding. The hourly assessment rate is printed on Form OQ in box 10 and may change annually.

How to update or close your Workers' Benefit Fund assessment account

If you change ownership, discontinue business, or cease to employ workers, contact your workers' compensation insurer with the corrected information. When your insurer terminates or files an endorsement to the guaranty contract with the Workers' Compensation Division of DCBS, your WBF assessment account also will be corrected or closed. Your insurance coverage and claims liability remain unchanged and in effect until your insurer notifies the Workers' Compensation Division directly.

You also may use the "Corrections and Changes Notification for WBF Assessment" form to expedite updating or closing your WBF assessment account for reporting purposes. This form is available on the internet at **www.oregon.gov/DCBS/FABS/wbf.shtml** or by calling 503-378-2372.

Workers' Benefit Fund assessment questions

If you have questions about your WBF assessment account, contact DCBS by e-mail at **wbfassess.fabs@state.or.us** or by mail at:

Workers' Compensation Assessments Section
DCBS/Fiscal and Business Services
PO Box 14480
Salem OR 97309-0405

Clear Form

Do Not Staple; Use Tape

Order Form

Fold Here Last

REQUEST FOR ADDITIONAL FORMS, FILING SOFTWARE, SPECIFICATIONS

Use this form to order additional forms, software, or specifications. Check the appropriate boxes or enter the number of copies desired. Forms vary from year to year. Forms also can be ordered by telephone, (503-947-1488 opt. 3), fax (503-947-1487), or on the Internet (www.oregon.gov/EMPLOY/TAX). Specifications for previous years are not available.

Telephone Number: (_____) _____

Check Items:

_____ OTTER program for filing through internet, by e-mail, or on diskette

_____ Plain Paper Specifications (plain 20# bond paper also may be used for making reports)

Fold Here First

Personalized Preprinted Forms (specify amount)

_____ Current Year Report Packet
Check quarters for which forms are needed.

☐ (1st)

☐ (2nd)

☐ (3rd)

☐ (4th)

_____ **Extra** Current Year Forms 132 (how many)

Blank Oregon Combined Payroll Tax Forms (specify year and amount)*

Year	Form OQ	Schedule B	Form 132
_____	_____	_____	_____
_____	_____	_____	_____

* Large forms orders may require a payment. The cost is 4 cents per page. If your order exceeds 100 copies of any kind, we will call you before sending the ordered forms. Be sure your telephone number is listed so we can contact you.

To order Form OTC (Oregon Tax Coupon), call 503-945-8091.

Employment Department—Tax
875 Union Street NE
Salem OR 97311-0030

ATTN: FORMS

FORM
WR

OREGON ANNUAL WITHHOLDING TAX RECONCILIATION REPORT

2007

Return Due Date: February 28, 2008

Clear Form

Dep

Date Received

Business Name	Business Identification Number (BIN)
Federal Employer Identification Number (FEIN)	Number of W-2s

- **Please read the instructions on the back of this report.**
- **Do not send W-2s and 1099s. The Oregon Department of Revenue may request certain employers to file W-2 or 1099 forms at a later date to reconcile their account.**

Use your 2007 OQ forms. See the instructions on the back.	**Tax Reported**
1. 1st Quarter 1	
2. 2nd Quarter 2	
3. 3rd Quarter 3	
4. 4th Quarter 4	
5. **Total** 5	

6. Total Oregon tax shown on **W-2s** or **1099s*** 6

7. Enter the difference between box 5 and box 6 7

— If box 6 is **larger** than box 5, you owe tax. Pay the amount in box 7. Include a payment coupon (Form OTC) with your check.

— If box 6 is **smaller** than box 5, you may have a credit for the amount in box 7. If the amount in box 7 is -0-, your withholding account balances.

Explanation of difference _____

_____

***Include the amount of tax on your 1099s unless they have a separate account.**

I certify that this report is true and correct and is filed under penalty of false swearing.

Signature X		Date
Print name	Title	Telephone Number ( )

Important: Mail Form WR separately from your 4th quarter Form OQ.

Mail Form WR to: **Oregon Department of Revenue**
PO Box 14260
Salem OR 97309-5060

Please read the instructions on the back ➔

INSTRUCTIONS FOR FORM WR

Filing requirements

All Oregon employers who pay state withholding tax must file Form WR, Oregon Annual Withholding Tax Reconciliation Report. The 2007 form is due February 28, 2008. If you stop doing business during 2007 or no longer have employees, Form WR is due 45 days **after** your final payroll.

To amend data on Form WR, make a copy of the original Form WR and make the necessary changes on the copy. Write **"Amended"** at the top of the form. Attach any necessary amended OQ forms to the amended Form WR. Send your amended forms to the address shown below.

Oregon employers who fail to file Form WR may be charged a penalty of $100.

How to fill out Form WR

Write your business name and Oregon business identification number (BIN) in the spaces shown. If you received a personalized booklet, your name and business identification number will be filled in. Follow the instructions below for each line number.

Line 1 through Line 4. Fill in the total Oregon tax **reported** for each quarter (use the amount from box 5B of your 2007 OQ forms).

Line 5. Total. Total amount from all quarters reported.

Line 6. Enter the total Oregon tax withheld from your employees' W-2s or 1099R forms.

Line 7. Enter the difference between line 5 (total tax paid) and line 6 (total tax shown from W-2s or 1099Rs).

If line 6 is **larger** than line 5, you owe additional tax (shown on line 7). If line 6 is **smaller** than line 5, you have overpaid your tax and have a credit. If the amount on line 7 is zero, your state withholding account balances.

Please give an explanation of the difference on the lines provided.

If you have overpaid, the credit may be applied to a future quarter. **The credit may not be used for another tax program.** If you want the credit refunded, send a written request, or you may use the explanation lines to request your refund.

If you owe tax, please include a payment. Do not staple or tape your payment to Form WR. Be sure to remove and retain any check stubs.

Sign and date your completed Form WR. Print your name and telephone number. Mail Form WR to:

Oregon Department of Revenue
PO Box 14260
Salem OR 97309-5060

— IMPORTANT —

Mail your Form WR separately from your 2007 4th quarter Form OQ.

Make a copy for your records.

CHANGE IN STATUS REPORT • If you have workers' compensation insurance, you must also notify your insurer.

Department Use Only
Date received
Initials when completed

☐ Has your business name, mailing address, telephone number, or federal employer identification number (FEIN) changed? Check this box and fill in the change(s) below.

☐ Has the address where your forms are delivered changed? Check this box and fill in the change(s) below.

Business Name _____

Physical or Mailing Address _____

_____

Telephone Number ( ) _____

FEIN _____

Oregon Business Identification Number (BIN) _____

Federal Employer Identification Number (FEIN) _____

Fax to: **503-947-1700**

-or-

Mail to: **Employment Department**
875 Union St NE, Rm 107
Salem OR 97311-0030

NATURE OF CHANGE: (Please check as appropriate) If an entity change, see instructions.

☐ A. Sold, leased, or otherwise transferred: ☐ All or ☐ Part of the business, to:

Business Name: _____ Date of Sale: _____

New Owner's Name: _____ Telephone : ( ) _____

Address: _____

Was business operating at the time it was sold, leased, or otherwise transferred? ☐ Yes ☐ No

If only part of the business was transferred, describe what was transferred: _____

How many employees were transferred? _____

☐ B. Partnership formed or changed. **Explain on a separate sheet and attach** along with a Combined Employer's Registration form for a new partnership.

☐ C. Corporation: ☐ Formed ☐ Dissolved ☐ Ceased operations

Effective Date: _____ **Explain on a separate sheet and attach** along with a Combined Employer's Registration form for a new corporation.

☐ Change of Officers (attach a list of officers with SSNs, home addresses, and phone numbers).

_____

_____

☐ Entity change from: _____ To: _____

☐ D. Now doing business in: ☐ TriMet and/or ☐ Lane Transit District Effective Date: _____

☐ E. No longer doing business in: ☐ TriMet and/or ☐ Lane Transit District Effective Date: _____

New location: _____

☐ F. Partnership, LLC/LLP, or sole proprietor operating without employees.

☐ G. Now using leased employees: Name of leasing company _____ Date employees transferred: _____

Total number of employees prior to transfer _____ How many employees transferred? _____

☐ H. Closed business or no longer doing business in Oregon.

Note: Corporate officers and members of limited liability companies are employees for some tax programs, but not in others. Check with each agency to see if these individuals are considered employees.

Date of final payroll _____ (mm/dd/yy) Location of terminated business' records: Name: _____

Address _____

I understand that it will be necessary for me to again report and pay taxes if at any time I resume operating, even though in a different line of business and regardless of the extent of my employment.

Signature X _____ **Title** _____ **Date** _____ **Telephone No.** ( ) _____

Change in Status Report Instructions

As an employer you must notify the Employment Department, the Department of Revenue, and your workers' compensation insurer of any change in your business.

Examples of changes to report on the *Change in Status Report* are:

- Address change.
- Name change.
- Federal employer identification number (FEIN) change, **only if printed incorrectly on your forms.**
- Dissolution of sole proprietor, partnership, corporation, or a limited liability company.

  NOTE: New businesses need to complete a Combined Employers Registration.
- Partial or complete sale, lease, or transfer of business.
- Change in corporate officers or partnership.
- Using leased employees.
- Closing or beginning operations in a transit district:
  - —If you are an employer who is paying wages earned in the TriMet and/or Lane Transit District you must register and file with the Oregon Department of Revenue. Wages include all salaries, commissions, bonuses, fees, payments to a deferred compensation plan, or other items of value.
  - —If you are an employer who has recently started working in the TriMet and/or Lane Transit District, you are subject to this tax (see the Oregon Combined Payroll Tax booklet for cities and ZIP codes).
  - —If you are an employer who has recently moved from the TriMet and/or Lane Transit District, you are no longer subject to this tax (see the Oregon Combined Payroll Tax booklet for cities and ZIP codes).
  - —The TriMet District includes parts of three counties in the Portland metro area: Multnomah, Washington, and Clackamas. For TriMet boundary questions call 503-962-6466.
  - —Lane Transit District (LTD) serves the Eugene-Springfield metro area. For LTD boundary questions call 541-682-6100.
- Closing the business completely.

Entity changes in your business that require completion of a new *Combined Employers Registration* form include, but are not limited to:

- Changing from a sole proprietorship to a partnership or corporation.
- Changing from a partnership to a sole proprietorship or corporation.
- Changing from a corporation to a sole proprietorship or partnership.
- Changing of members in a partnership of five or fewer partners.
- Adding or removing a spouse as a liable owner.
- Changing from a sole proprietor, corporation, or partnership to a limited liability company.

Complete the "Change In Status Report" and

Fax to: 503-947-1700

– or –

Mail to: Employment Department
875 Union St. NE, Rm 107
Salem OR 97311-0030

To order additional copies of this form, contact the Employment Department or download it from the Internet at: **www.oregon.gov/DOR.**