Penalty and Interest

For Oregon corporation excise or income taxes

To avoid penalty and interest, you must mail any tax payment owed and your tax return or extension request by the original due date of the tax return.

Use 20-V, Oregon Corporation tax payment voucher) to mail tax, penalties, and interest payments.

Penalty

5 percent late pay penalty on taxes if you:

> Mail your total tax due payment after the original return filing due date, even if you have an extension. More time to file does not mean more time to pay.

20 percent late filing penalty on taxes if you:

> Pay tax in full on or before the original filing due date and file more than three months after the original or extended due date.

25 percent late filing and late payment penalty on taxes if you:

> Pay tax after the original due date and file more than three months after the original or extended return filing due date.
>
> Exception: If you have an extension, the late payment penalty will not be charged if you:
>
> - Pay at least 90 percent of the tax due on or before the original due date of the return; and
> - Pay the balance of the tax when you file within the extension period; and
> - Pay any interest due either when the return is filed or within 30 days from our billing notice.

100 percent late pay and late filing penalty on taxes if you:

> Do not file returns for three consecutive years by the original or extended return filing due date of the third year. 100 percent penalty is assessed on each year's tax balance.

Interest

- You must pay interest on unpaid taxes if you gon't pay tax balance by the original filing due date.

  An interest period is each full month, starting with the day after the due date of the original return. For example, April 16 through May 15 is one full interest period.
- Interest is figured daily for a fraction of a month, based on a 365-day year.
- Interest owed on tax starts the day after the due date of your original return and ends on the date of your payment.
- Even if you get an extension to file, you still owe interest if you pay after the return’s original due date.
- If you file an amended return and have tax to pay, we will charge interest starting the day after the due date of the original return until the date you pay in full.
- If your taxable income is changed because of a federal or state audit and you owe more tax, we will charge interest from the due date of the original return to the date you pay in full.

To calculate interest:

Tax × annual interest rate × number of full years.
Tax × monthly interest rate × number of months.
Tax × daily interest rate × number of days.

Interest rates and effective dates:

For periods beginning	Annual	Monthly	Daily
January 1, 2009	6%	0.50%	0.0164%
January 1, 2008	9%	0.75%	0.0247%
January 1, 2007	9%	0.75%	0.0247%

Interest accrues on any unpaid tax during an extension of time to file.

Additional interest

Interest will increase by one-third of 1 percent per month (4 percent yearly) on delinquencies if:

- You file a return showing tax due, or the Department of Revenue has assessed an existing deficiency; and
- The assessment is not paid within 60 days after the notice of assessment is issued; and
- You have not filed a timely appeal.