

A Summary of Oregon

Taxes



A Summary of Oregon Taxes provides a brief description of taxes and fees that individuals and businesses can expect to pay in Oregon. This brochure highlights only some of the taxes and fees in Oregon and should not be considered a comprehensive listing of all taxes and fees imposed in the state.

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INDIVIDUAL TAXES

Income Tax



Who Pays

- Resident individuals, estates, and trusts.
- Part-year residents and nonresidents with income from Oregon sources.

Rates: Tax Year 2004

Single Return

First \$2,600 is taxed at 5%
Next \$3,900 is taxed at 7%
Over \$6,500 is taxed at 9%

Joint Return

First \$5,200 is taxed at 5%
Next \$7,800 is taxed at 7%
Over \$13,000 is taxed at 9%

Filing Information

Rates are applied to taxable income. File Form 40, 40S, 40N, or 40P with the Department of Revenue. A copy of federal Form 1040 is required with Form 40, 40N, or 40P. A variety of tax credits are available to those who qualify.

Employers withhold tax from employees' wages. Employees file for refunds or pay additional tax by April 15 of each year.

Quarterly estimated payments are generally required for self-employed people, those with income not subject to withholding, and people who expect to owe \$1,000 or more on their Oregon income tax return.

For More Information

Oregon Department of Revenue
955 Center Street NE, Salem OR 97301-2555
503-378-4988, in Oregon 1-800-356-4222
TTY 503-945-8617, or 1-800-886-7204
www.oregon.gov

Property Tax

Who Pays

- Owners of real property.
- Owners of business personal property.
- Lessees of taxable property.



Rate

County assessors combine permanent operating tax rates (set in fiscal year 1997-98) with other levy rates to determine consolidated tax rates. These rates are applied to the assessed value of each property to determine the tax extended. A constitutional limitation is applied to the tax extended to arrive at the tax imposed for the property. For fiscal year 2003-04, the average tax rates range from \$7 to \$15 per \$1,000 of real market value.

Maximum assessed value is limited to a 3 percent annual growth rate, unless certain changes affect the property. The assessed value of new construction is set at the average rate of similar properties in the area.

Filing Information

Business personal property owners and certain real property owners must file a return annually.

One-third payment is due from all taxpayers by November 15. Taxpayers who pay in full by November 15 receive a 3 percent discount.

Special exemptions, tax relief programs, and deferrals are available to those who qualify.

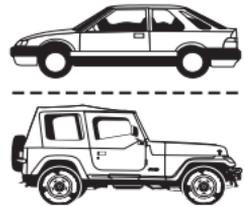
For More Information

Contact the county assessor and county tax collector of the county where your property is located.

Driver and Motor Vehicle Licensing

Who Pays

- Owners and operators of motor vehicles.
- Truckers using Oregon highways.



Rates:

Passenger Vehicle Registration Fees:

Initial four-year registration on new vehicles only:	\$108
Registration and renewal for two-years:	\$54

Motor home fees are calculated according to length.

Vehicle Title Fees:

Heavy vehicle, GVWR over 26,000 lbs. (does not apply to motor homes):	\$90
Regular vehicle (includes motor homes):	\$55
“New-to-Oregon” vehicle identification number (VIN) inspection:	\$7

Original Driver License Fees (eight-year):

Standard Class C:	\$54.50
Commercial Class A, B, or C, (with an OR license):	\$70
(without an OR license):	\$124.50
Original motorcycle endorsement:	\$74

Renewals (eight-year):

Standard Class C:	\$34.50
with motorcycle endorsement:	\$62.50
Commercial Class A, B, or C renewal:	\$56
with motorcycle endorsement:	\$84

Licensing Information

The Oregon Driver and Motor Vehicles Services Division issues all applications, renewals, and registrations. Oregon driver’s licenses issued since Oct. 1, 2000, are valid for eight years. Beginning Oct. 1, 2004, DMV will also renew driver’s licenses for eight years instead of four. New Oregon residents are required to title and register their vehicles in Oregon within 30 days of moving into the state, and exchange their out-of-state license for an Oregon license. Vehicle registration plates are

renewed for two years, but some newly purchased vehicles are eligible for an initial four-year registration. Motor vehicle insurance is mandatory in the state of Oregon.

For More Information

Oregon Department of Transportation
Driver and Motor Vehicle Services Division (DMV)
1905 Lana Avenue NE, Salem OR 97314
503-945-5000
www.oregon.gov

Fishing and Hunting Licensing



Who Pays

- Resident and nonresident anglers and hunters.

Annual Recreational Rates: 2004

Type of License	Resident	Nonresident
Angling license	\$24.75	\$61.50
Hunting license	\$22.50	\$76.50
Hunting and angling	\$43.75	N/A

Licensing Information

Annual recreational licenses may be purchased any time during the year at one of hundreds of license agents statewide. There are additional fees for fishing and hunting tags. Daily fishing licenses are available for one, two, three, or four days. Seven-day fishing licenses are available for nonresidents only.

For More Information

Oregon Department of Fish and Wildlife
3406 Cherry Ave., NE
Salem, OR 97303-4924
General information: 503-947-6000;
1-800-720-6339 (toll-free in Oregon)
www.oregon.gov
E-mail: ODFW.info@state.or.us



Miscellaneous Income Taxes

Inheritance Tax

Oregon inheritance taxes will be determined under Internal Revenue Code in Effect December 31, 2000. For deaths on or after January 1, 2003, Oregon's filing requirements are different from the federal governments. Oregon has not adopted the federal inheritance tax changes in the Economic Growth and Tax Reconciliation Act of 2001. If the gross estate is more than Oregon's filing requirement, you must file an Oregon return even if you do not have to file a federal return. For additional information, call or e-mail the Department of Revenue.
E-mail: estate.help.dor@state.or.us

Oregon does not impose a gift tax and a gift tax is not required for transfers on or after January 1, 1987.

BUSINESS TAXES

Corporate Excise and Income Taxes



Who Pays

- Corporations doing business in Oregon pay excise tax.
- Corporations not doing business in Oregon, but having income from an Oregon source, pay income tax.

Rate

The corporate tax rate is 6.6 percent of Oregon net income. There is a minimum excise tax of \$10.

Filing Information

Corporations file Form 20 (excise) or Form 20-I (income), and S corporations file Form 20S. These returns are due on the 15th day of the month after the due date of the federal return. Insurance companies file Form 20-INS. This return is due on April 15. Returns are filed with the Oregon Department of Revenue. Estimated payments are required of corporations expecting to have a tax liability of \$500 or more for the tax year. Estimated payments are made using Form 20ES.

For More Information

Oregon Department of Revenue
955 Center Street NE, Salem OR 97301-2555
503-378-4988, in Oregon 1-800-356-4222
TTY 503-945-8617 (Salem) or
1-800-886-7204 (toll-free in Oregon)
www.oregon.gov
E-mail: corp.help.dor@state.or.us

Unemployment Insurance Tax

Who Pays

- Oregon employers.



Rate

For 2004, new employers are assigned a fixed rate of 3.3 percent of taxable wage base. Tax rates for existing employers are based on employers' experience and range from 1.8 to 5.4 percent of taxable wage base.

Filing Information

Taxes are paid quarterly and are due by the end of the month following the close of the calendar quarter for which taxes are payable.

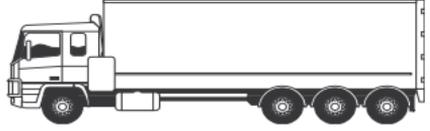
In 2004, the tax is paid on the first \$27,000 of wages paid to each employee. The rate schedule in effect depends on the balance in the Trust Fund as of August 31 each year and the amount of revenue needed to maintain the balance at a level adequate to pay benefits.

For More Information

Oregon Employment Department
875 Union Street NE, Salem OR 97311

503-947-1488; 1-800-237-3710 (toll-free in Oregon)
TTY/TDD users please dial 711
www.workinginoregon.gov
E-mail: taxinfo@emp.state.or.us

Weight-mile Tax



Who Pays

- For-hire and private motor carriers operating into, within, and through the state.

Rate

The weight-mile tax is one of two components of transportation taxes in Oregon; the other is Gas, Use, and Jet Fuel Taxes. In general, vehicles are subject to one tax or the other, not both. Oregon bases its weight-mile tax on the number of miles traveled in Oregon and the weight of the vehicle. Per-mile rates depend on declared combined weight of the vehicle. This tax is levied on all trucks weighing more than 26,000 pounds. Trucks subject to the weight-mile tax are exempted from Oregon's diesel fuel tax. Several classes of trucks have the option of being taxed on an annual, flat-fee basis. Trucks operating under flat-fees can make monthly payments based on the average mileage for trucks of that type operating under the flat fee.

Filing Information

All carriers operating within Oregon are required to file Mileage Tax Reports. They are filed monthly, quarterly, or annually depending on the amount of tax owed. Forms, tax rate tables, road assessment fees, and additional information are available on the Department of Transportation's Web site.

For More Information

Oregon Department of Transportation
Motor Carrier Transportation Division
550 Capitol Street NE, Salem OR 97301-2530
503-378-6699
www.oregon.gov



Miscellaneous Business Taxes & Fees

Alcoholic Beverage Tax

Manufacturers and/or import wholesalers of malt beverages and wines pay a privilege tax. Manufacturers, wholesalers, and retailers of distilled spirits, malt beverages, and wines pay license fees. Managers and employees who serve, mix, or sell alcoholic beverages pay for service permits. The Oregon Liquor Control Commission (OLCC) collects the tax.

Contact the OLCC for additional information at 503-872-5000; or 1-800-452-6522 (in Oregon).

Amusement Device Tax

Excise taxes are imposed upon every person operating an amusement device in Oregon. An amusement device, for tax purposes, is a video poker game terminal.

Contact the Oregon Department of Revenue for additional information at: 503-378-4988; or 1-800-356-4222 (in Oregon); TTY 503-945-8617 or 1-800-886-7204 (in Oregon).

Cigarette and Tobacco Taxes

Cigarette and tobacco products distributors are required to purchase tax stamps for cigarettes or pay a percentage of the wholesale price on other tobacco products. Individuals who purchase unstamped cigarettes via the Internet or some other source must file Form 514 and pay the cigarette tax on products purchased.

Contact the Oregon Department of Revenue, Tobacco Compliance Unit for additional information at: 503-945-8120; or 1-800-356-4222 (in Oregon); TTY 503-945-8617 or 1-800-886-7204 (in Oregon).

Dry Cleaning Fee and Dry Cleaning Distributor's Tax

Operators of dry cleaning facilities pay this fee. A tax is also imposed on the sale or transfer of dry cleaning solvents within the state.

Contact the Department of Environmental Quality for additional information at: 503-229-5696; or 1-800-452-1390 (in Oregon); or E-mail: deq.info@deq.state.or.us

Emergency Communications (9-1-1) Tax

Telephone companies providing local exchange access services in Oregon collect this tax from their customers. The tax, which is \$0.75 per line per month, is reported and paid quarterly. For cellular, wireless, or other radio common carriers, the tax applies on each device.

Contact the Oregon Department of Revenue for additional information at: 503-378-4988; or 1-800-356-4222 (in Oregon); TTY 503-945-8617 or 1-800-886-7204 (in Oregon).

Hazardous Substance Fee

A variable fee is imposed on the possession of nonpetroleum hazardous substances (chemical substance or waste) at business facilities in Oregon, including substances manufactured, stored, or used at the facility. The fee is based on the type and quantity of the hazardous substance at the facility and the rate is set annually by statute by the State Fire Marshal.

Contact the Oregon Department of Revenue for additional information at: 503-378-4988; or 1-800-356-4222 (in Oregon); TTY 503-945-8617 or 1-800-886-7204 (in Oregon).

Petroleum Load Fee

Petroleum suppliers and importers to Oregon pay this fee. The fee is assessed per load, and the rate is set by administrative rule by the State Fire Marshal.

Contact the Oregon Department of Revenue for additional information at: 503-378-4988; or 1-800-356-4222 (in Oregon); TTY 503-945-8617 or 1-800-886-7204 (in Oregon).

Sales Tax

Oregon does not have a state sales tax.

State Transient Lodging Tax

Public and private lodging providers must pay a 1 percent state lodging tax. The tax is in addition to and not in place of any local transient lodging tax. Every lodging provider in Oregon collects the tax at the time the fee for lodging is paid. Lodging providers must register with the Department of Revenue and file quarterly tax returns.

Contact a program coordinator at the Oregon Department of Revenue at 503-945-8123 or 503-945-8356; . TTY 503-945-8617 or 1-800-886-7204 (in Oregon).

Timber Taxes

Timber harvested in Oregon is subject to one or more timber taxes; the Small Tract Forestland (STF) Severance Tax and/or the Forest Products Harvest Tax.

Contact the Oregon Department of Revenue for additional information at: 503-378-4988; or 1-800-356-4222 (in Oregon); TTY 503-945-8617 or 1-800-886-7204 (in Oregon).

Local Government Taxes

Many local governments in Oregon collect other taxes. For example: the City of Portland Business License (privilege tax), the Multnomah County Business Income Tax (MCBIT), the Multnomah County Personal Income Tax, the TriMet and Lane Transit District Self-Employment Tax, the Transit Payroll (excise) Tax, and hotel-motel taxes. Contact the city or county of interest for information about taxes in that area.

Questions?

Telephone: Salem503-378-4988
Toll-free within Oregon..... 1-800-356-4222

TTY (hearing or speech impaired; machine only): 503-945-8617 (Salem) or 1-800-886-7204 (toll-free within Oregon).

Americans with Disabilities Act (ADA): This information is available in alternative formats. Call 503-378-4988 (Salem) or 1-800-356-4222 (toll-free within Oregon).

For general tax information: www.oregon.gov.

Asistencia en español. Llame al 503-945-8618 en Salem o llame gratis al 1-800-356-4222 en Oregon.



OREGON 955 Center Street NE
DEPARTMENT Salem, OR 97301-2555
OF REVENUE 503-378-4988 or 1-800-356-4222

150-800-401 (Rev 5-04)