



STATEWIDE WRITE-OFF, ABATED, AND CANCELED DEBT CERTIFICATION REPORT

**FISCAL YEAR ENDING
JUNE 30, 2025**

Kate Nass, Chief Financial Officer
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Oregon

Tina Kotek, Governor

Department of Administrative Services

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To the members of the Oregon Legislative Assembly,

As required by ORS 293.234, enclosed is the report of liquidated and delinquent debt that were written off by a state agency under ORS 293.240, abated by a state agency, or canceled by the Department of Revenue under ORS 305.155.

The following table references liquidated and delinquent account activity reported by state agencies for the fiscal year ending June 30, 2025.

Sincerely,

Kate Nass
Chief Financial Officer

REPORT OF LIQUIDATED AND DELINQUENT EXECUTIVE SUMMARY

As required by Oregon Revised Statute 192.245 (2), this report is available online at: <https://www.oregon.gov/das/Financial/Acctng/Pages/Pub.aspx>.

Oregon Revised Statute [\(ORS\) 293.234](#) requires the Department of Administrative Services (DAS) to annually report to the Legislative Assembly the amounts of liquidated and delinquent debt that in the previous fiscal year were: written off under [ORS 293.240](#); canceled by DOR under [ORS 305.155](#); or abated by a state agency. ORS 293.234 (2) requires state agencies to certify to DAS debts that were written off, abated or canceled by the Department of Revenue under ORS 305.155. Not all agencies are subject to ORS 293 and therefore are not subject to this certification requirement. Additionally, the Judicial department, the Secretary of State and the State Treasurer are specifically exempted from the certification requirement as stated in ORS 293.234. Some agencies that are not subject to the certification requirement do voluntarily provide the certification to DAS.

The fiscal year (FY) 2025 total amount of written off, abated and canceled liquidated and delinquent debts certified by state agencies is \$472.9 million and represents a \$31.2 million (6.2%) decrease from the amount reported for FY 2024.

State agencies subject to the certification requirement of ORS 293.234 (2) reported a total of \$469.8 million for FY 2025, a \$32.5 million (6.5%) decrease from the amount reported for FY 2024. Two agencies account for the largest combined write-offs, abated and canceled debts (96.8%): Department of Revenue (DOR), and Oregon Employment Department (OED):

- DOR's combined report for FY 2025 of \$363.6 million (77.4% of the total reported by agencies subject to the certification requirement) is a \$31.9 million (9.6%) increase from the prior year. Between September 2022 and August of 2023, while awaiting the completion of the OED modernization project, DOR paused filing enforcement efforts because OED was unable to provide the combined payroll report from businesses for DOR to determine if a business failed to file and pay their payroll tax. In FY 2024, when DOR resumed filing enforcement efforts, issuance of failure to file assessments increased. That increase in assessments resulted in a FY 2025 increase of \$54 million in abated accounts compared to FY 2024 due to cases where the business either later filed the missing tax return or the agency updated records regarding businesses that closed or no longer had payroll. In these cases, the taxpayer's self-reported tax liability replaces, or abates, the agency assessment.

The department writes-off uncollectible debt after three years and subsequently cancels that written-off debt four years later in accordance with ORS 305.155(1). After a four-year pause in writing off debt during the department's GenTax system implementation, the department wrote off a large amount of debt during FY 2019, resulting in a substantial

increase in debts canceled under ORS 305.155 in early FY 2024. In FY 2025 accounts canceled decreased by \$32.7 million compared to FY 2024 and represents a return to normal levels for the department.

- OED's report of \$91.2 million in combined write-offs and abatements for FY 2025 is 19.4% of the total reported by agencies subject to the certification requirement and represents a \$47.1 million (34%) decrease from FY 2024. In FY 2024 OED identified that a system generated penalty to employers that was issued in error, and the process of correcting the balances resulted in a significant increase in abatements that year. FY 2025 returned to previous levels of write-off and abatement activity.

ACCOUNTS WRITTEN OFF, ABATED OR CANCELED

For reference purposes, the following terms used in this report are defined as follows:

Written Off – Accounts receivable that are determined to be uncollectible by management and have been removed from the agency's accounting records. If an agency has made all reasonable efforts to collect the money owed to it and has determined that the money and any interest and penalties on the money are uncollectible, the agency may write-off the debt on its accounts. Before determining that money is uncollectible, a state agency must adopt criteria for determining when money is uncollectible. The criteria must include the right of offset and must be approved by the Attorney General.

Abated (abatement) – An amount waived, settled or determined not to be owed.

Canceled – As defined in [ORS 293.234](#), the value of canceled accounts certified to DAS is limited to DOR tax debts. Other agencies with debt cancellation authority reported the value of canceled accounts as abated.