

**DIVISION 311
COLLECTION OF PROPERTY TAXES**

150-311.105(1)(b)

Applying Offsets to Ad Valorem Tax Levies

Offsets due to a district shall be deducted from the total of all ad valorem levies within each category certified by the district on the basis of the ratio that each category of levy bears to the total amount of all levies of the district.

Example: A county levies for general government, school operations (county school fund), and exempt debt service. This illustrates allocation of an offset of taxes paid under ORS 311.160 (1/4 of 1% offset).

Offset allocation formula:

Total tax offsets to county levy:

\$1,000,000

	Levy	Percent of Total	Apportioned Offsets
Tax levy for general government	\$ 5,000,000.00	50%	\$ 500,000
Tax levy for school operations	3,000,000.00	30%	300,000
Tax levy for nonlimited	<u>2,000,000.00</u>	<u>20%</u>	<u>200,000</u>
 Total levy	 \$10,000,000.00	 100%	 \$1,000,000

	General Government	School Operations	Nonlimited	Total Levy
Levy	\$5,000,000.00	\$3,000,000.00	\$2,000,000.00	\$10,000,000.00
Offsets	<u>500,000.00</u>	<u>300,000.00</u>	<u>200,000.00</u>	<u>1,000,000.00</u>
 Net levy	 \$4,500,000.00	 \$2,700,000.00	 \$1,800,000.00	 \$ 9,000,000.00
Assessed value	\$800,000,000	\$800,000,000	\$800,000,000	\$800,000,000
Tax rate	\$5.625000	\$3.375000	\$2.250000	\$11.250000

Stat. Auth.: ORS 305.100

Stats. Implemented: ORS 311.105

Hist.: RD 8-1991, f. 12-30-91, cert. ef. 12-31-91

150-311.812(3)

Calculation of Interest on Refund

(1) Interest on refunds is based on the method the taxpayer used to pay taxes. Interest is calculated from the first trimester due date if full payment, or two-thirds payment, was made with a discount on or before November 15. If payments were made on the installment basis, interest is calculated on the amount overpaid as of each trimester due date or date of payment, whichever is later. Refund interest accrues at the rate specified in ORS 311.812(3) until paid.

(2) When the taxpayer pays in full, with discount, on or before the first trimester due date, interest is calculated on the amount overpaid from that date.

Example:

The 2000-01 tax statement for \$4,000 was corrected to \$400 resulting in an overpayment of tax. The original tax less discount was paid in full October 17, 2000. The refund on the corrected tax is issued February 19, 2001 and includes interest calculated from the due date, November 15, 2000, to the date of

refund, February 19, 2001.

	Amount Due	Corrected Amount	Amount Overpaid
	\$4,000.00	\$400.00	
Discount	120.00	12.00	
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Difference	\$3,880.00	\$388.00	\$3,492.00
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Amount overpaid			\$3,492.00
Refund interest (4 months x .01 x \$3,492)			<u>139.68</u>
Total to be refunded			<u>\$3,631.68</u>

(3) When the taxpayer chooses to pay in trimesters, interest is calculated on the amount overpaid on each trimester due date when there is no balance on the account. When there is a balance on the account in the year for which overpayment occurred, the overpayment is credited to the trimester(s) still outstanding. No refund interest is paid until the overpayment exceeds the total amount of corrected tax.

(a) When trimester payments are made timely, the overpayment is credited as follows:

Example:

The 2000-01 tax statement for \$3,000 was corrected to \$2,400. Two trimester payments were made timely. The correction is made March 15, 2001.

	Amount Paid	Corrected Trimester	Trimester Overpayment
First trimester	\$1,000.00	\$800.00	\$200.00
Second trimester	1,000.00	800.00	200.00
Third trimester	0.00	800.00	
First trimester corrected amount			\$ 800.00
Less first trimester payment			<u>- 1,000.00</u>
First trimester overpayment			<u>\$ 200.00</u>
Second trimester corrected amount			\$ 800.00
Less first trimester overpayment			- 200.00
Less second trimester payment			<u>- 1,000.00</u>
Second trimester overpayment			<u>\$ 400.00</u>
Third trimester corrected amount			\$ 800.00
Less second trimester overpayment			<u>- 400.00</u>
Third trimester amount due			<u>\$ 400.00</u>

(b) When two trimester payments are made after the due date and accrued interest has been calculated, the overpayment is credited as follows:

Example:

The 2000-01 tax statement for \$3,000 was corrected to \$2,400. The first trimester payment was made November 20, 2000; the second trimester payment was made February 20, 2001; the account is corrected March 20, 2001.

	Amount Paid	Corrected Amount	Difference
November 20	\$1,000.00	\$800.00	\$200.00
Interest	13.33	10.67	2.66
February 20	1,000.00	800.00	200.00
Interest	13.33	10.67	2.66
First trimester corrected amount (including interest)			\$ 810.67
Less first trimester payment (including interest)			- 1,013.33
First trimester overpayment			<u>\$ 202.66</u>
Second trimester corrected amount			\$ 800.00
Less first trimester overpayment			- 202.66
Second trimester amount due			<u>\$ 597.34</u>
Second trimester interest			+ 7.96
Total due, February 20			<u>\$ 605.30</u>
Amount paid, February 20			- 1,013.33
Second trimester overpayment			<u>\$ 408.03</u>
Third trimester amount due			\$ 800.00
Less second trimester overpayment			- 408.03
Balance due May 15			<u>\$ 391.97</u>

(4) When timely payment for the first trimester is sufficient to pay two-thirds or more of the corrected tax, then the corresponding discount must be credited.

(a) When all three trimester payments have been made timely, the overpayment is credited as follows:

Example:

The 2000-01 tax statement for \$3,000 was corrected to \$400. All trimester payments were made on or before the due dates. The correction is made June 15, 2001. The original payment for the first trimester covers the full corrected tax so the three percent discount is granted.

	Amount Paid	Corrected Discounted Tax	Amount Overpaid
First trimester	\$1,000.00	\$388.00	\$ 612.00
Second trimester	1,000.00		1,000.00
Third trimester	1,000.00		<u>1,000.00</u>
Tax Overpaid			\$2,612.00
Interest calculation			
First trimester			
(7 months x .01 x \$612)		42.84	
Second trimester			
(4 months x .01 x \$1000)		40.00	
Third trimester			
(1 month x .01 x \$1000)		<u>10.00</u>	
Total interest to be refunded			<u>92.84</u>

Total tax and interest to be refunded \$2,704.84

(b) When two trimester payments have been made timely, the overpayment is credited as follows:

Example:

The 2000-01 tax statement for \$3,000 was corrected to \$300. Two trimester payments were made timely. The correction was made and the refund was issued on March 15, 2001. The original payment for the first trimester covered the full corrected tax so the three percent discount was granted.

	Amount Paid	Corrected Discounted Tax	Amount Overpaid
First trimester	\$1,000.00	\$291.00	\$ 709.00
Second trimester	1,000.00	0.00	<u>1,000.00</u>
Tax Overpaid			\$1,709.00
Interest calculation			
First trimester			
(4 months x .01 x \$709)		28.36	
Second trimester			
(1 month x .01 x \$1000)		<u>10.00</u>	
Total interest to be refunded			<u>38.36</u>
Total taxes and interest to be refunded			<u>\$1,747.36</u>

(c) When the first trimester payment is made timely, the overpayment is credited as follows:

Example:

The 2000-01 tax statement for \$2,400 was corrected to \$1,200. The first trimester payment was made timely. The correction was made on January 15, 2001. Since the original payment for the first trimester payment covers the corrected first and second trimester payments, a 2% discount is calculated on the full original trimester payment.

	Amount Paid	Corrected Amount	Discount Credit	Amount Applied
First trimester	\$800.00	\$400.00	\$16.33	\$816.33
Second trimester		400.00		
Third trimester		400.00		
First trimester corrected amount				\$400.00
Less first trimester payment (including discount)				<u>- 816.33</u>
First trimester overpayment				<u>\$416.33</u>
Second trimester corrected amount				\$400.00
Less overpayment from first trimester				<u>- 416.33</u>
Second trimester overpayment				<u>\$ 16.33</u>
Third trimester corrected amount				\$400.00
Less overpayment from second trimester				<u>- 16.33</u>
Total due third trimester				<u>\$383.67</u>

(5) Refund interest is not paid on an overpayment of delinquent interest. Refund interest accrues only on the tax principal overpaid. Any difference between the original late payment interest and the correct late payment interest is also included in the amount to be refunded.

Example:

The 2000-01 tax statement for \$4,000 was corrected to \$400. Full payment was made November 20, 2000. The refund was made March 19, 2001.

	Amount Paid	Corrected Amount	Amount Overpaid
Tax	\$4,000.00	\$400.00	\$3,600.00
Interest	17.78	1.78	16.00
Refund Interest (4 months x .01 x \$3600)			<u>144.00</u>
Total refund due			<u>\$3,760.00</u>

Interest on the overpayment is paid from DATE OF LATE PAYMENT to date of refund (11/20 to 3/19).

Stat. Auth.: ORS 305.100

Stats. Implemented: ORS 311.812

Hist.: RD 9-1989, f. 12-18-89, cert. ef. 12-31-89; REV 3-2001, f. 7-31-01, cert. ef. 8-1-01