

ADMINISTRATIVE RULE REVIEW

Amended Rule	Rule No. 150-314-0240	
	Page Page 1 of 2	Last Revised Date September 26, 2016
Permanent Rule	NOTICE OF INTENDED ACTION	
	Bulletin Dated October 2016	Hearing Scheduled November 22, 2016

PURPOSE: Amend the rule to clarify the interest start date for personal, corporate, and estate tax returns.

1 **150-314-0240**

2 **Refunds Generally**

3 (1) Refund Limitations - Time and Amount.

4 (a) If the amount of the tax imposed by the statute is less than the amount paid by the taxpayer and the
5 taxpayer does not then owe any other tax or liability to the State of Oregon, such overpayment must be
6 refunded. A refund may be made under ORS 314.415 in compliance with a claim for refund filed by the
7 taxpayer under ORS 305.270 or by correction of the return by the department. To issue a refund based on
8 an audit examination, an auditor's report showing the amount of refund must be completed and approved
9 prior to the expiration of the applicable period set forth in the following paragraph.

10 (b) Except as provided in subsections (3), (4), (5) and (6) of ORS 314.415, a refund or credit may not be
11 granted unless a correction by the department is approved or a claim is filed within three years after the
12 return is filed, or within two years after part or all of the tax is paid, whichever period expires later.
13 Under ORS 316.417(1) and 317.504, a return filed before the due date is considered as having been filed
14 on the due date.

15 (c) If there is an amount due from the taxpayer, the refund otherwise allowable will be applied to the
16 balance due. An appeal from an additional assessment paid by the taxpayer to stop the running of interest
17 cannot be classed as a "refund" claim. Except as provided in ORS 314.415(5), the amount refunded
18 cannot exceed the amount of tax paid during the applicable period of limitation before a correction by the
19 department is approved or the filing of the claim.

20 Example: A taxpayer files a 2002 return on April 15, 2003, showing a tax due in the amount of \$100 and
21 pays that amount at the time the return is filed. On April 1, 2006, an additional tax of \$50 is assessed by
22 the department on the 2002 return and is paid by the taxpayer on May 1, 2006. Within two years the
23 taxpayer files a claim for refund based on items not previously adjusted on the 2002 return. The refund
24 claim shows an overpayment of \$75 of the total \$150 paid. The refund claim is limited to \$50, the sum
25 paid within the open period preceding the filing of the claim.

26 (2) Interest Starting Date.

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PURPOSE: Amend the rule to clarify the interest start date for personal, corporate, and estate tax returns.

- 1 (a) ~~The interest starting date for a refund of individual income tax, corporate excise tax, or corporate~~
2 ~~income tax is 45 days after the date the tax was paid, 45 days after the return was due, or 45 days after~~
3 ~~the original return was filed, whichever is later.~~ When a refund of individual income tax is attributable to
4 tax withheld by an employer, or when a refund of individual income tax, corporate excise tax, or
5 corporate income tax is attributable to estimated taxes, the interest start date is 45 days after the return
6 was due or 45 days after the return was filed, whichever is later.
- 7 (b) The interest start date for a refund of estate tax is 45 days after the return was due, 45 days after the
8 original return was filed or 45 days after the tax was paid, whichever is later.
- 9 ~~(b)~~ (c) The interest starting date for a refund not described in subsection (2)(a) or (2)(b) of this rule is 45
10 days after the return was due or 45 days after the tax was paid, whichever is later.
- 11 (d) See OAR ~~150-305.220(2)~~ 150-305-0142 Interest on Refunds for information about interest periods
12 and interest rates.
- 13 **Stat. Auth.:** ORS 305.100
- 14 **Stats. Implemented:** ORS 314.415