

Oregon Domestic Combined Payroll Tax Report

2018

Oregon Department of Revenue
Oregon Employment Department
Oregon Department of Consumer & Business Services

Forms and Instructions For Oregon Domestic Employers

- Oregon Annual Tax Report
(Form OA Domestic)
- Employee Detail Report
(Form 132 Domestic)
- Oregon Annual Withholding Tax
Reconciliation Report (Form OR-WR)
- Business Change in Status Form
- Business Contact Change Form

2018 Oregon Combined Payroll Tax Payment
Coupons (Form OR-OTC) are not in this booklet.
They are mailed separately.

(Rev 10-18)

How to ensure that your report is processed on time

- ✓ Do you use a tax preparer? If so, they may need this booklet to file your reports.
- ✓ Double-check your math.
- ✓ When sending a payment by check, you must include Form OR-OTC.
- ✓ If you have no payroll or subject hours worked, enter a "0" in the boxes on lines 1, 5, 9, and 11 of Form OA Domestic for each tax program to which you are subject.



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

Contact Information

State withholding tax

Oregon Department of Revenue (DOR)

Salem: 503-945-8100 or 1-800-356-4222
TTY users: 503-945-8617 or 1-800-886-7204
Fax: 503-945-8772
Email: payroll.help.dor@oregon.gov Mail:
Oregon Department of Revenue
955 Center Street NE Salem OR
97301-2555

Internet: www.oregon.gov/dor/bus

- Sign up for “*Payroll Tax News*”
- Payroll tax basics
- Withholding tables & formula

Reporting forms:

Oregon Annual Tax Report (Form OA Domestic)
Employee Detail Report (Form 132 Domestic)
Oregon Annual Withholding Tax Reconciliation
Report (Form OR-WR)
Business Change in Status Form Business
Contact Change Form

Payments for all tax programs

Order Form OR-OTCs:

Salem: 503-945-8100 or 503-378-4988
Internet: www.oregon.gov/employ/businesses/tax

Oregon Combined Payroll Tax Payment Coupons (Form OR-OTC) are mailed separately to employers. You must include one with each payment. You don't need to send Form OR-OTC if you use Revenue Online.

Revenue Online

Internet: www.oregon.gov/dor

Electronic Funds Transfer (EFT) is being replaced by Revenue Online. Revenue Online provides convenient, secure access to tools for paying and managing your tax account.

Workers' Benefit Fund (WBF) assessment

Oregon Department of Consumer & Business Services (DCBS)

Assessment questions:

Salem: 503-378-2372
Fax: 503-378-3134
Email: wbfassess.fabs@oregon.gov
Mail: **WC Assessments Unit**
DCBS/CSD/Financial Services PO
Box 14480
Salem OR 97309-0405

Internet: www.oregon.gov/dcbs/pages/wbf.aspx

- What is the Workers' Benefit Fund?
- Determining WBF hours worked
- Calculating the WBF assessment
- Corrections and changes notification form

Subjectivity questions:

Salem: 503-947-7815 or 1-888-877-5670
Email: wcd.employerinfo@oregon.gov

Reporting forms:

Oregon Annual Tax Report (Form OA Domestic)
Business Change in Status Form
Business Contact Change Form

State Unemployment Insurance tax

Oregon Employment Department (OED)

Salem: 503-947-1488
TTY users: 711
Fax: 503-947-1700
Email: oed_taxinfo_user@oregon.gov Mail:
Tax Section
Employment Department 875 Union
St NE
Salem OR 97311-0030

Internet: www.oregon.gov/employ/businesses/tax

- Electronic reporting
- Order or download forms
- Unemployment Insurance (UI) account information

Reporting forms:

Oregon Annual Tax Report (Form OA Domestic)
Employee Detail Report (Form 132 Domestic)
Business Change in Status Form
Business Contact Change Form

Employer new hire reporting program

Oregon Department of Justice

Salem: 503-378-2868 or 1-866-907-2857
 Fax: 503-378-2863 or 503-378-2864
 1-877-877-7415 or 1-877-877-7416
 Email: emplnewhire.help@doj.state.or.us
 Mail: **Department of Justice
 Division of Child Support
 Employer New Hire Reporting
 Program
 4600 25th Ave NE, Suite 180
 Salem, OR 97301**
 Internet: www.oregonchildsupport.gov
 Oregon Employer Services Portal:
employerportal.oregonchildsupport.gov

All Oregon employers must report new and rehired employees to the Oregon Department of Justice's Division of Child Support no later than 20 days from their hire date.

Online resources

www.wcd.oregon.gov

- Do I need Workers' Compensation (WC) insurance?
- Employer incentives to hire an injured worker
- Insurers authorized to write Oregon WC policies

sos.oregon.gov/business

- *Starting a Business*
- *Employer's Guide for Doing Business in Oregon*
- Electronic Business Registration forms
- Electronic Business Update Registration forms

www.irs.gov/businesses/small

- Contracting payroll service
- Acquiring a Federal Employer Identification Number (FEIN)
- Federal payroll tax forms

www.oregon.gov/boli

- Technical assistance for employers

www.oregon.gov/boli/whd

- Minimum wage
- Overtime

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Filing Due Date for Annual Report is January 31, 2019

WHERE TO FILE AND PAY

Mail all reports and payments to:

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

Tips for Successful Reporting

When you report all required information correctly, you can avoid delays in the processing of your forms. Delays may result in penalties, interest charges, and other fees you may be required to pay if you don't report accurately and on time. If you use a payroll service, remember you are ultimately responsible for providing accurate and timely reporting and payments.

How to avoid common problems

- Use the correct Oregon Business Identification Number (BIN).
- Put the BIN and quarter/year on each report form in the appropriate box.
- Use the correct tax and assessment rates.
- If using non-prefilled forms, make sure to include name and address.

- Keep copies of Form OA Domestic, Form 132 Domestic, and Form OR-OTC for your records.
- Report whole hours on Form OA Domestic (WBF assessment) and on Form 132 Domestic.
- Reduce calculation errors and other mistakes by filing your report electronically. **Note:** Electronic reporting is available only if you elect to report quarterly. See Quarterly filing options on page 6.

New Information

Tax rates

- The WBF assessment rate is .028.
- The Taxable wage base for UI is \$39,300.

Form requirements

Form OR-WR is required to be filed electronically with Revenue Online. See "Revenue Online" below.

We require all submitted forms to be complete, legible, and on approved agency forms. Non-agency forms and forms that are incomplete or illegible won't be processed and will be returned to you. Agency forms are located on the agency websites (see page 2).

Required reporting

On Form 132 Domestic, there's a column to be used by employers subject to UI. Column six is to report Oregon withholding tax.

Oregon retirement savings program

OregonSaves, the new Oregon retirement savings program, is an easy way for Oregonians to save for retirement through payroll deductions. Oregon employers that don't currently offer an employer-sponsored retirement plan will begin to facilitate OregonSaves for its employees. OregonSaves will roll out in phases, beginning with larger employers in 2018 and smaller employers over the course of the next two years. For more information, go to www.oregonsaves.com.

Revenue Online

Revenue Online, DOR's new self-service site, is now available for combined payroll taxpayers. Revenue Online provides convenient, secure access to tools for managing your tax account –

and it's free! With Revenue Online, you can:

- View your tax account.
- Make payments.
- View and print letters from DOR.
- Send DOR secure messages.
- Check your account balance and more!

For more information or to sign up for an account, go to www.oregon.gov/dor.

Note: The W-2 filing date has changed to **January 31** of each year. 1099s with information in box 7 will be due January 31.

Transit tax

The 2017 legislature passed House Bill 2017 which imposes a 0.1% transit tax on the wages of every Oregon resident, nonresidents of Oregon for services performed in Oregon, and periodic payments made under ORS 316.189. The new transit tax applies to tax periods beginning on July 1, 2018.

The employer or payer is considered the taxpayer for the transit tax and is required to withhold the transit tax, file returns and remit tax payments to DOR in a time and manner yet to be determined. However, if a nonresident employer, who doesn't conduct business in Oregon, doesn't withhold the transit tax from wages of an Oregon resident employee, the employee is responsible for reporting and paying the tax.

In Spring 2018, DOR will provide forms, the timing for payment, and additional information for the transit tax through U.S. mail, Revenue Online, or on www.oregon.gov/dor.

Important Information

Oregon Department of Revenue (DOR), Oregon Employment Department (OED), and Department of Consumer and Business Services (DCBS) rules may be different from each other. Read all instructions carefully. If you have questions, contact the appropriate agency (see page 2).

Quarterly filing options

If you choose to file on a quarterly basis, OED has free software available on its website (see page 2).

Unemployment Insurance (UI) tax rate

Your UI tax rate is based on the last 12 quarters experience through June 30, 2018. You received a *Notice of Estimated Tax Rate* in November of 2017 because the data is not available for the first two quarters of 2018 until we receive your annual report in 2018. Final tax rate notices will be mailed in May 2019 after the year 2018 annual reports are processed.

Closing your account

If you close your account mid-year, all reports and payments are due within 20 days of the date that you terminate your employees, instead of January 31. Interest will begin to accrue if payment is not made by that date.

Filing option

Employers with exclusively domestic (in home service) employment may choose to file the combined payroll tax reports quarterly or annually. The quarterly forms are sent out in February, and annual forms are sent out in November of each year. Contact OED for more information (see page 2).

Required Forms

If you file paper forms, using the forms in this booklet ensures faster and more accurate processing. We process paper forms electronically. It's critical for successful reporting to use the correct format and color of ink.

To avoid problems:

- Use only blue or black ink.
- Use only original forms. Don't photocopy or fax your reports.
- Use **CAPITAL LETTERS ONLY** when filling out your reports.

If you use a tax preparer, check with them to see if they need this booklet to file your reports. Your forms can be sent to your tax preparer. Fill out the *Business*

Oregon identification numbers

Your Oregon BIN is not the same as your registry number issued by the Oregon Secretary of State's Corporation Division. **If you don't know your BIN, contact DOR** (see page 2).

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

You must include your BIN at the top of all correspondence, returns, and payments that you file with DOR, OED, and DCBS.

Important: If the structure of your business has changed, contact DOR (see page 2).

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.

Keep your records

You must keep WBF assessment-related payroll records for at least four years.

You must keep all other payroll records for at least six years after filing the required reports.

Withholding tax tables and formulas

The Oregon withholding tax tables and formulas will be updated each year by December 1, with an effective date of January 1. DOR will send information through Payroll Tax News. Contact DOR for more information (see page 2).

Contact Change Form to change the mailing address to your tax preparer's address.

Forms needed for reporting

- **Form OA Domestic** - File this form each year to document how you calculate the annual amounts for UI tax, withholding tax, and the WBF assessment you owe.
- **Form 132 Domestic** - File these forms with Form OA Domestic to detail, by employee, the quarterly UI subject wages, hours, and state withholding.
- **Form OR-OTC** - File with each payroll tax payment to show how the amount paid is to be distributed among UI tax, withholding tax, and the WBF assessment.

Note: Form OR-OTCs are mailed separately, by December 31 of each year. If you need to order additional coupons, call DOR at 503-945-8100 or 503-378-4988.

Amended forms

Use fillable amended report forms available at OEDs website (see page 2):

- Form OQ/OA–AMENDED
- Form 132–AMENDED

DOR: You may make changes as far back as necessary to make corrections and report the proper amount of withholding. However, if that correction results in a refund, you have three years from the due date of the return, or two years from the date the tax was paid, whichever is later, to request that refund.

OED: As of July 1, 2017, OED won't process amended payroll reports on non-agency forms. The non-agency forms will be returned to you. Agency forms are located on agency websites (see page 2). You may make changes to the UI tax portion of the reports for any quarter between the first quarter three years back and the current

DCBS: You may make changes to the WBF assessment portion of the reports for any quarter between the first quarter three years back and the current quarter.

Other forms

Because we process reports and payments electronically, our systems won't pick up special

instructions or notations you write on Form OA Domestic, Form 132 Domestic, or Form OR-OTC. Use the following forms, located in the back of this booklet, to make updates:

Business Change in Status Form - Use this form to update your information such as: changing a business name, correcting a FEIN, selling or closing a business, or no longer employing workers. If the structure of your business changes, you may need to complete a *Combined Employers Registration*.

Business Contact Change Form - Use this form to update your contact information, such as: physical, mailing, or email address; phone or fax number; and off site payroll service, accountant, or bookkeeper.

Form OR-WR - Effective January 1, 2017, all employers are required to file this form annually even if you are reporting -0-.

Effective January 1, 2018, all employers are required to file electronically through Revenue Online by January 31 of the following year.

This form is required by all employers who withhold state income tax from their employees. It is filed annually by employers to reconcile the Oregon state withholding taxes reported to DOR with all Oregon W-2s and 1099s issued to your employees. If you stop doing business or no longer have employees, Form OR-WR is due 30 days after your final payroll.

Filing the Combined Annual Tax Report

Who must file

If you choose an annual reporting schedule, you must file a Form OA Domestic each year if you:

- Are registered as an active employer with DOR or OED, or are either required by law or choose to have a WC insurance policy in Oregon.

You must file Form 132 Domestic if you:

- Are an employer subject to UI law

When to file

Your report and payment are due by January 31, 2019. If your account closes mid-year, both reports and payment are due within 20 days of the closing.

Failure to file

If you don't file a correct, complete annual report, you may receive an assessment from each agency based on available information. Each agency may charge penalties and interest on the amount assessed (see page 7).

Quarterly filing options

Electronic filing is more efficient, accurate, and takes less time than paper. You can file electronically on the internet or by telephone if you elect to report quarterly. OED has free software for filing electronically on its website (see page 2). This software is a substitute for quarterly filings of paper Form OQs and Form 132s.

Payment Instructions

To make sure your payment is correctly applied:

- Complete and send in Form OR-OTC with every payment when due, including payments made with your Form OA Domestic.
- Show the amount paid to each tax program in the appropriate boxes on Form OR-OTC. Don't include credits (see page 8).
- When reporting annually, enter a "4" in the quarter box regardless of the quarter in which payroll was paid to employees.
- If amending your reports, include Form OR-OTC with payment.
- Use current-year personalized coupons. Changes to the coupons or using the wrong coupon could result in misapplied payments.
- Don't staple or tape check to Form OR-OTC.
- Keep all payment records (see page 4).

- Make checks payable to Oregon Department of Revenue. Send Form OR-OTC and your check to:
**Oregon Department of Revenue
PO Box 14800
Salem, OR 97309-0920**

Revenue Online

Revenue Online is now available. Revenue Online provides convenient, secure access to tools for managing your tax account – and it's free! With Revenue Online, you can:

- View your tax account.
- Make payments.
- View and print letters from DOR.
- Send DOR secure messages.
- Check your account balance and more!

For more information or to sign up for an account, go to www.oregon.gov/dor.

The image shows a sample of Form OR-OTC Payment Coupon, Form 150-211-053 (Rev. 9-16). The form is titled "OREGON COMBINED PAYROLL TAX" and "OR-OTC Payment Coupon". It features several sections for tax payments: State Unemployment, State Withholding, TriMet District Excise, Lane Transit District Excise, and Workers' Benefit Fund Assessment. Each section has a grid of boxes for entering amounts. A central instruction reads: "Enter quarter payroll was paid to employees: (1, 2, 3, or 4) →". Below this is a box for "TOTAL PAYMENT (add all the boxes at left)". On the right side, there is a box for "Date Received" and a section for "YEAR" and "BUSINESS ID NO.". At the bottom right, it says "Make check payable to: Oregon Department of Revenue, PO Box 14800, Salem OR 97309-0920". A large watermark "SAMPLE DO NOT USE" is overlaid on the form.

Penalties

Unemployment Insurance (UI) tax

A late-filing penalty may be assessed if you file Form OA Domestic or Form 132 Domestic more than 10 calendar days after the due date and received a warning or had a penalty assessed within the past 3 years. Incomplete or incorrectly formatted forms may be returned to you. You must resubmit these forms by the 10th day after the due date to avoid a penalty.

The UI tax late-filing penalty is \$8 for each employee reported, with a \$100 minimum and \$2,000 maximum penalty. If no subject wages are reportable, but you file the report late, you may be assessed a penalty up to \$100.

OED may assess a penalty if you fail to pay a tax assessment. The penalty will be 10 percent of the unpaid tax for that assessment.

OED may assess a 50 percent penalty of the unpaid tax balance if the agency finds out that an employer is intentionally avoiding paying UI tax. [ORS 657.515(5)]

OED may charge an employer an additional 1 percent penalty if, as of September 1, the employer hasn't:

- Filed all UI tax reports:
 - Form OA Domestic, or
 - Form 132 Domestic, or
- Paid all UI taxes due.

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

Note: These penalties are in addition to interest.

Under OED law, an employer may not engage in or advise another employer to engage in activity to transfer or acquire, or attempt to transfer or acquire,

a trade or business or any part of a trade or business solely or primarily for the purpose of getting a lower UI tax rate.

If an 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 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.

Also, if any person advises an employer to engage in this activity, the adviser may be charged a civil penalty of up to \$10,000. Criminal penalties for engaging in tax avoidance schemes also may be imposed.

State withholding

DOR charges:

- A 5 percent late-payment penalty on any unpaid

tax after the return's (Form OA Domestic) due date.

- An additional 20 percent penalty on any tax due as of the due date if you file Form OA Domestic more than one month late.
- An additional 25 percent penalty if DOR determines and assesses the tax that should have been reported by the due date.
- A possible 100 percent penalty on any tax due if you don't file Form OA Domestic for three years in a row.

Workers' Benefit Fund (WBF) assessment

DCBS may assess an employer a penalty for late filing or payment, when received more than 10 days after the due date. The penalty will be assessed at a minimum of \$50 for each violation, up to \$2,000. Penalties are in addition to interest and assessments owed. Employers audited for failure to report or for inaccurate reporting may be assessed additional penalties for failure to comply. [OAR 436-70-0050]

Interest

Unemployment Insurance (UI) tax

OED assesses interest on unpaid or late UI tax. The rate is 1.5 percent per month or fraction of a month after the payment is due.

Payments are due by the last day of January each year if you file annually. Interest is assessed if the payment is one day late. Interest is calculated on unpaid tax only. Previously assessed interest or penalties are not included in the calculation.

State withholding

DOR charges interest on any remaining tax left

unpaid after the due date. DOR will bill for this interest, so you don't need to calculate interest due.

Workers' Benefit Fund (WBF) assessment

DCBS charges interest on unpaid WBF assessments. If your account is assigned for collection, you will be responsible for paying the collection fee and interest of 9 percent per year, charged on all overdue balances effective back to the original due date. If the debt is assigned to DOR or a private collection firm, a fee of up to 28 percent will be added to your debt. [ORS 293.231]

Credits

To apply a credit in the same tax program: You may use Form OA Domestic to apply an amount that you overpaid if you haven't already requested or been issued a refund. Add the credit to any prepaid amount in the correct box on Form OA Domestic (box 6A, 6B, or 12) to reduce the balance owing.

To apply a credit to another tax program: Send a written request to the agency with the credit. Include your account name, BIN, tax program, year, and amount of the credit. Write the tax program and year to which you want the credit

applied. Attach any notices or memos you received about the credit. Don't use Form OA Domestic to transfer credits between programs.

To request a refund: Send a written request to the agency with the credit. Include your account name, BIN, the word "Refund," and the amount to refund. Attach any notices or memos you received about the credit. Don't use Form OA Domestic to request a refund.

Oregon Annual Tax Report (Form OA Domestic) Instructions

Employer information section

Before you complete Form OA Domestic, review your name, mailing address, BIN, and FEIN to make sure they are correct. Make corrections on the *Business Change in Status Form* included at the end of this booklet.

The North American Industry Classification System (NAICS) code is assigned by OED. Coding is based on the information you gave OED. The code reflects the main activity for your company in Oregon. If you have questions about these codes, call 1-800-262-3912, ext. 7-1248 (toll-free from an Oregon prefix) or 503-947-1248.

Number of covered workers for Unemployment Insurance (UI)

Complete this section if you are subject to UI law. If you have questions on how to count workers, call 1-800-262-3912, ext. 7-1248 (toll-free from an Oregon prefix) or 503-947-1248.

To report number of workers, use the totals for each month in the fourth quarter only (October, November, and December). Include all full-time and part-time workers who worked or received pay subject to UI law during the payroll period which includes the 12th of the month. Some examples are:

- **Daily pay period.** Enter the number of workers on the daily payroll for the workday nearest the 12th of the month.
- **Weekly, biweekly, 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 -0- in the appropriate boxes. Don't leave these boxes blank.

Add the numbers for the three months and place the sum in the **Total** (M1 + M2 + M3) box.

OA columns

In each column:

- Enter the total annual subject wages paid for each tax program. If you have questions, refer to the specific program information in this booklet; and
- Enter the total tax owed to each state program. If any of the amounts are equal to or less than

zero, enter -0-. If you have credits, see the Credits section on page 8.

Column A. Unemployment Insurance (UI)

Box 1. Subject wages. This amount must equal the sum of all four quarters from line 1 (total subject wages) on Form(s) 132 Domestic. Include excess wages (see box 2). Enter -0- if you had no UI subject payroll for the year.

Box 2. Excess Wages. Excess wages are wages above the taxable wage base for the year *per employee*. Yearly taxable wage bases are:

2018=\$39,300	2016=\$36,900
2017=\$38,400	2015=\$35,700

Box 3. Taxable wages. Enter box 1A minus box 2A.

Box 4. Tax rate. Use the estimated 2018 tax rate. If you are subject to UI tax and no rate is printed, contact OED (see page 2).

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 due.

Box 6. Tax prepaid. Enter the amount of UI tax prepaid or credits used. Include any credit amount that may have been overpaid where no refund was requested or issued (see page 8).

Box 7. UI Penalty and interest owed. Enter the amount of penalty and interest owed if the report is submitted more than 10 days after the due date. To calculate the penalty, multiply the number of employees by:

2018-2017 = \$8 2016-2015 = \$7

The minimum and maximum penalties are:

<u>Minimum</u>	<u>Maximum</u>
2018 = \$100	\$2,000
2017 = \$100	\$1,900
2016 = \$100	\$1,800
2015 = \$100	\$1,800

If there were no employees, the penalty is up to \$100.

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. Don't 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, commission, and bonuses), paid to Oregon employees.

- This amount need not match box 1A.
- Enter -0- if you had no subject payroll for the year.

Box 5. Total tax. Enter total Oregon income tax withheld this year. Enter "0" on the wage and tax line if you had no withholding tax this year. Only numerical information entered in the state withholding tax column will be considered a filed return for that program.

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

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

Workers' Benefit Fund (WBF) assessment

Box 9. Like wages, report hours in the quarter that they are paid. Total all full and partial hours worked by all paid individuals subject to Oregon's WC law or covered by WC insurance through personal election. You must include hours worked by individuals paid by salary or on a basis other than by the hours. To verify whether your workers are subject, contact DCBS (see page 2).

Enter the total hours rounded down to the nearest whole (no fractions or decimals). If you have no hours to report for the quarter, enter -0-. If your workers are not subject, leave boxes 9-13 blank.

Note: The hours you report for the WBF assessment won't necessarily equal the hours you report for UI tax purposes on Form 132 Domestic. In part, this is because there may be differences in

who is subject to which tax.

Box 10. Assessment rate. Yearly WBF assessment rates are:

2018-2017 = .028 2016-2015 = .033

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. If no assessment is due, enter -0-.

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

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

Box 14. Total payment due

- Enter total payment due
- Add boxes 8A, 8B, and 13
- **If you have credits, see page 8**

Make your payments to DOR using Revenue Online, or make your check payable to Oregon Department of Revenue. If you pay by check, include a payment coupon (Form OR-OTC) with your check.

Box 16. Special payroll tax

Multiply box 3A by the amount listed for the year you are filing for. Don't add or subtract this amount from boxes 5A or 14.

Yearly offsets are:

4th quarter of 2018-2015 = .0009

Employers not required to pay Federal Unemployment Tax Assessment (FUTA) are not required to complete this section. For additional information, see page 11.

Signature

The tax preparer needs to sign Form OA Domestic on the signature line and include a telephone number and the date they fill out the form. A signature is required even if you file -0- report.

Employee Detail Report (Form 132 Domestic) Instructions

Complete only if you pay UI tax.

Line 1. Total subject quarterly wages. Enter the total subject wages paid to employees during the quarter. If you use more than one page of Form 132 Domestic, enter the total amount on page 1 only. This figure (total for all pages and all quarters) must equal the amount in box 1A on Form OA Domestic.

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 each quarter. Enter the number of hours each employee worked in each quarter. If you don't track hours for a full-time employee, use 520 hours for the quarter. **For fractions or portions of an hour worked by an employee,** 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. Don't 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.

Although you report wages in the quarter they are paid, report hours in the quarter they are worked.

Note: The number of hours you report for UI tax purposes on Form 132 Domestic won't necessarily equal the hours you report for the WBF assessment.

Enter -0- for an employee who didn't work during the quarter but received wages. **Don't leave blank.**

Column 5. Total subject wages for each 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 were more than the taxable wage base.

Column 6. State Withholding Taxes. Enter the amount of withholding tax for employees who are subject to UI law. **Report whole dollars only.**

Example: If the total withholding for John Smith for quarter 1 is \$550.43, enter \$550 on column 6.

Box 7. Column totals. Enter the total subject wages for all employees reported in each quarter. Don't include the totals from other pages on this form.

Unemployment Insurance Tax Information

Subject Wages

Generally, wages reportable for FUTA purposes are reportable for UI tax. All wages, including draws, are reportable when paid to the employee. For example, wages paid January 2018 for work performed in December 2017 are reportable in 2018.

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

"Wages" means all compensation for service, unless specifically excluded by law.

Examples of subject wages include:

- Wages paid in cash.
- Taxes paid on behalf of an employee. This includes withholding and the employee's half of Social Security and Medicare.
- Other cash payments made on behalf of an employee such as tuition, auto repair bills, credit card payments, and student loans.
- Special payment for services, such as commissions, fees, gifts, bonuses, prizes, separation allowances, guaranteed wage payments, vacation, sick pay and holiday pay.

Excluded wages

Examples of payments that aren't subject to UI tax

under UI law are:

- Payments to a proprietor or the proprietor's child under 18, spouse, or parent.
- Noncash payments.
- Sick pay under WC law.

UI tax payments

All payments must be sent with a Form OTC payment coupon. Enter the amount paid in the "State Unemployment Insurance Tax" box. When there is more owed than taxes, payments are applied first to legal fees, penalties, and interest. The remainder is applied to tax owed.

Employer Account Access

You can review your UI tax account information at www.oregon.gov/employ/businesses/tax. Click on "My Business Account Information," read the instructions, then click on "Continue to Business Account Information." Enter the information to register and create your personal identification number (PIN).

Special payroll tax

The UI tax program is authorized to collect a special payroll tax that is calculated every quarter. This isn't an additional tax. Employers subject to 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 FUTA Form 940.

The special payroll tax funds the Wage Security Fund (BOLI) and the Supplemental Employment Department Administration Fund (SEDAF). The BOLI fund pays final wages when a business closes and doesn't have enough money to make final payroll. The SEDAf fund provides OED services.

Example 1: 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 2: Employers with the highest state unemployment tax rate, 5.4 percent (0.054), should 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 amount on line 17 of Form OA Domestic. If the amounts paid was less than owed, report the amount actually paid. To download Form 940, visit the IRS website at www.irs.ustreas.gov, or call 1-800-829-3676.

Exemption from UI tax

An employer who doesn't have enough employment or payroll may qualify for exemption from UI tax per ORS 657.415. To apply for the exemption, file a written request with the director of OED. If approved, the exemption will continue until the employer again qualifies as an employer as defined in ORS 657.

Election of coverage

An employer who has employees not subject to UI tax may file a written election to cover such employees under ORS 657.425. To apply for the election, file a *Notice of Election to Cover Employees* form with the director of OED. You will need to receive written notification of approval to begin coverage. To download the form, visit OED's website (see page 2).

Withholding Tax Information

Who is a household employee?

This information applies only if you pay someone for household work and that worker is your employee. Household work is work done in or around your home by babysitters, nannies, health aides, private nurses, maids, caretakers, yard workers, and similar domestic workers.

A household worker is your employee if you can control not only what work is done, but also how it is done. If only the worker can control how the work is done, the worker is not your employee but is self-employed. A self-employed worker usually provides

his or her own tools and offers services to the general public in an independent business. If an agency provides the worker and controls what work is done and how it is done, the worker is not your employee.

Should Oregon income tax be withheld from a household employee's pay?

Oregon income tax withholding is not required for household employees. However, Oregon income tax can be withheld if the household employee asks you to withhold and you agree. In order to determine withholding, the employee must

complete federal Form W-4, Employee's Withholding Allowance Certificate.

Figuring withholding tax

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.

To figure the amount of tax to withhold from an employee's wages:

- Use the Oregon withholding tax tables (see DOR on page 2).
- For computer payroll systems, use the percentage formula in the Oregon withholding formula publication (see DOR on page 2).

Transit district tax information

Domestic service in a private home is exempt from the Tri-County Metropolitan Transportation District (TriMet) and the Lane Transit District (LTD) tax.

Worker's Benefit Fund Assessment Information

The Workers' Benefit Fund (WBF) supports programs that benefit injured workers and the employers who help them return to the work force. Visit the DCBS website for more information about programs supported by the fund (see page 2).

Note: The WBF assessment is separate from your WC insurance premium and doesn't provide insurance coverage.

Workers subject to WBF assessment

Domestic workers subject to the WBF assessment are:

- Those for whom the employer is required by law to provide WC insurance coverage (e.g. those employed by sororities and fraternities); and
- Those for whom the employer elects to provide WC insurance coverage even though not required by law to do so; and
- All paid individuals performing personal support work who are eligible for WC insurance coverage under HB 3618 (2010). Refer to ORS 410.600 – 410.625 for definition of home care workers.

For each calendar year that you have domestic workers covered by WC insurance, you must file a Form OA Domestic to report hours worked. In addition, for each calendar year you have coverage,

but no workers, you must file a Form OA Domestic to report -0- hours worked and -0- assessment due. If you don't file a Form OA Domestic during the time you have subject workers or personal elections, you may be assessed a penalty.

Hourly assessment

This assessment is based on the total number of full and partial hours worked by all paid individuals who are subject to the assessment. You must include hours worked for individuals that are paid on a basis other than by the hour. For example, calculate reasonable hours worked for individuals paid by salary, as well as those paid by commission, by the piece, or by the mile.

Like wages, the hours are reportable when paid. For example, report in 2018 hours worked in December 2017 but not paid until January 1, 2018. The hourly assessment rate may change annually (see page 10).

How to update or close your WBF assessment account

If your business changes ownership, discontinue business, or no longer employs workers, complete a *Business Change in Status Form*. In addition, contact your WC insurer with the corrected information.



NOTES

2018 Form OR-WR



Office use only

Oregon Annual Withholding Tax Reconciliation Report

Return Due Date: January 31, 2019

Submit original form—do not submit photocopy

Business Name, Business Identification Number (BIN), Federal Employer Identification Number (FEIN), Number of W-2s and 1099s

Use your 2018 OQ and Transit Tax forms. See the instructions on the back.

Withholding tax (WH) reported, Statewide transit tax (STT) reported. 1. 1st Quarter, 2. 2nd Quarter, 3. 3rd Quarter, 4. 4th Quarter, 5. Total, 6. Total Oregon income tax on W-2s or 1099s*, 7. Enter the difference between box 5 (WH) and box 6, 8. Total Oregon statewide transit tax on W-2s or 1099s*, 9. Enter the difference between box 5 (STT) and box 8.

Explanation of difference

*Include the amount of tax on your 1099s unless they are reported on a different BIN.

I certify that this report is true and correct and is filed under penalty of false swearing. Signature, Date, Phone, Name, Title

Important: Mail Form OR-WR separately from your 4th quarter Form OQ and 4th quarter statewide transit tax return.

If no payment is included, mail Oregon Department of Revenue PO Box 14260 Salem OR 97309-5060
Mail Form OR-WR and payment voucher with payment to: Oregon Department of Revenue PO Box 14800 Salem OR 97309-0920

Form OR-WR Instructions

Filing requirements

All Oregon employers who have an income tax withholding and statewide transit tax account open with the Oregon Department of Revenue must file Form OR-WR, *Oregon Annual Withholding Tax Reconciliation Report*. The 2018 form is due January 31, 2019. If you stop doing business during 2018 or no longer have employees, Form OR-WR is due 30 days **after** your final payroll.

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

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

How to fill out Form OR-WR

Write your business name and Oregon business identification number (BIN) in the spaces shown. 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 amounts from box 5B of your 2018 OQ forms and the 'Quarterly tax' box from the 2018 quarterly statewide transit tax returns). Form OR-WR requires information in the Quarterly boxes. If you report your Oregon income tax withholding on Form OA and your Oregon statewide transit tax on the annual statewide transit tax form, enter the yearly total for your income tax withholding in Box 4 (WH) and Box 5 (WH) and the yearly total for your statewide transit tax withholding in Box 4 (STT) and Box 5 (STT). If you report your Oregon income tax withholding on Form WA and your Oregon statewide transit tax on the annual statewide transit tax form, enter the amounts withheld for each quarter in that quarter's box for both income tax withholding and statewide transit tax.

Line 5. Total. Total amount from all quarters reported in the respective boxes for income tax withholding and statewide transit tax. If you report your Oregon income

tax withholding on Form OA and your Oregon statewide transit tax on the annual statewide transit tax form, this should be the same as Box 4 for each reported tax.

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

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

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 overpaid your income tax and have a credit. If the amount on line 7 is -0-, your state income tax withholding account balances.

Line 8. Enter the total Oregon statewide transit tax withheld from your employees' W-2s or 1099 forms.

Line 9. Enter the difference between line 5 (total statewide transit tax paid) and line 8 (total statewide transit tax shown from W-2s or 1099s).

If line 8 is **larger** than line 5, you owe additional tax (shown on line 9). If line 8 is **smaller** than line 5, you overpaid your statewide transit tax and have a credit. If the amount on line 9 is -0-, your statewide transit tax withholding account balances.

Give an explanation of the difference on the lines provided. Submit an amended OQ, WA or OQ for income tax and an amended form for the statewide transit tax.

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 on Form OR-WR to request your refund.

Sign and date your completed Form OR-WR. Print your name and telephone number.

If you owe tax, include a payment. Don't staple or tape your payment to Form OR-WR. Remove and keep any check stubs.

File Form OR-WR

File Form OR-WR on Revenue Online at www.oregon.gov/dor.

— IMPORTANT —

Mail your Form OR-WR separately from your 2018 4th quarter Form OQ and 4th quarter statewide transit tax form. If you amend Form OR-WR, you will also need to amend Form OQ and 4th quarter statewide transit tax form. Make a copy for your records.

The voucher is located at www.oregon.gov/dor.

Oregon Combined Payroll Tax Business Change in Status Form

To update business status and employment information

Attach additional sheets if needed.

Business name	BIN (Oregon business identification number)	Owner/Officer updates: To update owner/officer information, attach a complete list of current owners/officers including position, social security number (SSN), home address, and phone.
Other names (ABN/DBA)	FEIN (Federal employer identification number)	

General updates (check all that apply)

<input type="checkbox"/> Update/Change FEIN to:	<input type="checkbox"/> Update/Change business name to:	<input type="checkbox"/> Now doing business in TriMet/Lane Transit District as of:
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Closing account (check all that apply)

<input type="checkbox"/> Closed pension/annuity account as of:	<input type="checkbox"/> No longer doing business in TriMet/Lane Transit District as of:
<input type="checkbox"/> All or	
<input type="checkbox"/> Part of the business was	<input type="checkbox"/> Closed <input type="checkbox"/> No longer doing business in Oregon <input type="checkbox"/> Sold <input type="checkbox"/> Leased <input type="checkbox"/> Transferred
Was business operating at the time it was sold, leased or transferred?	<input type="checkbox"/> Yes <input type="checkbox"/> No Effective date:
How many employees were transferred?	Date of final payroll:
Describe what was transferred	

New business name			
New owner's name		New owner's phone	
New owner's address		City	State ZIP code
Where are the records of the terminated business? (Include contact name, phone, address, city, state, ZIP code)			

Changing entity (check all that apply)

Effective date:	Note: A new <i>Combined Employer's Registration</i> form, 150-211-055, is required when there is an entity change.		
Change from:	<input type="checkbox"/> Corporation—"C"	<input type="checkbox"/> Corporation—Subchapter "S"	<input type="checkbox"/> LLP (Limited Liability Partnership)
	<input type="checkbox"/> Individual (Sole Proprietor)		LLC (Limited Liability Company) Recognized by IRS as:
	<input type="checkbox"/> Partnership—General	<input type="checkbox"/> Partnership—Limited	<input type="checkbox"/> Corporation <input type="checkbox"/> Sole Proprietor/Single Member <input type="checkbox"/> Partnership
Change to:	<input type="checkbox"/> Corporation—"C"	<input type="checkbox"/> Corporation—Subchapter "S"	<input type="checkbox"/> LLP (Limited Liability Partnership)
	<input type="checkbox"/> Individual (Sole Proprietor)		LLC (Limited Liability Company) Recognized by IRS as:
	<input type="checkbox"/> Partnership—General	<input type="checkbox"/> Partnership—Limited	<input type="checkbox"/> Corporation <input type="checkbox"/> Sole Proprietor/Single Member <input type="checkbox"/> Partnership

Employment status updates (check all that apply)

<input type="checkbox"/> Still in business, but have no paid employees (corporate officers are still subject to payroll taxes). Effective date:		
<input type="checkbox"/> Only have workers' compensation insurance to cover owners, officers or members.	<input type="checkbox"/> Only LLC members or officers	<input type="checkbox"/> Only using independent contractors
	<input type="checkbox"/> Courtesy withholding	
<input type="checkbox"/> Employing Oregon residents in another state. State:	<input type="checkbox"/> Now working in Oregon. Effective date:	

Using leased employees

Name of leasing company	Worker leasing company license number	Date employees leased	
Address	City	State	ZIP code
Leasing company contact name	Phone		
Number of leased employees:	Number of non-leased employees:	Leasing corporate officers/owners? <input type="checkbox"/> Yes <input type="checkbox"/> No	

Submitted by

Print name	Title		
Signature	Date	Phone	

Fax to: 503-947-1700 or mail to: Employment Department, 875 Union St NE Rm 107, Salem OR 97311-0030

Business Change in Status Form Instructions

Use this form to notify the Employment Department (OED), Department of Revenue (DOR), and Department of Consumer and Business Services (DCBS) of changes to your business or employment status. Attach additional sheets if needed.

General updates

NOTE: Some federal employer identification number (FEIN) and name changes may require a new *Combined Employer's Registration*, 150-211-055, form to be completed.

- Provide the correct FEIN for your business.
- Correct the business name and spelling errors as needed.
- Check the "Now doing business in TriMet/Lane Transit District" box and include the effective date if you're an employer paying wages earned in the TriMet or Lane Transit District. You must register and file with the Oregon Department of Revenue. Wages include salaries, commissions, bonuses, fees, payments to a deferred compensation plan, or other items of value.
- For boundary questions, see the *Oregon Combined Payroll Tax* booklet, 150-211-155, for the list of cities and ZIP codes.
 - The TriMet district includes parts of Multnomah, Washington, and Clackamas counties. For TriMet boundary questions call 503-962-6466.
 - Lane Transit District serves the Eugene-Springfield area. For Lane Transit District boundary questions call 541-682-6100.

Re-opened business

To re-open your business that you've closed for:

- Less than one year, file a:
 - *Business Change in Status Form*, 150-211-156.
- One year or more, file a:
 - *Combined Employer's Registration*, 150-211-055.

For more questions contact DOR at 503-945-8091.

Owner/officer updates

Attach a separate sheet to update or change corporate officer or owner information.

Compensation for services performed by corporate officers and shareholders is subject to payroll taxes (withholding, transit, and unemployment). If owners and officers are covered by Workers' Compensation insurance, the hours worked are also subject to Workers' Benefit Fund (WBF) assessment.

Fax to: 503-947-1700 or

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

For additional copies of this form, download at:
www.oregon.gov/dor/bus or call: **503-947-1488**

Employment status updates

- Check each box that applies to your business and include the effective date of change.
- If Oregon residents are working out of Oregon, indicate which state.
- Check box and indicate effective date of employees now working in Oregon that previously worked in another state.

Using leased employees

If you lease your employees from a Professional Employer Organization (PEO)/Worker Leasing Company, fill in the information requested.

Changing entity

Include the effective date of change, check the box of the entity you're changing from and the box of the entity changing to.

NOTE: Entity changes require the completion of a new *Combined Employer's Registration* form.

Examples include, but aren't 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 proprietorship, corporation, or partnership to a limited liability company.

Closing account

- Check the box if you closed a pension and annuity account. Include the effective date of change.
- Check the "No longer doing business in TriMet/Lane Transit District" box and include the effective date if you moved your business from the TriMet or Lane transit district and are no longer subject to this tax.
- Check the box if you closed the business or dissolved a sole proprietorship, partnership, corporation, or limited liability company, and no longer have payroll to report. Fill in the date of final payroll.
- If you sold your business, leased your employees, or transferred your business assets, indicate whether the transaction applied to all or part of the business.
- If you leased all or part of the business, fill out the section "Using Leased Employees."

NOTE: New or reorganized businesses must complete a *Combined Employer's Registration*, 150-211-055, which can be found in pdf format at: **www.oregon.gov/dor/bus** or electronically at **sos.oregon.gov/business**.

