

2023 ANNUAL REPORT

OREGON DEPARTMENT OF REVENUE

February 2024



Contact us for ADA accommodations or assistance in other languages.

www.oregon.gov/dor

503-378-4988 or 800-356-4222

questions.dor@oregon.gov

Comuníquese con nosotros para solicitar adaptaciones de la ADA (Ley sobre Estadounidenses con Discapacidades) o asistencia en otros idiomas.

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preguntas.dor@oregon.gov



Land Recognition

We would like to acknowledge the many tribes and bands who call Oregon their ancestral territory, including: Burns Paiute, Confederated Tribes of Coos, Lower Umpqua and Siuslaw, Confederated Tribes of Cow Creek Lower Band of Umpqua, Confederated Tribes of Grand Ronde, Confederated Tribes of Siletz Indians, Confederated Tribes of Warm Springs Reservation, Confederated Tribes of Umatilla Indian Reservation, Coquille Indian Tribe, and Klamath Tribes; and honor the ongoing relationship between the land, plants, animals, and people indigenous to this place we now call Oregon. We recognize the continued sovereignty of the nine federally recognized tribes who have ties to this place and thank them for continuing to teach us how we might all be here together, and we continue to strive to work on a government-to-government basis with the nine federally recognized tribes.

Message from Director Betsy Imholt



I am honored to present the Oregon Department of Revenue's 2023 Annual Report. This report is intended to offer Oregonians insight into the work of the department.

We are focused on our vision, to create a clear and easy experience for our customers.

In January of 2023, Governor Tina Kotek issued operational expectations for all state agencies. The progress is reported quarterly to the governor. The reports to the governor are available on the Department of Administrative Services website.

The governor's expectations align with the department's strategic plan, focusing on customer service. We have made great progress in 2023 in meeting the governor's expectations and completing projects outlined in our strategic plan. This report outlines our progress.

Last biennium the department collected and distributed \$45 billion to support Oregonians, fulfilling our mission of collecting the revenue Oregon counts on.

This can't be done without our hard-working taxpayers, employees, and partners who together support Oregon's tax system. I am proud of what we have been able to accomplish this year and look forward to what is ahead.

With gratitude,

A handwritten signature in black ink that reads "Betsy A. Imholt". The signature is fluid and cursive, with the first name "Betsy" being more prominent.

Betsy Imholt
Director
Oregon Department of Revenue

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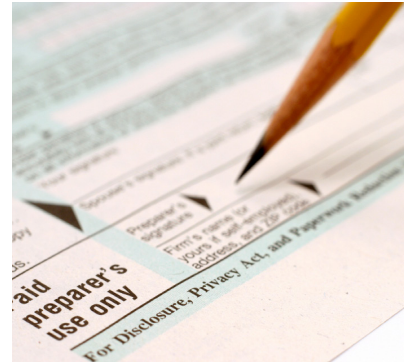
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We are committed to bringing in the revenue that Oregon counts on.



Oregon tax dollars pay for the infrastructure of our daily lives, of our loved ones' lives, and the critical support systems for Oregon's most vulnerable.

We administer 63 revenue streams that support bringing in money for Oregon.



TAXPAYER BILL OF RIGHTS

Our Promise to Oregon Taxpayers

At the Department of Revenue (DOR) our top priority is to treat each and every taxpayer fairly, professionally, and courteously. To this end, quality customer service is part of every employee's job. We expect our staff to interact with taxpayers in a polite and respectful manner while working to answer your questions or resolve any problems as quickly as possible.

Every interaction with a taxpayer will be guided by our agency values:

- We work to earn the trust of taxpayers.
- We seek dignity and inclusion for all.
- We do the right thing.
- We build partnerships.
- We rise to the occasion.

Your rights as an Oregon taxpayer are spelled out in the Oregon Taxpayer Bill of Rights (ORS 305.860—305.900). The following is a summary of your rights and the Department of Revenue's responsibilities to you as an Oregon taxpayer.

Taxpayer Rights

As a taxpayer, you are entitled to fair, professional, prompt, and courteous treatment. You also have specific rights under state law. You have the right to:

- Confidentiality. We are obligated to keep any tax information we have confidential, except for some circumstances when we may need to share with government agencies, such as the IRS and certain state and local agencies.
- Pay only your fair share of Oregon taxes under the law.
- A clear explanation of what you owe, including any penalty and interest.
- To [meet with the department](#) to discuss our determinations about your taxes.
- Enter into a [payment plan](#) for your tax debt if you meet the eligibility requirements and if the Director of the Department of Revenue determines that the agreement will facilitate collection of such liability.
- Request a waiver of interest or penalty in certain circumstances.

Department of Revenue Responsibilities

The Department of Revenue is required to:

- Ensure the state's tax laws are applied consistently and fairly so you pay the correct amount of tax.
- Provide a clear explanation of the basis for our determination in the initial notice you receive about any underpayment of tax.
- Meet with taxpayers who wish to discuss the department's determinations about their taxes. During any meeting or communication, the department will explain your rights under each process, including the collections, audits, and appeal processes.
- Keep your tax information confidential, regardless of whether it comes from your state tax returns, letters to us, or meetings with you.
- Collect taxes owed to the state. When taxes go unpaid, we may need to start a collections process, under which you have specific rights.
- Provide a clear explanation of the audit process, including why we are asking for information, how we will use that information and what will happen if you don't provide that information, and a written explanation of any changes we make to your tax return because of the audit.

The Oregon Taxpayer Bill of Rights is available in [English](#), [Spanish \(Español\)](#), [Russian \(Русский\)](#), [Chinese – Mandarin \(普通话\)](#), [Chinese – Cantonese \(廣東話\)](#), and [Vietnamese \(Tiếng Việt\)](#).

TAXPAYER RESOURCES

The Oregon Department of Revenue strives to create a clear and easy experience for our customers. Our mission, vision, and values guide us as we serve our customers and collect revenue that supports the critical infrastructure of Oregonians' daily lives.

Field Offices and Customer Service

The regional field offices support the Personal Income Tax program by providing walk-in customer service to taxpayers.

Bend

951 SW Simpson Ave
Suite 100
Bend, OR 97702-3118
(541) 388-6139 | M-F, 8 a.m.-5 p.m.
Closed 12:30 p.m. - 1:30 p.m. daily

Eugene

1600 Valley River Drive
Suite 310
Eugene, OR 97401-2160
(541) 686-7935 | M-F, 8 a.m.-5 p.m.
Closed 12:30 p.m. - 1:30 p.m. daily

Gresham

1550 NW Eastman Parkway
Suite 220
Gresham, OR 97030-3832
(503) 674-6272 | M-F, 8 a.m.-5 p.m.

Medford

3613 Aviation Way
Suite 102
Medford, OR 97504-6010
(541) 858-6500 | M-F, 8 a.m.-5 p.m.
Closed 12:30 p.m. - 1:30 p.m. daily

Portland

800 NE Oregon St
Suite 505
Portland, OR 97232-2156
(971) 673-0700 | M-F, 8 a.m.-5 p.m.
Closed 12:00 p.m. - 12:30 p.m. daily

Salem (headquarters)

955 Center Street NE
Salem, OR 97301-2555
(503) 378-4988 or (800) 356-4222
M-F, 8 a.m.- 5 p.m.

Taxpayer Advocate Office

In 2021, House Bill 3373 created the office of the Taxpayer Advocate housed within the department. The Taxpayer Advocate Office serves as a resource for taxpayers, but it also serves as a voice for reducing barriers to compliance and increasing accountability to taxpayers within the department.

Taxpayers who have exhausted the normal channels can contact the Taxpayer Advocate Office with their individual issues, and staff may then assist in problem solving, providing information, or expediting department service as appropriate. Through repeated patterns in taxpayers' issues or other high-level observations, the Taxpayer Advocate Office also identifies systemic issues in the department's processes and procedures and recommends solutions to address them.

Non-governmental organizations and related groups who engage in tax filing assistance and tax reform advocacy (e.g., Metropolitan Family Services, Ford Family Foundation) use the Taxpayer Advocate Office as a resource for information and collaboration as well as a point of contact for advocacy and assistance within the department. The Taxpayer Advocate Office is partnering with the Oregon Department of Human Services and the nonprofit Metropolitan Family Services-CASH Oregon to create an interactive tax clinic map for publication and outreach to low-income individuals in need of tax assistance.

Accomplishments

- In partnership with DHS and MFS-CASH, compiled an interactive map of free tax help clinics in Oregon (VITA and Tax-Aide sites) and added to the department's website for free tax help.
- Released the first [Legislative Taxpayer Advocate Annual Report](#) within the department and distributed to legislators, and the Taxpayer Advocate presented the report to the House Revenue Committee.
- Finalized the returned mail report based on feedback from the Revenue Leadership Team and presented recommendations for assignment by the Revenue Leadership Team with support from the Disclosure and Process Improvement teams.
- Completed a draft report detailing Oregon state government's previous efforts to increase Earned Income Tax Credit (EITC) uptake as well as recommendations for future efforts, and the Taxpayer Advocate Office was invited to participate in outreach.
- Per Taxpayer Advocate Office recommendations, there are ongoing efforts by the Revenue Leadership Team to improve the transparency of the "Where's My Refund" process, update the form designating authorized representatives, and reduce non-compliance with respect to authorized representative communications.
- Provided taxpayer perspective in monthly internal meetings of the Customer Experience Center of Excellence Group, Correspondence Letter Project Steering Committee and Oregon Kids Credit communication meetings.
- Educated and engaged internal department partners on the role and activities of the Taxpayer Advocate Office through presentations and meeting appearances including, Revenue Leadership Team, Townhall, PTAC Managers Meeting and the PIT Unit Staff Meeting.

Taxpayer Advocate Contact

Email: taxpayer.advocate@DOR.oregon.gov

Phone: 503-945-8700

'23 Statistics

1,187

taxpayer inquiries
received

Top Inquiry Types:
refund status,
personal tax, debt/
collections



261

investigative cases
opened from inquiries

0 Days

median days to resolve
an inquiry

4 Day

median days to close
a case



128

cases resulting in a
department process change



Taxpayer Help and Resources

Taxpayers can receive direct assistance through a phone call, email, and the secure messaging system, Revenue Online. The department has multiple call centers, each with a specific focus to assist specific customer groups. They can also field calls and direct those who need translation services to a translation agent. Emails are directed to tax-program specific email addresses. Taxpayers who use Revenue Online, can connect with staff to share documents, or have their questions answered. Individual program areas respond to the concerns or complaints they receive directly.

If the governor, public official, or the Secretary of State Small Business Advocate Office receives a complaint or concern, they share the concern with the department, and the appropriate program area assists with a response. The department director also fields complaints and concerns that are shared with programs for responses. An appeals process exists for taxpayers to challenge decisions made by the department.

General Assistance - Taxpayer Services Unit

Phone: 503-378-4988 or 800-356-4222

Asistencia disponible en español

Fax: 503-945-8738

TTY: We accept all relay calls

FY '23



81%

of customers rated
DOR customer
service as "good" or
"excellent" based on
overall experience

Taxpayers and Public Outreach

Taxpayer Advocate Office

The Taxpayer Advocate represented taxpayer interests in quarterly meetings of the Treasurer's Financial Empowerment Advisory Team. This team, which is committed to advancing financial well-being in Oregon, was instrumental in passing Senate Bill 3 which requires Oregon high school students to receive personal finance education. Taxpayer interests were also represented in regular meetings of the Tax Court, Oregon DHS Self-Sufficiency Program, Economic Development and Community Services State-Tribal Cluster Meetings, Legislative Committee on Indian Services, Poverty Relief Task Force, Earned Income Tax Credit (EITC) workgroup, and HB 4117 (funding for low-income tax preparation organizations) Implementation group. All these cross-agency collaborations work with community partners and focus on underserved populations.

Other engagements included the Oregon State Bar Association, Salem Tax Practitioners, the Western States Association of Tax Administrators Conference, and the Federation of Tax Administrators Compliance Conference.

The 2023 Free Tax Help map added to the department's website by the Taxpayer Advocate Office was viewed approximately 95,000 times between January and October 2023, directing thousands of taxpayers to free filing assistance. Robust social media campaigns across various platforms and newsletters distributed through GovDelivery continue to educate the public on the office's ability to assist.

'23 Average

83%

of employee diversity
reflects Oregon's
diversity

*An indicator of DOR's
commitment to dignity
and inclusion for all.*

'23 DOR Statistics



170
events attended

Attended outreach
events in all **36**
Oregon Counties,
directly meeting with
Oregonians



Participated in in-person
and virtual events





Other Outreach

The department also used public outreach to gain feedback and input on its strategic plan update. This feedback and input were collected through different channels including workshops, surveys, email communication, and announcements. These responses allowed the department to hear from internal and external partners on what matters most to them and how we can make improvements.

DOR 2023 Giving

The department engages in a variety of activities to give back to Oregon such as the Governor's State Employee Food Drive, the Charitable Fund Drive, and the Tree of Giving. Statistics on the department's giving for 2023 is provided below.

Governor's State Employee Food Drive



375lbs
of food donated

Raised enough monetary
donations to provide over

9,000 Meals



Charitable Fund Drive

\$20,317

in funds raised



99+

local charities
assisted



Tree of Giving



110 out of 110 tags donated

Supported organizations: Early College High School Teen Parent Program, Family Building Blocks, MacLaren Youth, Savin' Juice Dog Rescue, and Salem Friends of Felines

DOR OVERVIEW

The Oregon Department of Revenue administers Oregon tax laws, supports partners' programs, and acts as a central debt collection agency for other state agencies, boards, commissions, and local governments. We provide services for the public, tax professionals, cities, counties, local taxing districts, tribal governments, and other state agencies.

Mission, Vision, Values

Mission

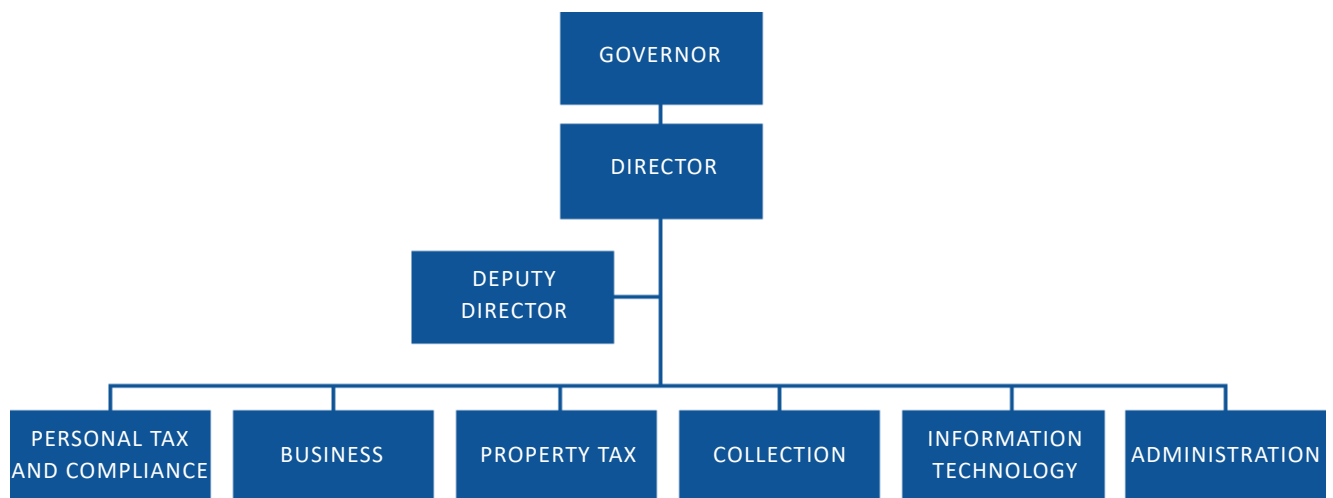
Together, we collect the revenue that Oregon counts on.

Vision

To create a clear and easy experience for our customers.

Values

- We work to earn the trust of taxpayers.
- We seek dignity and inclusion for all.
- We do the right thing.
- We build partnerships.
- We rise to the occasion.



About the Department of Revenue

The Oregon Department of Revenue workforce includes approximately 1,000 employees from across Oregon. Offices are in Bend, Eugene, Fossil, Gresham, Medford, Portland, and Salem. All offices are open to the public except for the office in Fossil which is a call center.

We are committed to bringing in the revenue that Oregon counts on, whether it is through tax programs we administer, supporting our partners' revenue collection efforts, or collecting on debts owed to the state of Oregon. Our mission, vision, and values define our purpose and guide our work.

3.9M

Tax returns
filed in 2023*



88%

of refunds issued
within 30 Days*



\$140

in receipts for every
dollar in expenditures**



Executive Team

The Revenue Leadership Team (RLT) is the executive leadership team of the Oregon Department of Revenue. RLT is a forum for communication and consensus-based, department-wide decision making based on our mission and vision. The RLT scope includes strategic planning, resource prioritization, strategic communications planning, data governance, and cross-agency operations, policy, and planning.

Betsy Imholt, Director
Satish Upadhyay, Deputy Director
Bram Ekstrand, Property Tax Division Administrator
Deanna Mack, Collection Division Administrator
Jay Messenger, Internal Controls Officer
Joanna Robert, Communications Director
Kathy Terman, Chief Information Officer
Katie Lolley, Business Division Administrator
Katie Thiel, Human Resources Director
Marjorie Taylor, Legislative Director
Megan Denison, Personal Tax and Compliance Division Administrator
Stefan Hamlin, Chief Financial Officer
Timothy Fitzgerald, Research Director

*2023 data is provisional and may fluctuate due to the nature of the data.

**2021-2023 biennium data.

STRATEGIC GOALS

The 2022-2027 Oregon Department of Revenue Strategic Plan, Oregon Counts on Us, maps out a course of action for the department that commits to racial equity, improves customers' experience, supports employees, and leverages data. The department is committed to working with customers, partners, and local communities across Oregon to fulfill the department's mission and vision.

2022-2027 Strategic Plan: Priorities and Goals

The 2022-2027 Strategic Plan priorities and goals include:

Racial Equity: Adapt the culture, modify practices, and adjust infrastructure to ensure dignity and inclusion for all.

- Create and implement a Racial Equity Plan.
- Create and use Racial Equity Impact Statements.

Our Customers: Make it simpler for customers to work with the department.

- Upgrade to modern call center and phone systems.
- Improve online services.
- Improve website features and functionality.
- Improve the quality of correspondence.
- Accept all payments for all programs regardless of a customer's access point.

Our Employees: Train and prepare the workforce for the future.

- Enhance employee training.
- Ensure new managers have the tools they need to succeed.
- Facilitate knowledge transfer and cross-training.

Our Data: Enhance data access and use.

- Improve data literacy.
- Develop data governance.
- Create and execute a data strategy.

The department created an action plan consisting of seven projects to achieve these priorities and goals.

2023 Strategic Accomplishments

During 2023, Strategic Plan project managers and their project teams worked on completing tasks towards executing each of the seven projects. Highlights of the accomplishments that were completed toward the goals are listed below.

Project 1: Racial Equity Plan

- After adopting Revenue's Racial Equity Plan in January, the department has been working towards supporting the strategies and actions in the plan. Please see page 18 for a summary of the progress that has been made over the last year on the Racial Equity Plan.

Project 2: Racial Equity Impact Statement

- The department is using racial Equity Impact Statements to aide in the development of department budgets and administrative rules.

Project 3: Customer Experience Improvement Program

- The department conducted a review of ways to modernize its call centers and provided a consultant's recommendations report to the Oregon Legislature, as required.
- Established the Customer Experience Center of Excellence (CxCOE) to help modernize and enhance the agency's customer call centers and improve customer experience. Hired a CxCOE director and a call center strategist.

Project 4: Correspondence and Letters

- A cross-agency project team reviewed and updated 11 letters, shared the letters with external partners for feedback, incorporated the feedback, and configured the letters into the tax processing system to be sent to taxpayers, registered businesses, and senior and disabled individuals who participate in the property tax deferral program.
- The project is using this first group of letters as a base for future letter updates.

Project 5: One Stop Shopping for Payments

- Collection Division submitted the project request to make changes to GenTax, the department's processing and accounting system, to allow for a single payment and payment plan for tax and non-tax debt. Collections provided the initial requirements on the expected outcome of the project request.



Project 6: Enhancing Employee Training

- A cross-agency project team created a training list per position on the department's intranet.
- Procured LinkedIn Learning training and ITBOM (diversity, equity, and inclusion) training and posted them on the intranet for all employees.
- Each division created onboarding plans and checklists for new employees.
- Created and launched first phase of a mentorship program.
- Completed a toolkit for new and front-line managers.
- Created a list of critical positions.
- Updated procedures and workflows for areas of unique knowledge or experience in the agency.
- Created cross-training and succession plan for highly technical positions.
- Created a Succession Plan and submitted it to the Oregon Department of Administrative Services (DAS).



75%

(Target is 65%)

Employee Training
Per Year
(percent receiving
20 hours per year)

Project 7: Data Literacy, Governance, and Strategy

- The department identified and made available data analytics training for analysts. Developed and submitted an open data plan and data inventory to DAS. Incorporated data governance into the department's executive leadership charter.

Strategic Plan Update

In March 2023, the department kicked off its strategic plan goal update in accordance with the Strategic Plan's monitoring and evaluating schedule. The purpose of the update was to review and assess the department's progress towards completing the current goals and identify goal updates under the current priorities.

To begin the process of updating the strategic goals, the department completed an environmental scan. The environmental scan allowed the department to identify the trends and occurrences in its internal and external environment that influence it, currently and in the future. The environmental scan consisted of several workshops and surveys to learn from external partners, department leadership and employees. From there, the department's executive leadership took that information and used it to help update the department's strategic goals.

This resulted in the updated [2022-2027 Strategic Plan](#) which includes the adopted strategic goal updates. The updated plan also includes an appendix that provides information on what was completed under each of the original strategic goals.

Racial Equity Plan Progress

Fulfilling the department's mission of together collecting the revenue Oregon counts on requires the department to recognize, address, and eliminate institutional racism and discrimination. The department is committed to continuously addressing equity and racism and creating an inclusive environment for all employees and customers.

Newly adopted at the beginning of this year, the Oregon Department of Revenue's 2023-2027 Racial Equity Plan incorporates the 10 strategies laid out below in the State of Oregon's Diversity, Equity, and Inclusion (DEI) Action Plan and details the actions the department will take to apply those strategies over the next five years.

1. Agency Specific Racial Equity Plan
2. Agency Diversity, Equity, and Inclusion Infrastructure
3. Inclusive Communications
4. Community Engagement
5. Disaggregated Data as a Lever for Change
6. Equitable Budget, Inclusive Budget Process, and Investing in Target Communities
7. Contract Equity and Improving Agency Procurement Processes
8. Diversifying the Workforce and Creating an Inclusive Workplace
9. No tolerance for Racism, Hate, and Discrimination
10. Urgency, Transparency, and Accountability in All Operations



During this year, the department worked toward progress on each of the strategies in the plan. Highlights of that progress are shared below.



Organized the Revenue Committee on Diversity and Inclusion and drafted a charter to guide the committee's work. Committee meetings to start in the beginning of 2024.



Created a YouTube channel to communicate through videos and share "How To" tutorials on tax processes. Created a Facebook channel to communicate and engage with customers.



Hired a community engagement specialist to engage with community members and culturally specific community-based organizations.



Helped community-based organizations understand how to access services for their clients or community members by hosting community engagement events.



Provided translation services, as needed, to customers. Translated information about the new Oregon Kids Credit for low-income families into 17 languages and distributed to community-based organizations and other agencies.



Reviewed and improved the Oregon Department of Revenue's external website navigation, level of program information provided, and program contact information. Significantly improved external website accessibility.



Kicked off a project to prepare to collect customers' voluntarily provided race and ethnicity data, authorized by the Oregon Legislature in Senate Bill 1 (2023).



Created a feedback loop so information coming from communities is documented, shared with DOR leadership, and addressed.



Updated procurement practices:

- o For every department-run solicitation (small, intermediate, sole source and special procurements), the department's procurement office will find COBID vendors in Business Oregon's database and invite them personally to bid.
- o The department's procurement office ensures that all procurement documents have a Diversity, Equity, and Inclusion (DEI) statement.



Tracked, measured, and reported changes in the demographics of department employees.



Ensured there are structures in place to provide all staff with safe space to communicate concerns or ideas related to equity.



Ensured there are written and followed internal process for responding to acts of racial discrimination toward department staff, with zero tolerance for hostility, macro or micro.

GOVERNOR'S EXPECTATIONS

In January, Governor Kotek established expectations for state agencies to create standard systems of agency reporting so the Governor can look across the entire enterprise of state government and understand how agencies are doing. Below are the expectations that were set and the Oregon Department of Revenue's status.

1. Perform employee quarterly check-ins.
 - ✓ The department had a 100 percent success rate of performing employee quarterly check-ins.
2. Conduct an employee engagement survey once per year.
 - ✓ The department conducted an employee engagement survey in August 2023.
3. Update agency strategic plan following an enterprise-wide standard format and align with Governor Kotek's goals.
 - ✓ During 2023, the department updated its strategic plan utilizing feedback from customers, external partners, and internal employees. The updated strategic plan can be found in the appendix of this report.
4. Develop an IT strategic plan aligned with statewide goals.
 - ✓ The department's IT strategic plan was completed and submitted to DAS at the end of October.
5. Develop an agency succession plan.
 - ✓ The department has developed a succession plan and it was approved by DAS.



6. Adopt an agency diversity, equity, and inclusion plan.
 - ✓ In January, the department adopted the agency's first Racial Equity Plan which incorporates the 10 strategies laid out in the State of Oregon's Diversity, Equity, and Inclusion Action Plan.
7. Annually update a continuity of operations plan.
 - ✓ The department submitted an updated continuity of operations plan by the September 2023 deadline.
8. Keep the average time to fill vacancies below 50 days.
 - ✓ The department's average number of days to fill vacancies was 44 days.
9. Keep the vacancy rate below 12 percent.
 - ✓ The department's vacancy rate for 2023 was 4.27 percent.
10. Report semi-annually on progress to implement audit recommendations.
 - ✓ The department submitted its first report in November 2023. For the requested reporting period January 1 – October 31, 2023, there were 49 audit recommendations. Twenty-four of these recommendations have been implemented, 19 are on track for timely completion, two closed as agency disagreed, and four are overdue.
11. Ensure all new employees participate in new employee orientation within 60 days of hire.
 - ✓ 97 percent of new Revenue employees participated in new employee orientation within 60 days of hire.
12. Ensure all new state employees participate in DAS' customer service training within 60 days of hire once it is developed.
 - ✓ 97 percent of new Revenue employees participated in DAS' customer service training within 60 days of hire.
13. Ensure all new employees participate in Uplift Oregon's benefits workshop within 30 days of hire.
 - ✓ 100 percent of new Revenue employees participated in Uplift Oregon's benefits workshop within 30 days of hire.
14. Ensure new managers complete the introductory manager training program within three months of starting their new management position.
 - ✓ 100 percent of new Revenue managers completed the introductory manager training program within three months of starting their new management position.
15. Complete a director 360-performance review every two years.
 - ✓ The department is on track for December 2025.

DIVISIONS AND SECTIONS

Administration Division

The Administration Division includes the Director's Office, Financial Services, Communications, Human Resources, Internal Audit, Research, and Internal Controls Office. Core functions include department leadership, central administration, legislative coordination, public outreach, and performance management functions. Effective management of this program supports the department's staff in providing core business program delivery and customer assistance. Within the Administration Division is also the separate and distinct Office of the Taxpayer Advocate, which is referred to beginning on page 9 of this report.

Director's Office

The Director's Office provides leadership and direction for the department's programs and divisions. The director, deputy director, executive support staff, legislative policy, rulemaking, operations, and taxpayer advocate office reside in the Director's Office.

Accomplishments

- Created the Customer Experience Center of Excellence to improve operations and technology at agency contact centers.
- Filed 50 administrative rules with a 2023 effective date.
- Revised or repealed 45 overdue policies and currently have 41 policies in review across the agency. The list of overdue policies has gone from 189 to 144 since August 2023. This is in addition to the many new policies that have been adopted.
- Completed drafting a revised agency-specific special retention schedule to set minimum and maximum retention periods and is currently under review with Secretary of State.
- Partnered with OLCC (Oregon Liquor and Cannabis Commission) to require marijuana retailers obtain proof of tax compliance from Revenue prior to obtaining or renewing a license to sell marijuana in the state of Oregon.
- Created online tools to support improvement with human resource services, department onboarding, payroll, creating desk procedures, and process mapping.

'23 Statistics



Published DOR's first annual report to reflect on 2022



8 process improvement workshops completed

152

department processes mapped



58% employee engagement
(Target is 55%)

Financial Services

Financial Services provides accounting, budget, facility management, and procurement services to the department. The division manages the collection and distribution of funds from the department's 63 tax and fee programs, the monitoring and payment of department expenditures, the collection of administrative costs, the creation and maintenance of the department's budget, the management of its facilities, and the procurement of goods and services.

DID YOU KNOW?

GenTax is the department's major tax processing system



98% of revenue transfers were timely

99% of revenue transfers were accurate

Accomplishments

- Achieved successful implementation of OregonBuys as the system of record for procurement transactions.
- Completed several large contract renewals including FAST Enterprises (GenTax) to ensure continued operations.
- Streamlined Accounts Payable processes for entries and travel submissions to meet customer service goals.
- Completed phase one of the cost accounting modification project.
- Partnered with DAS Facilities to design and complete security updates within the processing and payment center and update private conference rooms to meet with customers in and out of tax season.
- Started the second phase of a project to automate the agency's financial reporting, fund distribution, and financial reconciliation functions for over 60 revenue streams.

Communications

Communications provides guidance and expertise to assist business areas in communicating with taxpayers, community members, and external partners. The unit provides public affairs and web services to communicate information to the public.

Accomplishments

- The department launched its new and improved department website as part of the ongoing efforts to create a clear and easy experience for customers.
- The department launched a Facebook account, adding the social media channel in addition to X, LinkedIn, and YouTube.

'23 Statistics



1.65M
users accessing website



241,202
email subscribers



13.3 M
news release audience reach



FACEBOOK



Created
Sept. 2023



188 total
followers



12,701 post
reach

LINKEDIN



122 new
followers



1,446 total
followers



40,769 post
impressions

YOUTUBE



13 videos
posted



527 total
subscribers



61,828
views

Human Resources

Human Resources provides general oversight of the department's relationship with its more than 1,000 employees. Specific responsibilities include the recruitment and retention of skilled employees, management of personnel issues, administration of employee benefits, and the coordination of labor relations for the department.

Accomplishments

- Held two career fairs in rural Oregon, one in Burns and one in Ontario. Participated in three virtual career events, coordinated participation of agency employees in two additional events, and participated in a Veterans' Stand Down event.
- Improved efficiency in recruiting new employees. Averaged 44 days to fill vacant positions, exceeding the Governor's goal of 50 days by six days.
- Recruited and onboarded 214 employees. Recruited 43 new seasonal employees; onboarded 95 seasonal employees.



4% Vacancy Rate



41,018 Hours
total # of training



2,185 Hours
total # of LinkedIn
Learning training

Internal Audit

Internal Audit provides independent, objective assurance that the internal control framework is operating according to management intent, as well as consulting services to help the organization accomplish its objectives. Internal Audit's systematic, evidence-based approach brings transparency to department operations and public funds expenditures, as well as accountability for achieving the agency's mission and policy objectives. Internal Audit recommendations drive improvements in the department's operations, workforce management, policy coverage, and tools, which in turn reduces the overall risk to achieving the department's mission.

Accomplishments

- Completed eight audits on topics spanning governance, emergency preparedness, contract management, and training.
- Continued to operate in 2023 under the direction of a chartered audit committee made up of members with expertise in the finance and audit fields.
- Developed the department's first Internal Audit procedures manual documenting standardized structure and processes to use for internal audit decision making, accountability, control and quality in internal audit workflows and deliverables.



51 audit
recommendations



Completed **8**
audits & consulting
projects

Research

The purpose of the Research Section is to inform tax policy development and public discourse as well as contribute to the enhancement of internal data analytical capacity. The Research Section is composed of economists and research analysts who produce descriptive information about the department's tax programs, conduct analysis relating to the revenue and distributional effects of actual or proposed changes in law, and consider the impact of proposed changes on the department's administrative activities. The section participates in state revenue forecasting and tax policy analysis, working closely with the Office of Economic Analysis and the Legislative Revenue Office.

Accomplishments

- Co-led conversations on agency-wide reporting standards.
- Pilot-tested posting aggregated tax information to data.Oregon.gov.
- Updated Oregon reporting of state revenue information to U.S. Census Bureau.



Compiled and published four complex reports describing Oregon's major tax programs



Coordinated an update to the inventory of all data stewarded by the department



Provided consultation and reporting to the Office of Economic Analysis on the kicker



Grew the Data Analyst Community of practice



Internal Controls Office

The Internal Controls Office (ICO) monitors and promotes the department's compliance with legal requirements and standards and works to mitigate cybersecurity and operational risks. The ICO is also responsible for business continuity planning and administration. The ICO includes the Agency Compliance, Agency Risk Management, and Resiliency programs.

Accomplishments

- Completed extensive update of the agency's continuity of operations plan to meet the Governor's expectation and promote the resiliency of department operations in the event of an emergency.
- Implemented and completed new IRS Safeguard Security Report and the incorporation of 48 new control questions.
- Developed a comprehensive plan to assess compliance with information technology security standards applicable to the department which has begun and will continue over a multi-year period.
- Operationalized the OR-Alert emergency messaging system at the department in conjunction with IT which included the development of messaging protocols and processes, extensive employee outreach, and successful agencywide testing.
- Enhanced physical security posture at Revenue Building through exterior environmental changes, access control refinement, and process improvement.
- Revised the department's risk management approach and conducted assessment to capture agencywide risks in the redesigned risk register for use in risk tracking, analysis, reporting, and monitoring.



100%

of employees
completed ICO training

Business Division

The Business Division administers tax, fee, and licensure programs to which large and small businesses are subject. The division is responsible for 34 revenue streams that range from Personal Income Tax Withholding to Corporation Income Tax to transient lodging taxes and administers many local governments tax programs. The division also works diligently to provide excellent service to taxpayers to enable them to comply with the various tax laws in an efficient manner.

Withholding and Payroll Tax Section

The Withholding, Other Taxes and Fees Section is responsible for the administration of multiple programs including Personal Income Tax Withholding, Statewide Transit Tax, Lane and TriMet Transit Payroll Taxes, State and Local Marijuana Retail Tax, and Cigarette, Psilocybin, and Tobacco taxes, as well as Tobacco and Kratom Registration. The section is also responsible for collecting payments from employers for unemployment insurance, paid leave, and worker's benefit fund programs that are administered by other agencies.

Oregon Special Business Programs Section

The Oregon Special Business Programs Section is responsible for the administration of taxes and fees such as, Corporate Activity Tax, State and Local Transient Lodging Tax, Emergency Communications Tax (E-911), Coordinated Crisis Services Tax (E-988), Petroleum Load Fee, Amusement Device Tax, Hazardous Substance Possession Fee, Vehicle Privilege Tax, Vehicle Use Tax, Bicycle Excise Tax, Heavy Equipment Rental Tax, Loaded Tank Railroad Car Fee, and the Criminal Fines Assessment program. This section is also responsible for auditing the tobacco and marijuana tax programs.

Corporation and Estate Section

The Corporation and Estate Section is responsible for administering the Corporation Excise and Income Taxes, Estate Transfer Tax, Fiduciary Income Tax, and TriMet and Lane Self-Employment Tax programs.

Accomplishments

- Prepared the new Loaded Tank Railroad Car fee program to begin collection in 2024.
- Began assisting Spanish-speaking employers in Spanish.
- Implemented quarterly training for new employers both virtual and in-person.
- Along with six other agencies and boards, delivered the Interagency Compliance Network Report to the 2023 Legislature.
- Gained responsibility for maintaining the Oregon Business Registry, the Combined Employer Registration form process and change portals from the Secretary of State.
- Created educational "how to" videos to further educate and assist employers for registration and payroll tax filing.
- Began accepting the Multistate Power of Attorney form which allows taxpayers who need representation in multiple states to fill out one form.
- Improved efficiency by streamlining operations across several different tax programs.

'23 Statistics

5,919

completed audits and inspections or other compliance actions

95%

compliance with W-2 and 1099 filings for tax year 2022



Attended **113** outreach events

'23 Call Wait Time



5.40

minutes was the average time callers waited to speak with Business staff
(Target is <5min.)

Collection Division

The Collection Division has program responsibility for the collection of delinquent debt owed to the Department of Revenue or other public agencies. The division supports collection of past-due debt through letters, education, face-to-face contact, online interactions through Revenue Online, the Collection Division call center, as well as establishing payment plans and enforced collections such as garnishments and seizures.

Tax Collection Section

The Tax Collection section is responsible for collecting delinquent taxes from businesses and individuals for 41 tax and fee programs the department administers. Collection activity occurs when there are unpaid taxes or fees resulting from a taxpayer filing a return without full payment, assessments based on processing or audit adjustments, or filing enforcement activity.

Recovery Services Section

The Recovery Services section achieves maximum recovery of debts owed to other State of Oregon agencies and local governments and manages the state's interest in bankruptcy court proceedings while providing excellent customer service. The department redistributes revenues collected back to the public entity, as well as contracts with private collection firms to assist the department in collecting debts on behalf of the State of Oregon.

Operations, Policy, and Systems Administration Section

The Operations, Policy and Systems section is responsible for division data analysis and metrics, policy development (legislation and administrative rules), appeals, division training, and systems support. The section also supports the work of the Collection Division through advanced collections activities and resolving constituent issues.

Accomplishments

- Began posting information on agency website for those that owe more than \$50,000 in unpaid taxes.
- Streamlined the garnishment process to improve efficiency.
- Conducted an independent review of its operational alignment. Consolidated guidance for consistency.
- Refreshed the division's strategic plan for 2024-2025.
- Expanded and improved recruiting outreach resulting in 59 new hires.

FY '23 Statistics

\$211M

collected in
Liquidated and
Delinquent Tax Debt

\$61M

collected in Other
Agency Debt



'23 Call Wait Time



1.53

minutes was the average
time callers waited to speak
with Collection staff
(Target is <1min.)

4.4%

of calls ended before
being connected to
Collection staff
(Target is <2%)

Information Technology Services Division

Information Technology Services Division is the department's resource in Information Technology, forms and publication design, and mail, tax return, and payment processing. The division provides the leadership and expertise in Information Technology for computer solutions, knowledge, and support. It ensures clear, accurate, and taxpayer friendly forms and publications are provided to Oregon's taxpayers. Additionally, the division is the department's mail and tax return and payment processing section, leveraging technology for efficient data capture.

Application Services

Application Services develops and maintains software applications used by the Department of Revenue. It is organized into three areas: the project management office (PMO); New Development; and Operations. From requirements gathering to development to operations to decommissioning, Application Services uses the Software Development Lifecycle (SDLC) to ensure all applications meet the needs of customers.

Support Services

Support Services is tasked with supporting the department with its computer and telephone related issues. Support Services consists of the IT Service Desk, Desktop Engineering, Identity and Access Management, Telecom, and Software Licensing.

Engineering Services

Engineering Services builds, supports, and maintains the computer systems that provide the necessary information to manage and control the business functions of the department. This includes monitoring systems, systems administration functions, and testing services.

Processing Center

The Processing Center processes the department's mail, including all paper tax returns and check payments. The section is made up of seven units that ensure more than 400,000 paper tax returns are processed and \$22 billion in tax payments are banked each year.

Forms & Publications

The Forms & Publications team ensures that clear, accurate, and taxpayer friendly forms and publications are provided to Oregon's taxpayers. It provides leadership and expertise in all areas of forms and publications design, development, maintenance, publishing, and printing.

Accomplishments

- Completed modernization project for part of the property tax system and launched the final phase for the system.
- Moved the Business Identification Number (BIN) system from the Secretary of State's office to DOR's online system.
- Established a system for kratom processors to register with the department.
- Completed a payment interface with the Oregon Employment Department so that users filing their Form OQ Oregon Quarterly Tax Report on Frances Online can be directed to Revenue Online to make their payment.
- Built the IT system to administer the Loaded Tank Railroad Car (LTRC) program.
- Completed programming to administer a new tax credit for agricultural employers who pay overtime.
- Created IT strategic plan, submitted it to DAS per the Governor's expectations.
- Implemented and tested emergency payment processing plan.
- Implemented new Service Desk ticketing and management system.

'23 Statistics



100%

of projects completed on budget and meeting scope objectives

85%

of projects closed on time

Property Tax Division

The Property Tax Division oversees the statewide property tax system for Oregon’s 36 counties as well as administers 18 programs. Though counties directly collect the taxes, the Property Tax Division plays a large administrative role in helping counties evaluate and calculate property taxes.

Support, Assistance, and Oversight Section

The Support, Assistance, and Oversight (SAO) Section makes property appraisal standards more equitable and uniform, sets statewide methods of assessment, monitors programs, provides training to county and department staff, evaluates county performance, and offers direct assistance to counties that do not have the tools or personnel to calculate their own property taxes. The section also administers the CAFFA grant program, helping to fund county Assessment and Taxation functions, as well as the department’s valuation of industrial and centrally assessed companies

Forestland: The Forestland Program within the division has three functions:

- Establishing the assessed value for approximately 8.1 million acres of forestland for a statewide assessed value of about \$2.5 billion; the program administers the Small Tract Forestland Severance Tax and Forest Products Harvest Tax programs.
- Determining the productivity classes of western Oregon forestlands, which are used for property tax values.
- Providing assistance to the counties identifying owners with 5,000 or more acres of forestland and providing general Forestland Program guidance

Cadastral Information Systems: The Cadastral Information Systems unit sets mapping standards for county assessment maps, maintains and updates maps for nine counties, and reviews and approves taxing district boundary change data. The unit also administers the Oregon Map (ORMAP) Project, which supports developing a seamless statewide digital tax lot base map.

Senior Citizens Property Tax Deferral: This program provides seniors and people with disabilities a means to have their property taxes paid by the state, allowing them to remain in their homes. The taxes are repaid to the program when the property sells, allowing this program to be self-funded and sustainable.

Valuation Section

The Valuation Section determines the real-market value for two main property types: state-appraised industrial properties (processing or manufacturing activities) and centrally assessed companies (companies operating in Oregon and other states, including airlines, utilities, railroads, and telecommunications).

Accomplishments

- Delivered 23 assessment and taxation, and 12 local budget law training classes.
- Oversaw 114 online appraiser examinations.
- Completed over 650 taxing district boundary changes. Billed contracting counties 1,576 hours for map maintenance work.
- Integration of the Central Assessment appraisal program into GenTax allowing 506 centrally assessed taxpayers to now file their Annual Statements through Revenue Online (ROL).
- Launched ELVIS phase 2 modernization project.

'23 Highlights



3,800

senior and disabled persons
helped and able to remain
in their homes

2,300+

participants participated
in Property Tax trainings



4,928

requests responded to for
guidance from counties
and local taxing districts
(45% increase)



Personal Tax and Compliance Division

The Personal Tax and Compliance Division is responsible for managing the state's Personal Income Tax program, which accounts for \$19 billion per biennium in revenue for the General Fund. Additionally, the division is responsible for managing the state's partnership minimum tax program, pass-through entity elective tax program, and statewide transit individual program. The division focuses on improving and sustaining the voluntary tax system through policy development, providing tax forms, return processing, enforcement, and customer service.

Compliance Section

The Compliance Section includes audit and regional field offices. This section helps taxpayers to be in tax compliance through customer service, tax help, and auditing tax returns. Tax compliance includes adhering to deadlines for filing and payments, reporting complete and accurate information, and keeping the required documents and recordkeeping.

Program Services Section

Program Services Section manages the Personal Income Tax program by providing customer service in the department's call center and payment center, updating forms, publications, and website content; maintaining the return processing systems; detecting fraud and protecting refunds; correcting errors as returns are processed; assisting and billing non-filers; supporting legislative and department policy development; resolving appeals; and informing program changes through data management and process review.

Accomplishments

- Implemented a new tax credit for agricultural employers.
- Held outreach events throughout Oregon, including county fairs and taxpayer events.
- Partnered with Oregon Youth Authority to help youth in custody prepare their tax returns by guiding them step-by-step through the process.
- Created and distributed outreach materials for the new Oregon Kids Credit in 17 languages.
- Developed and tested a new direct file method for personal income tax returns.
- Over 2,000 taxpayers claimed the Oregon Earned Income credit that was newly offered for Individual Taxpayer Identification Number (ITIN) filers with an average claim of over \$250.
- Answered over 200,000 calls in the Taxpayer Services Unit.

'23 Statistics

PASS-THROUGH
ENTITY ELECTIVE
TAX

17,000

returns processed in
the program's first
year

\$40M

in fraud stopped for
Personal Income Tax



200,000

taxpayers claimed the
Oregon Earned Income
credit

FY 2023 REVENUES

The Department of Revenue administers revenue streams that support bringing in money for Oregon and directly contributes to paying for public services. See below for the FY 2023 net revenue receipts for each tax program serviced.

Revenue	FY 22	FY 23	% Change
Amusement Device Tax	\$ 3,132,859.00	\$ 4,209,350.00	34.4%
Assessment and Taxation Map Maintenance	\$ 106,566.00	\$ 99,984.00	-6.2%
Bicycle Excise Tax	\$ 852,057.00	\$ 1,155,581.00	35.6%
Charitable Check-off	\$ 2,571,049.00	\$ 1,683,615.00	-34.5%
Cigarette Tax	\$ 361,208,277.00	\$ 328,216,544.00	-9.1%
Collection of Other Governments' Accounts	\$ 59,624,066.00	\$ 57,587,840.00	-3.4%
College Opportunity Fund	\$ 13,305,926.00	\$ 13,193,436.00	-0.8%
Corporate Activity Tax	\$ 1,216,537,645.00	\$ 1,338,528,887.00	10.0%
Corporation Excise Tax	\$ 1,539,051,993.00	\$ 1,605,166,146.00	4.3%
County Assessment Function Funding Assistance Program (CAFFA)	\$ 22,315,741.00	\$ 16,447,355.00	-26.3%
Criminal Fines and Assessments	\$ 49,730,216.00	\$ 48,416,445.00	-2.6%
Emergency Communications Tax (E-911)	\$ 78,160,977.00	\$ 79,416,977.00	1.6%
Estate Transfer Tax	\$ 325,468,168.00	\$ 297,572,322.00	-8.6%
Forest Products Harvest Tax	\$ 15,311,697.00	\$ 18,779,663.00	22.6%
Greenlight Oregon Labor Rebate Fund	\$ 4,914,494.00	\$ 5,853,293.00	19.1%
Hazardous Substance Possession Fee	\$ 3,068,307.00	\$ 3,199,770.00	4.3%
Heavy Equipment Rental Tax (HERT)	\$ 7,255,748.00	\$ 7,663,111.00	5.6%
Industrial Site Readiness Program	\$ 4,543,389.00	\$ 4,155,667.00	-8.5%
Kicker Refund Donation	\$ 1,083,204.00	\$ 304,521.00	-71.9%
Kratom	\$ -	\$ 9,660.00	-
Lane County Transit District Payroll Tax	\$ 46,377,934.00	\$ 49,483,733.00	6.7%
Lane County Transit District Self-Employment Tax	\$ 2,403,222.00	\$ 2,577,295.00	7.2%
Local Transient Lodging Tax	\$ 3,345,720.00	\$ 19,084,637.00	470.4%
Multi State Tax Commission	\$ 13,993,264.00	\$ 1,479,943.00	-89.4%
Mutual and Cooperative Electric Distribution Systems Tax (Electric Coops)	\$ 11,533,748.00	\$ 12,613,105.00	9.4%
Nonprofit Homes	\$ 1,740,254.00	\$ 1,731,726.00	-0.5%
Oregon Housing	\$ 52,310,570.00	\$ 31,207,129.00	-40.3%
Oregon Production Investment Fund	\$ 18,621,378.00	\$ 18,746,052.00	0.7%
ORMap	\$ 921,564.00	\$ 567,084.00	-38.5%
Paid Leave Oregon	\$ -	\$ 237,200,063.00	-
Personal Income Tax	\$ 2,471,424,184.00	\$ 2,768,320,303.00	12.0%
Personal Income Tax Withholding	\$ 9,977,087,858.00	\$ 10,377,414,059.00	4.0%
Petroleum Load Fee	\$ 3,082,860.00	\$ 3,011,805.00	-2.3%
Political Contributions	\$ 27,108.00	\$ 22,110.00	-18.4%
Private Rail Car Tax	\$ 258,515.00	\$ 247,753.00	-4.2%
Senior and Disabled Citizen Property Tax Deferral Program	\$ 20,009,871.00	\$ 17,082,890.00	-14.6%
Small Tract Severance Tax - Western	\$ 505,130.00	\$ 699,051.00	38.4%
Small Tract Severance Tax - Eastern	\$ 5,907.00	\$ 8,056.00	36.4%
State Marijuana Retail Tax	\$ 197,448,965.00	\$ 164,470,457.00	-16.7%
State Transient Lodging Tax	\$ 37,734,126.00	\$ 41,638,062.00	10.3%
Statewide Transit Tax	\$ 122,057,020.00	\$ 132,688,225.00	8.7%
Strategic Investment Program (SIP)	\$ 16,779,863.00	\$ 17,388,527.00	3.6%
Tobacco Licensing Program	\$ 2,445,784.00	\$ 2,587,482.00	5.8%
Tobacco Products Tax	\$ 92,558,528.00	\$ 87,462,756.00	-5.5%
TriMet Transit District Payroll Tax	\$ 431,757,046.00	\$ 458,710,449.00	6.2%
TriMet Transit District Self-Employment Tax	\$ 19,042,813.00	\$ 18,677,355.00	-1.9%
Unemployment Insurance Tax	\$ 1,255,332,850.00	\$ 1,197,515,608.00	-4.6%
Vehicle Privilege Tax	\$ 33,211,475.00	\$ 34,001,430.00	2.4%
Vehicle Use Tax	\$ 9,053,819.00	\$ 9,449,096.00	4.4%
Workers Compensation	\$ 68,614,047.00	\$ 71,573,503.00	4.3%
Misc. Receipts	\$ 6,208,167.00	\$ 4,486,794.00	-27.7%
TOTAL:	\$ 18,624,135,969.00	\$ 19,613,806,705.00	5.3%

Data as of 1/29/2024

Net receipts is the sum of any Payables and receipts minus any refunds and minus any refunds.

* Miscellaneous Receipts includes Long Term Enterprise Zones, Oil and Gas Production, State Reciprocal Program, State Intercept Levy Program, Western Oregon Privilege Tax, East Oregon Privilege Tax, Cigarette Floor Tax, College Opportunity Fund Auction Admin Revenue, and Oregon Production Investment Fund Auction Admin Revenue.

LEGISLATIVE DIGEST

The following is a list of key legislative bills that were approved in 2023 that impact the Oregon Department of Revenue and its customers. For a complete summary of the legislative bills that impacted the Oregon Department of Revenue, please see the department's [2023 Legislative Summary](#).

Senate Bills

Senate Bills (SB)	Description and Impact
SB 1 (2023) Self-Identified Race and Ethnicity Identifiers	SB 1 requires the department to include a form for taxpayers to voluntarily report their self-identified race and ethnicity beginning with the 2024 tax year returns. The data will be restricted and only used by authorized staff for analysis of revenue policy, development of racial impact statements, analysis of proposed administrative rules and budget requests, and in response to requests from the Legislative Assembly. Software providers and tax professionals are limited to using this data for preparation and filing of tax returns. The department is required to annually report on the development and implementation of the data collection and sharing to the Legislature beginning in 2024.
SB 205 (2023) Sharing Data with Employment Department for Fraud Prevention	SB 205 allows the Department of Revenue and the Employment Department to share data when fraud or identity theft is identified. Fraud attempts are continuing to increase in the tax and benefits systems. When the department identifies personal income tax refund fraud, it may also identify unemployment benefit fraud. When the Oregon Employment Department (OED) identifies fraud or identity theft in their work, it may involve income tax refund fraud. Statute previously prevented disclosure of confidential information with agency partners. This collaboration will protect state assets.
SB 498 (2023) Estate Tax Exclusion of Farm, Forestry or Fishing Business from Taxable Estate	SB 498 establishes an exclusion of up to \$15 million of property value from estate tax for transfers of natural resource property to family members continuing at least 75 percent material participation in a natural resource business. The subject property must have been owned by the decedent for five years prior to death and it must continue to be owned by family members for five years after death. The exclusion may be claimed for estates of decedents dying on or after July 1, 2023, instead of the existing tax credit for natural resource property.
SB 5506 (2023) Various Budget Adjustments	SB 5506 authorizes payment of bonds for ELVIS (Electronic Valuation Information System).

House Bills

House Bills (HB)	Description and Impact
<u>HB 2009</u> (2023) Economic Development Omnibus Bill Research & Development Credit, Enterprise Zones, and Strategic Investment Programs	HB 2009, an economic development omnibus bill, creates an income tax credit for research and development activities in Oregon that are essential to the semiconductor industry and performed by a qualified semiconductor company in tax years 2024 through 2029. A portion of the maximum \$4 million tax credit, based on the federal research activities income tax credit, is refundable when the company employs fewer than 3,000 employees in Oregon; any non-refundable tax credit remaining may be carried forward up to five years. A one-time registration in 2023 is required to claim the tax credit for tax year 2024.
<u>HB 2071</u> (2023) Income Tax Credit Omnibus Bill	HB 2071 extends sunset dates for a variety of income tax credits. Expands tax credit eligibility for certain programs. Establishes a tax credit for certain sales of publicly supported housing. Provisions of SB 130, SB 131, SB 132, SB 155, HB 2076, HB 2077, HB 2078, HB 2092, HB 2305, HB 2465, and HB 2653 were included in this bill.
<u>HB 2073</u> (2023) Corporate Activity Tax Revisions	HB 2073, as requested by the department, clarifies when the due date for a corporate activity tax return falls on a weekend or legal holiday, including any legal holiday of the District of Columbia, the return is due on the next business day and removes the “good cause” requirement for an extension request. Additionally, beginning with tax year 2024, the cost of precious metals is excluded from a dealer’s commercial activity and the portion of agricultural commodities sold to a processor and subsequently sold out of state are excluded from commercial activity when the processor provides certification. Provisions of HB 2142 and HB 3192 were included in this bill.
<u>HB 2080</u> (2023) Omnibus Property Tax Bill	HB 2080 extends sunsets of exemptions until 2030 for the following: new industrial improvements in rural areas; federal land used under permit by recreation facilities; food processing machinery and equipment; real-market value of centrally assessed properties exceeding 130 percent of the historical costs of their real and tangible property; and single-unit housing. The sunset for the exemption for the surviving spouse of a fallen public safety officer is extended until 2032.
<u>HB 2083</u> (2023) Sunset Extension for Pass-through Entity Elective Tax (PTE-E tax)	HB 2083 extends the sunset for the pass-through entity elective (PTE-E) tax program and related personal income tax credit two more years. Tax year 2022 was the initial filing year for the PTE-E tax program. This program allows individual members of a pass-through entity (PTE) to fully deduct Oregon taxes paid on their federal income tax returns. Oregon taxes paid must be related to PTE income. Without the program, deductions for Oregon taxes are limited due to the Federal Tax Cuts and Jobs Act. Provisions of SB 158 were included in this bill.

House Bills (HB)	Description and Impact
HB 2757 (2023) Establishes 9-8-8 Tax for Statewide Coordinated Crisis System	HB 2757 establishes a 40-cent 9-8-8 tax which is imposed on telecommunications service and VoIP service to fund the statewide coordinated crisis system. The Collection Division will have the authority to hold certain individuals personally liable for unpaid 9-8-8 taxes owed by a business.
HB 2812 (2023) Subtraction for Personal Casualty	HB 2812 establishes an Oregon tax subtraction for personal casualty losses that occurs in Oregon, provided that the loss occurs in an area declared a disaster by the Governor. Federal law allows a personal casualty loss tax deduction to the extent it is attributable to a federally declared disaster. If the casualty occurs in a state-declared disaster, rather than a federally declared disaster, the individual has not been able to claim the casualty loss on their tax returns.
HB 3235 (2023) Oregon Kids Credit and Quarterly Advanced Payments	HB 3235 establishes the Oregon Kids Credit, which is an annual refundable tax credit of \$1,000 per eligible dependent for ages 0 to 5. This credit will first be available on the tax year 2023 income tax return.
HB 3440 (2023) Distribution of Foreclosure Proceeds	HB 3440 allows counties with population greater than 200,000 to distribute proceeds from foreclosure on tax liens through alternative means rather than proportionally to each tax district. The department will update training and manuals.
HB 5005 (2023) ELVIS Bonding Authority	HB 5005 authorizes issuing general obligation bonds to pay for ELVIS (Electronic Valuation Information System), for the industrial property phase of the project. The department will issue bonds and project managers will work with the Property Tax Division to engage a contractor to develop and deliver ELVIS Phase 2.
HB 5034 (2023) Department of Revenue 2023-25 Legislatively Adopted Budget	The 2023 Legislature approved a budget of \$232.2 million General Fund, \$181.2 million Other Funds and 1,078.61 full-time equivalent positions for DOR for the 2023-25 biennium. This budget is a 25.6 percent decrease from the 2021-23 Legislatively Approved Budget. This is primarily due to a large amount of one-time funding phasing out of the current budget, including low-income tax credits funded with pandemic-related federal resources and payments to specific counties significantly impacted by wildfire damage.

PARTNERSHIPS

The Oregon Department of Revenue has a robust group of partners and customers , including individual taxpayers, people who have delinquent debt with the state, businesses, industry groups, tax professionals, community-based organizations, state and local partners, and Oregonians. We partner with others to create a clear and easy experience for our customers.

- Albertina Kerr Kid’s Crisis Care
- ALS Northwest
- American Association of Retired Persons (AARP) Oregon
- American Diabetes Association
- American Heart Association
- American Lung Association
- American Red Cross
- Asian Pacific American Network of Oregon (APANO)
- Association of Oregon Counties (AOC)
- Basic Rights Oregon
- Black American Chamber of Commerce
- Bureau of Labor and Industries (BOLI)
- Burns Paiute Tribe
- CASA Oregon
- Cascade AIDS Project
- Cascade Policy Institute
- CASH Oregon
- Causa Oregon
- Coalition of Communities of Color
- Confederated Tribes of Coos, Lower Umpqua, and Siuslaw Indians
- Confederated Tribes of Grand Ronde
- Confederated Tribes of Siletz Indians
- Confederated Tribes of the Warm Springs Reservation of Oregon
- Confederated Tribes of Umatilla Indian Reservation
- Coordinated Care Organizations
- Coquille Indian Tribe
- Council on State Taxation (COST)
- Cow Creek Band of Umpqua Tribe of Indians
- Department of Administrative Services (DAS) Chief Financial Office (CFO)
- Department of Administrative Services (DAS), Chief Financial Office (CFO) Statewide Accounts Receivable Team (SWARM)
- Department of Administrative Services (DAS), Office of Economic Analysis (OEA)
- Department of Consumer and Business Services (DCBS)
- Department of Corrections (DOC)
- Department of Environmental Quality (DEQ)
- Department of Land Conservation and Development (DLCD)
- Disability Rights Oregon
- Doernbecher Children's Hospital
- Eastern Oregon University
- El Programa Hispano Catolico
- Fairfax
- FAST Enterprises
- Federation of Tax Administrators (FTA)
- Girl Scouts of Oregon and SW Washington
- Greater Douglas United Way

- H&R Block
- Habitat for Humanity
- Higher Education Coordinating Commission (HECC)
- Hispanic Chamber of Commerce
- Immigrant and Refugee Community Organization (IRCO)
- Internal Revenue Service (IRS)
- Intuit
- Klamath Tribes
- Lane Transit District
- Latino Build
- Latino Business Alliance
- Latino Network
- League of Oregon Cities (LOC)
- Legislative Commission on Indian Services
- Legislative Fiscal Office (LFO)
- Legislative Revenue Office (LRO)
- Multistate Tax Commission (MTC)
- National Association for the Advancement of Colored People (NAACP) Albany/Corvallis Branch 1118
- National Association for the Advancement of Colored People (NAACP) Eugene/Springfield Branch 1119
- National Association for the Advancement of Colored People (NAACP) Portland Branch 1120
- National Association for the Advancement of Colored People (NAACP) Salem/Keizer Branch 1166
- National Association of Computerized Tax Processors
- National Association of Minority Contractors (NAMC) Oregon Chapter
- Native American Youth and Family Center (NAYA)
- Nonprofit Association of Oregon (NAO)
- Northwest Credit Union Association
- Northwest Gender Alliance
- Office of Rural Health
- OHSU Layton Aging and Alzheimer's Disease Center
- Oregon Arts Commission
- Oregon Association for Career and Technical Education (CTE)
- Oregon Association of Minority Entrepreneurs (OAME)
- Oregon Association of Realtors
- Oregon Association of Tax Consultants (OATC)
- Oregon Bankers Association
- Oregon Board of Tax Practitioners
- Oregon Business and Industry (OBI)
- Oregon Business Development Department (Business Oregon)
- Oregon Center for Public Policy
- Oregon Chapter of American Foundation for Suicide Prevention (AFSP)
- Oregon Coalition Against Domestic and Sexual Violence
- Oregon Coast Aquarium
- Oregon Collectors Association
- Oregon Community College Association (OCCA)
- Oregon Community Foundation
- Oregon Department of Agriculture
- Oregon Department of Aviation
- Oregon Department of Early Learning and Care
- Oregon Department of Education (ODE)
- Oregon Department of Emergency Management
- Oregon Department of Energy (ODOE)
- Oregon Department of Fish and Wildlife (ODFW)
- Oregon Department of Forestry
- Oregon Department of Geology and Mineral Industries (DOGAMI)
- Oregon Department of Human Services (DHS)
- Oregon Department of State Lands (DSL)
- Oregon Department of Transportation (ODOT)
- Oregon Department of Veterans' Affairs
- Oregon Employment Department (OED)
- Oregon Film and Video Office
- Oregon Food Bank

- Oregon Head Start Association
- Oregon Health and Science University
- Oregon Health Authority (OHA)
- Oregon Historical Society
- Oregon Housing and Community Services
- Oregon Humane Society
- Oregon Industrial Hemp Farmers Association
- Oregon Institute of Technology
- Oregon Judicial Department, Oregon Courts
- Oregon Judicial Department, Oregon Tax Court
- Oregon Latino Agenda for Action (OLAA)
- Oregon Lions Sight & Hearing Foundation
- Oregon Liquor and Cannabis Control Commission (OLCC)
- Oregon Lottery
- Oregon Military Department
- Oregon Parks and Recreation Department (OPRD)
- Oregon Public Utility Commission (PUC)
- Oregon Restaurant and Lodging Association (ORLA)
- Oregon Retailers of Cannabis Association
- Oregon Safe Schools & Communities Coalition (OSSCC)
- Oregon School Boards Association (OSBA)
- Oregon Secretary of State
- Oregon Society of Certified Public Accountants (OSCPA)
- Oregon Society of Tax Consultants (OSTC)
- Oregon Solar Energy Industries Association (OSEIA)
- Oregon State Association of County Assessors
- Oregon State Bar
- Oregon State Fire Marshal
- Oregon State Police (OSP)
- Oregon State Public Interest Research Group (OSPIRG)
- Oregon State Treasury
- Oregon State University
- Oregon Youth Authority (OYA)
- Our Children Oregon
- Pacific Northwest International Trade Association (PNITA)
- PFLAG (Parents, Families & Friends of Lesbians and Gays) Oregon Chapters
- Philippine American Chamber of Commerce of Oregon (PACCO)
- Planned Parenthood of Oregon
- Portland State University
- Professional Business Development Group
- Service Employees International Union (SEIU)
- Shriners Hospital for Children
- Small Business Legal Clinic (SBLC)
- Smart Growth Coalition
- SMART Reading
- SOLVE
- Southern Oregon University
- Special Districts Association of Oregon (SDAO)
- Special Olympics Oregon
- St. Vincent DePaul Society of Oregon
- State Library of Oregon
- State of Oregon Law Library
- Stop The Debt Trap Alliance of Oregon (STDTA)
- Surplus Line Insurers Association
- Tax Fairness Oregon
- The Nature Conservancy
- The Salvation Army
- Tillamook County United Way
- TriMet
- United Way of Central Oregon
- United Way of Clatsop County
- United Way of Columbia County
- United Way of Jackson County
- United Way of Lane County
- United Way of Linn, Benton, and Lincoln Counties
- United Way of Southwestern Oregon
- United Way of the Columbia Gorge
- United Way of the Columbia-Willamette
- United Way of the Klamath Basin
- United Way of the Mid-Willamette Valley
- University of Oregon
- Western Oregon University
- Western States Association of Tax Administrators (WSATA)

APPENDIX

[Oregon Counts on Us: Oregon Department of Revenue 2022-2027 Strategic Plan](#)

[Oregon Department of Revenue: 2023-2027 Racial Equity Plan](#)

[Oregon Department of Revenue 2022 Annual Report](#)

[DOR 2023 Regular Session Legislative Summary](#)

OREGON COUNTS ON US

