

A photograph of a modern, multi-story office building with a light-colored facade and large windows. The building is viewed from a low angle, looking up. The sky is clear and blue. The text "REVENUE BUILDING" is visible on the right side of the building's facade.

# 2025 Annual Report

Oregon Department of Revenue

March 2026



# Contact Us

Contact us for ADA accommodations or assistance in other languages.

Website: [oregon.gov/dor](http://oregon.gov/dor)

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

Email: [questions.dor@dor.oregon.gov](mailto:questions.dor@dor.oregon.gov)

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

Sitio web: [oregon.gov/dor](http://oregon.gov/dor)

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Correo electrónico: [preguntas.dor@dor.oregon.gov](mailto:preguntas.dor@dor.oregon.gov)

# How We Partner with Sovereign Nations

Native American tribes hold unique political status and are recognized as sovereign governments. This sovereignty means that tribes have the authority to govern themselves, manage their own affairs, and make decisions independent of state laws. We recognize and respect the sovereign status of Oregon's nine federally recognized tribes and their respective authorities on tribal lands.

It is our policy to promote positive government to government relations through consultation with the tribes in areas where the development, implementation, and administration of agency programs may affect tribal members, lands, activities, or interests. We believe that continuing to build on our relationships with the tribes makes our agency more effective overall while supporting our work across the state and region.

Oregon personal income tax law relating to the taxation of Native Americans is found under ORS 316.777 and OAR 150-316-0595. This statute and the associated administrative rules exempt certain income earned by Native Americans in Oregon.

Oregon property tax law relating to the taxation of Indian properties is found under ORS 307.181 and OAR 150-307-0220. This statute and the associated administrative rules exempt certain properties from taxation.

Oregon laws relating to refund agreements with Indian reservations is found under ORS 323.401 and 323.615. These statutes authorize the Department of Revenue to enter into agreements with tribal governing bodies to refund a mutually agreed amount of prepaid cigarette or tobacco products taxes on sales to tribal members on the reservation. This provision is in addition to other laws allowing tax refunds.

# Message from Director David Gerstenfeld

It is my privilege to share the Oregon Department of Revenue's 2025 Annual Report. This report provides Oregonians insight into the work of the department. We remain focused on our mission of collecting the revenue that Oregon counts on and on our vision of creating a clear and easy experience for our customers.

This year, we processed tax returns at record-breaking levels and improved our services providing refunds, answering telephone calls and written inquiries, and serving Oregon taxpayers. We also moved quickly to implement the new Oral Nicotine Products Tax. Several senior leadership changes brought new perspectives and ideas. Throughout the year, our dedicated employees worked collectively to improve how we serve Oregon taxpayers.

Looking ahead, I am confident we can creatively serve Oregon through changes expected during 2026, including new tax laws and reduced staffing at the IRS.

None of this can happen without our hard-working employees, many partners, and taxpayers working together to support Oregon's tax system.

Thank you for your continued partnership and support. I am excited about the work we have accomplished and look forward to the opportunities and successes that lie ahead.

David Gerstenfeld



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# Taxpayer Bill of Rights

## Our Promise to Oregon Taxpayers

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

Every interaction with a taxpayer will be guided by the agency's 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 Oregon 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 Oregon Department of Revenue determines that the agreement will facilitate collection of such liability.
- Request a waiver of interest or penalty in certain circumstances.

## Oregon Department of Revenue Responsibilities

The Oregon 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 \(Русский\)](#), [Simplified Chinese \(普通话\)](#), [Traditional Chinese \(廣東話\)](#), 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.

## Taxpayer Help and Resources

Taxpayers can get help by phone, email, or the department's secure messaging system, Revenue Online. The department operates nine contact centers, each aimed at helping specific customer groups. They can also field calls and connect those who need translation services to a translation agent. The department directs emails to the specific tax program for customers to get help. Taxpayers using Revenue Online can connect with staff to share documents or get their questions answered. Individual program areas respond to the concerns or complaints they receive.

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

Find specific program [contact information](#) at [oregon.gov/dor](http://oregon.gov/dor) under Get Help.

## Field Offices and Customer Service

The regional field offices support the department's programs 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.

### **General Assistance**

Phone: 503-378-4988 or 800-356-4222  
Asistencia disponible en español  
Fax: 503-945-8738  
TTY: We accept all relay calls

### **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, 7:45 a.m.- 5 p.m.

### **Taxpayer Advocate Office**

Phone: 503-945-8700  
Email: [taxpayer.advocate@dor.oregon.gov](mailto:taxpayer.advocate@dor.oregon.gov)

# 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

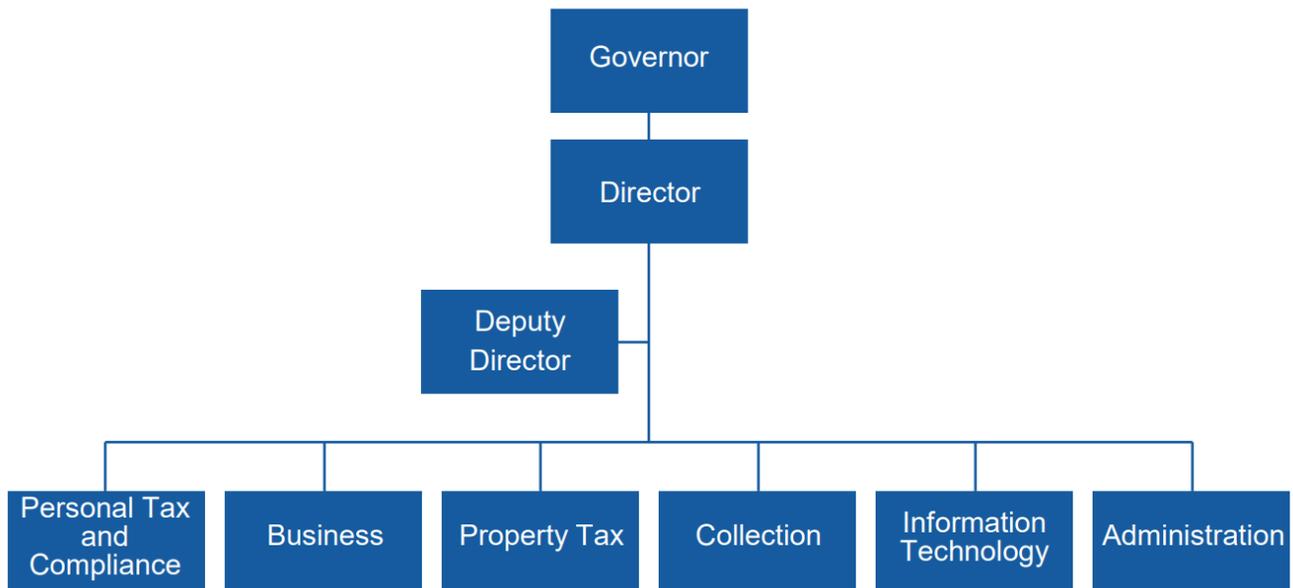
Together, we collect the revenue that Oregon counts on.

### 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 Oregon Department of Revenue

The Oregon Department of Revenue has about 1,000 employees from all over 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 contact 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.

**3.9 M**  
tax returns filed in 2025<sup>1</sup>

**89%**  
of refunds issued within 30 days<sup>1</sup>

## 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 team's scope includes strategic planning, resource prioritization, strategic communications planning, data governance, and cross-agency operations, policy, and planning.

- David Gerstenfeld, Director
- Jason Barbee, Deputy Director
- Audrey Mechling, Communications Director
- Bram Ekstrand, Property Tax Division Administrator
- Carmen Merlo, Business Operations Manager
- Deanna Mack, Collection Division Administrator
- Jay Messenger, Internal Controls Officer
- Jon Dolan, Chief Information Officer
- Katie Lolley, Business Division Administrator
- Brittney Greene, Human Resources Director
- Marjorie Taylor, Legislative Director
- Megan Denison, Personal Tax and Compliance Division Administrator
- Carolina Valladares, Chief Financial Officer
- Timothy Fitzgerald, Research Director

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<sup>1</sup> 2025 data is provisional and may fluctuate due to the nature of the 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 updated goals include:

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

- Implement and monitor Diversity, Equity, and Inclusion (DEI) Plan.
- Analyze and train on Racial Equity Impact Statements.

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

- Upgrade to modern contact systems.
- Improve access and reduce barriers for online filing and payments.
- 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.

- Support employee growth.
- Create opportunities for cross-functional communication.

**Our Data:** Enhance data access and use.

- Improve data literacy.
- Improve data governance.

The department created an action plan to achieve these priorities and goals.

## 2025 Strategic Accomplishments

In 2025, strategic plan project managers and their teams worked on tasks for nine projects. Below are the main achievements they completed toward their goals.

### **Project 1: Implement and Monitor Diversity, Equity, and Inclusion Plan**

The department has implemented 19 out of the 25 action items in the plan. The project manager reviews progress quarterly with the director and Revenue Committee on Diversity and Inclusion. See page 15 for a summary of the progress made over the last year.

### **Project 2: Racial Equity Impact Statement**

The department requested and implemented feedback from internal users and external resources on the Racial Equity Impact Statement, updated the document and process, and received approval of the final document. The next step is to provide training on the updated document and process.

### **Project 3: Customer Experience Improvement Program**

Doug, our Revenue Online chatbot, assisted nearly 36,000 customers and has provided a total of nearly 49,000 messages in response to their requests.

The department updated and expanded dashboards for contact centers to make it easier for contact center leaders to access data, manage high call volume events, improve customer experiences, and make data-informed decisions. The customer experience improvement program worked to close-out another improvement project for the “Where’s My Refund?” tool, using ideas from both customers and employees. This project helps customers see the status of their tax refund more clearly and helps agency employees assist customers over the phone. The Where’s My Refund project also improved efficiencies by automatically routing work items to their appropriate areas and provided secondary filers access to letters in Revenue Online.

The customer experience program completed an effort to transition our phone system to providing a consistent voice for both English and Spanish messaging. Additionally, the program created high call volume surge plans for the agency’s public-facing contact centers and led an interagency contact center group to encourage collaboration, communication and coordination between agencies.

The program is working closely with other areas on a project to adopt a new contact center technology platform, which is expected to improve the customer experience by empowering employees and activating features that can provide expanded customer assistance. With this project, the customer experience program completed vendor evaluations, solutions analysis, business requirements, roles and responsibilities, and created the agency’s first contact center Organizational Change Management (OCM) Plan.

#### **Project 4: Direct File - Linking to the IRS**

The department successfully connected to Internal Revenue Service (IRS) Direct File on time in January 2025. This allowed most full-year residents to file their personal state income tax return electronically directly with the Oregon Department of Revenue for free. The IRS formally eliminated the IRS Direct File option for future filing years, but the Oregon Department of Revenue remains committed to keeping our state version of this important, free filing method available for Oregon taxpayers.

#### **Project 5: Interactive Calendar**

The department launched a comprehensive [online calendar](#) of all tax program due dates in one location on our external site.

#### **Project 6: Correspondence and Letters**

The project team revised 310 out of the 395 letters that are sent to hundreds of thousands of Oregon taxpayers each year. They also retired more than 80 letters that were no longer applicable. Over 140 of the edited letters were updated in GenTax, the department's major tax processing system, and have begun to be sent out to customers.

#### **Project 7: Employee Mentorship Program**

The employee mentorship program continued this year, helping to develop employees and aid succession planning. The project also developed and incorporated a mock interview process to allow employees to advance their application and interview skills.

#### **Project 8: Create Opportunities for Cross-Functional Communication**

The department completed an agency-wide survey in early 2025 and created a report to share the survey analysis. The report also identified gaps and challenges that will be used to continue efforts to improve internal cross-functional communication.

#### **Project 9: Shared Analytics Log**

The department launched a three-month pilot program in February 2025 to track the responses to external parties who submit ad hoc requests for department data.



## Diversity, Equity, and Inclusion Plan Progress

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

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 through 2027.

1. Agency-Specific Diversity, Equity, and Inclusion 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 on progress on each of the strategies in the plan. The department shares highlights of that progress as shown below.

### **Diversity, Equity, and Inclusion**

During the 2023 legislative session, the Legislature passed Senate Bill 1 to create the Voluntary Self-Identification of Race and Ethnicity Program to collect demographic data of Oregon taxpayers and Oregonians to help the state develop a more accurate picture to study current tax policies, and to develop equitable policies that represent all Oregonians. Participation is voluntary, but with a higher participation rate, a more complete picture of all Oregonians may be possible, leading to more meaningful data analysis and informed decisions.

The department implemented a form and systems to collect race and ethnicity information from Oregon taxpayers, starting with the 2024 tax return. This made Oregon the first state to collect such information on tax returns.

The department also created a recruiting and marketing strategy for hiring people from historically and currently underserved and under resourced communities in Oregon, those from non-traditional fields and academic programs, and any intersection of these.

## Resources and Communication

The department created an inclusive communications guide to help employees communicate in a way that serves all DOR employees and Oregonians. This resource assists in creating inclusive communications across media, including written materials, photography, videography, social media, the web, and more.

The department created and conducted website and online services accessibility training to support employees who are responsible for creating, modifying, or otherwise making any information and communication technology available to our customers accessible.

## Community Engagement

The department executed a service order contract to support its Community Member Compensation policy which promotes community engagement in agency activities and removes barriers for under-served and marginalized communities who participate in engagement activities – including collaboration, brainstorming and feedback opportunities.

Attended outreach events in **30 Oregon counties**, directly meeting with Oregonians

**202**  
Events attended

Connecting with more than **18,000** taxpayers



# Governor's Expectations

In January 2023, Governor Tina 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.

- ✓ **Perform employee quarterly check-ins.**  
The department had a 100 percent success rate of scheduling employee quarterly check-ins.
- ✓ **Conduct an employee engagement survey once per year.**  
The department conducted an employee engagement survey in September 2025. The results showed an increase in both employee participation and employee engagement over the last two years, helping us fulfill our mission.
- ✓ **Update agency strategic plan following an enterprise-wide standard format and align with Governor Kotek's goals.**  
During 2025, the department worked to update its strategic plan using feedback from customers, external partners, and internal employees. The updated strategic plan is planned to be published early 2026.
- ✓ **Develop an IT strategic plan aligned with statewide goals.**  
The department's IT strategic plan was completed and submitted to the Oregon Department of Administrative Services (DAS) at the end of October 2024. A progress report was submitted on time by the 2025 deadline.
- ✓ **Develop an agency succession plan.**  
The department updated its succession plan and submitted it to DAS by the 2025 deadline.
- ✓ **Adopt an agency diversity, equity, and inclusion (DEI) plan.**  
The department updated its DEI plan in 2024. A progress update was submitted by the 2025 deadline.
- ✓ **Annually update a continuity of operations plan.**  
The department submitted an updated continuity of operations plan by the September 2025 deadline.
- ✓ **Keep the average time to fill vacancies below 50 days.**  
The department's average number of days to fill vacancies for 2025 was 35.65 days.

- ✓ **Keep the vacancy rate below 12 percent.**  
The department's vacancy rate for 2025 was 5.61 percent.
- ✓ **Report semi-annually on progress to implement audit recommendations.**  
The department submitted its report by the 2025 deadlines.
- ✓ **Ensure all new employees participate in new employee orientation within 60 days of hire.**  
100 percent of new Revenue employees participated in new employee orientation within 60 days of hire.
- ✓ **Ensure all new state employees participate in DAS customer service training within 60 days of hire once it is developed.**  
100 percent of new Revenue employees participated in DAS customer service training within 60 days of hire.
- ✓ **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.
- ✓ **Ensure managers new to managing in state government complete training within four months.**  
89 percent of managers enrolled for Foundational Training within five days and 100 percent completed the training within four months.
- ✓ **Ensure new managers complete employee feedback training within 30 days of hire.**  
89 percent of managers completed employee feedback training within 30 days of hire.
- ✓ **Complete a director 360-performance review every two years.**  
The department is planning the director's 360-performance evaluation for fall 2026.

# 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 the separate and distinct Taxpayer Advocate Office (TAO).

## 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

- Built operation and policy standards for the Business division to guide work across all three sections.
- Revised and/or adopted 23 internal policies to strengthen compliance and address emerging operational needs. Key updates included the agency's first Artificial Intelligence (AI) Access and Use Policy (110-001), which establishes standards for responsible AI use; the ADA Accommodations for the General Public Policy (240-034), reinforcing accessibility and equity; and multiple Safety and Security policies, designed to improve emergency response and risk management. These changes collectively enhance clarity, modernize governance, and support innovation across agency operations.
- Repealed 81 outdated or superseded policies to eliminate redundancies and ensure consistency with DAS Statewide requirements.



- Mapped and improved business payroll registration process. Reduced process time, customer calls, and increased registration approvals.
- Developed a position, standards, and process to ensure oversight and continual improvement of agency letters and correspondence.
- Filed 22 administrative rules with an effective date of 2025, seven of which were new adoptions, to keep the agency compliant with state and federal statutes and provide clarity and/or direction for tax programs administered by the Department of Revenue.
  - Some legislation that led to rulemaking was related to:
    - domestic partnerships
      - [OAR 150-316-0009](#)
    - data collected by the Department of Revenue
      - [OAR 150-316-0662](#), [150-316-0663](#), [150-316-0664](#)
    - farm machinery and equipment
      - [OAR 150-307-0460](#), [150-307-0465](#)
    - first-time home buyer savings accounts
      - [OAR 150-316-0607](#)
    - protections from debt collection
      - [OAR 150-018-0010](#), [150-018-0020](#)
- Updated agency rulemaking process to meet Governor Kotek's [updated rulemaking protocols](#) for all Executive Branch agencies.

## Taxpayer Advocate Office

The Taxpayer Advocate Office serves as a resource for taxpayers. 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 (for example, Metropolitan Family Services or the 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

- Issued the second [Biennial Report](#) to the Oregon state legislature.
- Provided education to the public on the Taxpayer Advocate Office's services by speaking at the IRS Tax Advocate Service (TAS) Establishing and Supporting Successful Advocacy Programs seminar, the Oregon State Tax Updates seminar, and the Somali American Council of Oregon and Oregon Department of Revenue/TAO meeting.
- Continued collaboration with MFS-Cash Oregon to help taxpayers with free tax preparation.
- Presented to the Oregon State Bar Tax Section, at the International Conference for Taxpayer Rights, and the Center for Taxpayer Rights "Tax Chat! State Oversight of Tax Return Preparers."
- Participated in the Urban League Job Fair on behalf of the department.
- Updated the interactive map of free tax help clinics.

## Taxpayer Advocate Office Statistics

- Received 646 taxpayer inquiries., Top inquiry types include debt/collections, personal tax, and refunds.
- Opened 118 investigative cases from inquiries
- Zero median days to resolve an inquiry and five median days to close a case
- Department process changes resulted from 56 cases.

## 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 64 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.

## Accomplishments

- Completed and finalized the Legislatively Adopted Budget for 2025-27.
- Tracked and monitored 2025 session bills affecting the distribution or transfer of funds.
- Submitted 181 fiscal statements and received bond authorization for the Electronic Valuation Information System (ELVIS) project.
- Received the Oregon State Government "Gold Star Award" for accounting excellence and achievement.

- Completed year-end training, recording of accruals, and submission of note disclosures per the Oregon Department of Administrative Services (DAS) mandated timeline.
- Completed the GenTax Finance Enhancement Project to improve data integrity, create an active interface to reconcile between GenTax and the state's official accounting record, and fix reporting issues.

**100%**  
timely revenue  
transfers

**100%**  
accurate revenue  
transfers

## 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

- Developed DOR's Artificial Intelligence (AI) policy, training, resources, and established the AI Governance Committee.
- Completed corrective action requested by the IRS in response to physical findings from the 2024 triennial review, supporting information security.
- Received a 100 percent completeness score from the Oregon Department of Emergency Management for DOR's Continuity of Operations Plan (COOP) for the second year in a row.
- Reduced the agency's phish simulation failures to the lowest percentage to date, advancing agency cybersecurity.
- Conducted annual agencywide risk assessment and updated review process.
- Updated the suspicious substance-package protocol with the Processing Center including the addition of emergency notification lights, furthering staff safety.

## Communications

Communications provides guidance and expertise to assist department 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

- Added and updated 14 new videos to the department's YouTube channel, including three recorded in Spanish.
- Provided communications support for the implementation of the new Oral Nicotine Products Tax, legislative updates to the Statewide Transit Tax and seven other external agency projects.
- Responded to 76 media inquiries.

**41**  
news releases,  
generating **227** media stories

**74**  
GovDelivery  
bulletins sent to  
**1.6 M subscribers**

**1.5 M**  
visitors to our website.

**4 M**  
total page views



## Human Resources

Human Resources (HR) 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, and the coordination of labor relations for the department.

### Accomplishments

- Completed over 1,500 cases including recruitments, investigations, questions, reclassifications, protected leave, learning and data.
- Organized 18 career fairs and mock interview events.
- Certified 101 employees in mental health first aid.
- Filled or hired over 200 positions with 53.37 percent being internal and 46.63 percent being external.

**5.61%**  
vacancy rate

**39,450**  
total training hours

## Internal Audit

Internal Audit provides risk-based, independent, and objective assurance that the agency's control framework complies with policies, best practices, and strategic intent. Using a systematic, evidence-based approach, Internal Audit evaluates governance, risk management, and control processes, delivering recommendations that drive improvement and align with strategic objectives. In addition to assurance engagements, Internal Audit offers consulting services to add value and enhance operations, in full compliance with the Institute of Internal Auditors (IIA) Standards.

### Accomplishments

- Established a robust audit committee, composed primarily of external members, to provide an additional layer of independence and oversight to the audit function.
- Focused on supporting leadership transitions, fostering positive agency culture change, and strengthening IT control environments.
- Completed five audits and consulting projects, provided 19 audit recommendations, and closed seven audit recommendations.

## Research

The purpose of the Research Section is to inform tax policy development and public discourse at the state level. The section also contributes to the enhancement of internal data analytical capacity throughout the department. 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 DAS Office of Economic Analysis and the Legislative Revenue Office.

### Accomplishments

- Compiled and published four complex reports describing Oregon's major tax programs for the most recently available tax year, including property, personal income, corporate excise, and corporate activity taxes.
- Published an updated report on Oregon's lodging tax.
- Published additional sets of data to Oregon's Open Data Portal ([data.oregon.gov](http://data.oregon.gov)).
- Provided analysis, consultation, and factual reporting to the Office of Economic Analysis in support of revenue and economic forecasting.
- Established a formal data governance committee for the department and brought on a Data Governance Lead to staff efforts to improve our ability to use our data.



## Business Division

The Business Division administers tax, fee, and licensure programs to which large and small businesses are subject. The division is responsible for 35 revenue streams. 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 other Taxes and Fees

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, Cigarette, Oral Nicotine, 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 the Corporate Activity Tax, State and Local Transient Lodging Tax, Emergency Communications Tax (911), Coordinated Crisis Services Tax (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

- Implemented new audit standards for corporate excise tax audits to be more efficient with audit resources and ensure cases selected have true compliance issues.
- Implemented the Oral Nicotine program which became effective in January 2026.
- Improved processing times in the registration unit so that Business Identification Numbers are now assigned within three business days, down from over a month.

**101** voluntary disclosure agreements<sup>2</sup>

**95** events attended

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<sup>2</sup> A voluntary disclosure agreement promotes voluntary compliance by encouraging taxpayers to come forward to disclose potential tax filing and related payment obligations.

## Collection Division

The Collection Division has program responsibility for the collection of delinquent debt owed to the Oregon Department of Revenue or other public entities. The division supports collection of past-due debt through letters, education, face-to-face contact, online interactions through Revenue Online, the Collection Division contact 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 more than 40 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.

## Other Agency Accounts Section

The Other Agency Accounts (OAA) Section achieves maximum recovery of debts owed to other State of Oregon agencies and local governments. The department redistributes revenues collected by OAA back to the public entity net of our service fee.

## 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, it manages the state's interest in bankruptcy court proceedings, manages contracts with private collection firms to assist the department in collecting debts on behalf of the State of Oregon, provides support for customers suffering a hardship, and provides clerical support for the division.

### Accomplishments

- Identified and documented the reporting requirements, definitions, resources, deliverables, and processes for Liquidated & Delinquent (L&D) Accounts Receivable Report, Accounts Receivable Performance Measures (ARPM), and Supplemental Accounts Receivable Narrative.
- Established a training platform that allows new agents to enter active collections within six weeks instead of the past 12-week timeline.
- Reviewed and implemented changes to our internal Collection Guidelines to ensure information is easily found in a timely manner.

- Implemented Senate Bill 1595 which increased the minimum wage exemption. Under the new law, the first \$2,500 of funds in all the debtor's financial institution accounts are exempt from garnishment (applies to tax and other agency accounts).



## 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 IT 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.

### Emerging Technology

Emerging Technology develops and maintains software applications used by the Oregon Department of Revenue.

### Support Services

Support Services supports the department with its computer and telephone related issues. Support Services builds, supports, manages, and maintains the computer and telecom endpoint systems.

### 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.

### 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 250,000 paper tax returns are processed and \$23 billion in tax payments are banked each year.

### Accomplishments

- Finished inspecting the third of three disaster recovery check processing sites provided by our vendor. This work provides assurance that our disaster recovery check processing vendor can continue to process check payments should an event render the Salem building unusable.
- Automated the manual process of reconciling payments daily for items with no payment amounts posted in Trex.
- Completed updates to GenTax payments subsystem in preparation for the Core26 upgrade to increase the security and functionality of our computer systems.
- Upgraded and replaced 50+ servers to ensure the department remains on current, supportable platforms.
- Delivered ELVIS Phase 1, establishing greater consistency across the property tax program and enhancing the overall customer experience.



## 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 County Assessment Function Funding Assistance (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 8.3 million acres of forestland for a statewide assessed value of about \$3.3 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.

Oregon Property Tax Deferral for Disabled and Senior Homeowners Program: 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

- Actions affirmed by Oregon Supreme Court in Delta and PacifiCorp cases.
- Completed over 5,000 test cases in ELVIS project technology upgrade.
- Converted our Appraiser Continuing Education Database (ACED) system to Workday for appraiser continuing education administration.
- Developed an automated reporting system to track external inquiries to shared email accounts, averaging over 1,100 inquiries per month.

## 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 \$25 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 contact 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

- Answered over 175,000 calls, responded to over 20,000 emails, and completed over 15,000 web messages. Abandoned calls were down 205 percent and average wait time is down 149 percent from 2024.
- Processed 350 applications for the Agricultural Employer Overtime Tax Credit, awarding over \$5 million in credits.
- Completed 33,000 fraud actions and stopped over 2,600 fraudulent refunds for \$5.7 million.
- Attended 80 events with 96 volunteers and over 18,000 engagements with the public.
- Tracked 166 bills, completed 53 fiscal impact statements, amended eight administrative rules and promulgated one new rule.
- Completed 15 projects that improved internal and external communications, employee workloads, training and development opportunities, and rules and policies.

## 2025 Giving

The department's employees participate in 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 employee's giving for 2025 are listed below.

### Governor's State Employee Food Drive

Employees raised enough monetary donations to provide over 22,450 meals.

### Charitable Fund Drive

Employees raised \$27,092 in funds and assisted over 100 local charities. Received the Excellence in Engagement Award.

### Tree of Giving

Employees donated over 100 gifts to recipients from Family Building Blocks, the Teen Parent Program at Chemeketa, Salem Friends of Felines, and the Oregon Humane Society.



# Fiscal Year (FY) 2025 Revenues

The Oregon 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 FY24 and FY25 net revenue receipts <sup>3</sup>for each tax program serviced.

Revenue	FY24	FY25	% Change
Amusement Device Tax	\$2,725,000.00	\$2,693,000.00	-1%
Assessment and Taxation Map Maintenance	\$103,000.00	\$100,000.00	-3%
Bicycle Excise Tax	\$741,000.00	\$755,000.00	2%
Charitable Check-off	\$3,086,000.00	\$1,642,000.00	-47%
Cigarette Tax	\$296,003,000.00	\$258,951,000.00	-13%
Collection of Other Governments' Accounts	\$78,608,000.00	\$55,131,000.00	-30%
College Opportunity Fund	\$-	\$-	-
Corporate Activity Tax	\$1,343,987,000.00	\$1,416,523,000.00	5%
Corporation Excise Tax	\$1,621,807,000.00	\$1,507,622,000.00	-7%
County Assessment Function Funding Assistance Program (CAFFA)	\$17,357,000.00	\$18,859,000.00	9%
Criminal Fines and Assessments	\$49,050,000.00	\$48,465,000.00	-1%
Emergency Communications Tax (E-911)	\$80,575,000.00	\$79,869,000.00	-1%
Estate Transfer Tax	\$338,976,000.00	\$422,808,000.00	25%
Forest Products Harvest Tax	\$19,361,000.00	\$18,069,000.00	-7%
Greenlight Oregon Labor Rebate Fund	\$6,016,000.00	\$6,992,000.00	16%
Hazardous Substance Possession Fee	\$3,279,000.00	\$3,338,000.00	2%

<sup>3</sup> Net receipts is the sum of any payables and receipts minus any refunds

Heavy Equipment Rental Tax (HERT)	\$8,020,000.00	\$8,023,000.00	0%
Industrial Site Readiness Program	\$7,233,000.00	\$10,000,000.00	38%
Kicker Refund Donation	\$1,706,000.00	\$1,288,000.00	-25%
Lane County Transit District Payroll Tax	\$52,923,000.00	\$56,741,000.00	7%
Lane County Transit District Self-Employment Tax	\$2,364,000.00	\$2,593,000.00	10%
Local Transient Lodging Tax	\$35,890,000.00	\$40,691,000.00	13%
Mutual and Cooperative Electric Distribution Systems Tax (Electric Coops)	\$14,734,000.00	\$13,416,000.00	-9%
Nonprofit Homes	\$1,820,000.00	\$1,820,000.00	0%
Oregon Housing	\$25,234,000.00	\$25,997,000.00	3%
Oregon Production Investment Fund	\$18,909,000.00	\$18,894,000.00	0%
ORMap	\$468,000.00	\$489,000.00	4%
Paid Leave Oregon	\$841,485,000.00	\$906,147,000.00	8%
Personal Income Tax	\$(1,888,923,000.00)	\$1,429,537,000.00	176%
Personal Income Tax Withholding	\$10,990,874,000.00	\$11,608,936,000.00	6%
Petroleum Load Fee	\$3,030,000.00	\$3,128,000.00	3%
Political Contributions	\$28,000.00	\$19,000.00	-32%
Senior and Disabled Citizen Property Tax Deferral Program	\$14,263,000.00	\$15,865,000.00	11%
Small Tract Severance Tax - Western	\$537,000.00	\$537,000.00	0%
Small Tract Severance Tax - Eastern	\$40,000.00	\$21,000.00	-48%
State Marijuana Retail Tax	\$174,516,000.00	\$170,433,000.00	-2%
State Transient Lodging Tax	\$41,529,000.00	\$42,893,000.00	3%
Statewide Transit Tax	\$135,511,000.00	\$139,183,000.00	3%
Strategic Investment Program (SIP)	\$17,568,000.00	\$17,527,000.00	0%

Tobacco Licensing Program	\$2,683,000.00	\$2,721,000.00	1%
Tobacco Products Tax	\$80,270,000.00	\$76,849,000.00	-4%
TriMet Transit District Payroll Tax	\$477,610,000.00	\$506,151,000.00	6%
TriMet Transit District Self-Employment Tax	\$17,749,000.00	\$17,610,000.00	-1%
Unemployment Insurance Tax	\$1,188,545,000.00	\$1,320,761,000.00	11%
Vehicle Privilege Tax	\$34,001,000.00	\$34,497,000.00	1%
Vehicle Use Tax	\$11,336,000.00	\$10,230,000.00	-10%
Workers Compensation	\$69,939,000.00	\$63,788,000.00	-9%
Misc. Receipts <sup>4</sup>	\$634,000.00	\$669,000.00	6%
Assorted Programs <sup>5</sup>	\$16,613,000.00	\$11,993,000.00	-28%
<b>TOTAL:</b>	<b>\$16,260,813,000.00</b>	<b>\$20,401,264,000.00</b>	<b>25.5%</b>

Data as of 1/8/2026

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<sup>4</sup> Miscellaneous Receipts includes charges for copies of tax reports, Conscious Fund, requests for public information, lien fees, administrative fees for auctions, unclaimed property reported by other states, etc.

<sup>5</sup> Assorted Programs includes Cigarette Floor, Eastern Oregon Privilege, Food Processors, Kratom, Loaded Tank railroad car, Long Term Enterprise, Multi-State Tax Commission, Oil & Gas Production Tax, One Time Assistance Payment, Private Railcar Tax, Psilocybin and Western Oregon Privilege Tax

# Legislative Digest

The following is a list of key legislative bills that were approved in 2025 that impact the Oregon Department of Revenue and its customers.

## Senate Bills

### **Senate Bill 110 (2025) Baseball Tax**

Legislation approved in 2003 allows the Director of the Oregon Department of Administrative Services, with the approval of the State Treasurer, to enter into one or more agreements on behalf of the State of Oregon to grant 30 years' worth of incremental state personal income tax baseball revenues for the purpose of building a baseball stadium located in Portland.

Senate Bill 110 increases the \$150 million limit to \$800 million and increases the minimum estimated cost of the baseball stadium from \$300 million to \$2 billion. The annual limit on incremental baseball revenues that may be granted is also increased from the amount reasonably required to amortize a loan of \$150 million, to an amount reasonably required to amortize a loan of \$800 million.

### **Senate Bill 485 (2025) Estate Tax Natural Resource Exemption**

This measure amends the estate tax exemption for qualified forestland natural resource to require material participation by family member(s) that is appropriate or customary silvicultural or management activities within specified time of the decedent's date of death. The measure requires documentation of the management activities.

### **Senate Bill 799 (2025) – Tax Administration Uniformity**

The Department of Revenue requested Senate Bill 799 to align certain administrative statutes to ensure equal treatment across various tax programs. The bill considers payments and returns received before the due date to have been received on the due date. This aligns the statute of limitation start date across all tax programs. The bill also makes clear that administrative provisions related to appeals and compliance apply to all tax programs administered by the department rather than referring applicability to a list of ORS chapters that does not include tax programs implemented in recent years.

### **Senate Bill 5536 (2025) – Agency Budget 2027-2029**

Senate Bill 5536 is the Legislatively Approved Budget for the 2027-29 biennium for the Department of Revenue to administer 64 revenue streams that account for more than 97 percent of the state General Fund. The budget reflects approval of a total funds budget of \$442,842,940 and 1,147 positions (1,092.82 FTE) for the biennium. This represents a 1.5 percent increase in total funds from the 2023-35 biennium.

## House Bills

### **House Bill 2087 (2025) – Omnibus Tax Credit Bill**

House Bill 2087 contains 11 different provisions, many of which were discussed during session in different bills. Original bill numbers are included for reference.

- Earned Income Credit (HB 2091 and SB 121) The credit was extended six years and is set to expire on January 1, 2032.
- Crop donation tax credit (SB 108) The credit was extended six years and will sunset January 1, 2032. The credit increased from 15 percent to 25 percent of the value of the quantity of the crop donated, which is computed at the wholesale market price at the time of donation.
- Pension income tax credit (HB 2098 and SB 112), also known as the Retirement Income Credit was extended six years and will sunset January 1, 2032. The credit is for those 62 and older at the end of the tax year and receive taxable retirement income. The credit eligibility is subject to certain income and threshold limits.
- Manufactured dwelling park tax credit (HB 2090 and SB 122) is a credit for manufactured dwelling owners that rented space within a park but moved out due to the park closing. The owner must have occupied the dwelling as their principal residence and moved all members of the household due to the closure. The credit is extended to tax years beginning before January 1, 2032.
- Manufactured dwelling park capital gain subtraction was extended to tax years beginning before January 1, 2032. The bill defines qualification for the credit.
- Affordable housing lender tax credit (HB 3236A) is a credit that is available to banks which reduce interest rates on loans up to 4 percent and pass the savings onto low-income families. The loan type and eligibility are defined in the bill. The credit is effective for loans made on or after January 1, 2026 and for tax years beginning on or after January 1, 2026.
- Rural emergency medical services (EMS) volunteer credit (HB 3380) is for certain individuals that provide volunteer emergency medical services. The bill increased the credit from \$250 to \$1,000. The credit increase begins January 1, 2026 and the credit sunsets January 1, 2030.
- Individual Development Account (IDA) credit is available for taxpayers that donate to the Oregon IDA Initiative Fund and is up to 90 percent of the donation made. The total credit amount allowed in two steps up to \$8 million for tax years on or after January 1, 2026. A taxpayer may qualify for the credit if donations are made prior to April 15, 2030.
- Film auction credit (HB 3329) available for auction increased in two steps to \$21.2 million for fiscal years beginning on or after July 1, 2026. Taxpayers with Oregon tax liability may bid on credit certificates and claim the credit on their return. Minimum discounts and bids are established.

- Motor carrier and fuel tax (SB 410) is a program administered by the Oregon Department of Transportation. The credit is extended and is scheduled to sunset January 1, 2032.
- First-time homebuyer savings account subtraction extended two crucial dates. First, it extends the date an account must be opened from January 1, 2027 to January 1, 2032. Second, it extends the date by which the funds must be used from January 1, 2037 to January 1, 2042.

### **House Bill 2089 (2025) – Surplus Funds from Sale of Foreclosed Property**

House Bill 2089 expands the notification process during property tax foreclosure proceedings and the redemption period. The bill modifies the county foreclosure sale requirements, establishes a process by which former owners and interested parties can claim surplus funds resulting from the foreclosure sale, and adds requirements to notify former owners and interested parties of the surplus funds available and the process to make a claim.

### **House Bill 2339 (2025) – Department of Revenue “Catch All” Bill**

The Department of Revenue proposed minor changes to unrelated programs that are considered technical, align statute with legislative intent, or codify current practice. The bill includes five provisions to enhance department work with customers and ease administrative responsibilities. The different provisions include:

- Realignment of the calculation and distribution of the Small Tract Forestland Severance Tax. The department proposed changing the Small Tract Forestland Severance Tax (STF) fund balance calculation date from May 1 to June 1 each year and changing the distribution deadline from May 15 to June 15 each year.
- Expansion of data-sharing with OLCC and OHA for the marijuana and psilocybin programs. The department proposed to allow agreements with OLCC and OHA to share marijuana or psilocybin program data for the purpose of administering and enforcing income, excise, and corporate activity tax programs.
- Modifications to outdated agency reporting. During a review of statutes that may require department reports, it was determined that some reports were outdated or did not reflect current practice. The bill repealed reporting responsibility in relevant statutes.
- Alignment of the Agriculture Overtime Tax Credit and business statutes. The department proposed to align the Agricultural Employer Overtime Tax Credit (AEOTC) statute with the business statutes clarifying S corporations cannot claim the AEOTC tax credit on the entity return. This may have been an inadvertent error when HB 4002 (2022) was approved.
- Limiting foreign-earned income for qualification for Oregon Kids Credit. The department proposed to add back to the Oregon return the federal excluded income, similar to the business loss requirement, with the intent to prevent high-earning individuals living and working abroad from claiming the Oregon Kids Credit. The foreign income exclusion taxpayers use to calculate their federal taxable income can

artificially understate the actual income used to determine if they qualify for the Oregon Kids Credit. The department suggested this wasn't the intent of the initial legislation. The Legislative Revenue Office recognized that this provision will have a positive revenue impact of nearly \$100,000.

#### **House Bill 3115 (2025) – Lottery Ticket Sales**

House Bill 3115 prohibits the transfer through sale, purchase, or claiming of winning Oregon State Lottery tickets. An addition to the personal or corporate income tax return will be created to add back cost of goods sold that is deducted for illegal lottery ticket sales at the federal level.

#### **House Bill 3506 (2025) – Healthy Homes Repair Fund**

House Bill 3506 transfers \$3.15 million from the Senior Property Tax Deferral Revolving Account to the General Fund. Of this amount, \$3 million is allocated to the Oregon Health Authority to establish the Healthy Homes Repair Fund to support housing for seniors and individuals with disabilities, including assistance with installation of accessibility modifications. The remaining \$150,000 is allocated to the Department of Revenue for the purpose of contracting with a consultant to develop an outreach plan expanding awareness of the property tax deferral program.

#### **House Bill 3589 (2025) – Senior Housing and Development**

House Bill 3589 transfers \$24 million from the Senior Property Tax Deferral Revolving Account to the General Fund on January 1, 2026, for appropriation to Housing and Community Services to establish a senior housing initiative to incentivize housing for seniors and individuals with disabilities. Subsequent annual transfers of funds from the Senior Property Tax Deferral Revolving Account will support the senior housing initiative. The amount of subsequent transfers will be determined by an annual solvency study and estimate to maintain the Senior Property Tax Deferral Revolving Account for the following year.

#### **House Bill 3630 (2025) – Estate Tax Natural Resource Exemption**

House Bill 3630 modifies the exemption from estate tax for qualified natural resource property by expanding it to include ownership through a business or trust. The measure also clarifies the material participation requirements. Property qualifications are modified by the bill as is the calculation. The changes apply to estates of decedents who die on or after July 1, 2025.

#### **House Bill 3712 (2025) – Eligibility criteria for Homestead Property Tax Deferral program**

House Bill 3712 modifies two eligibility requirements for the Homestead Property Tax Deferral program: increases the household income limit to \$70,000 for 2026 with annual indexing to CPI beginning in 2027; and changes the Real Market Value multipliers for years owned and occupied. These changes are designed to expand access to the deferral program.

## **House Bill 3940 (2025) – Oral Nicotine Tax**

House Bill 3940 imposes a new tax on the distribution of oral nicotine products at the rate of 65 cents per container of 20 or less nicotine items or 3.25 cents per nicotine item in containers exceeding 20 items. The tax receipts are dedicated to the Landscape Resiliency Fund and the Community Risk Reduction Fund related to wildfire suppression and mitigation activities. The tax begins January 1, 2026.



# 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)
- GoWest 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 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 (OSFM)
- 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 40
- Somali American Council of Oregon
- 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 Diversity, Equity, and Inclusion Plan](#)  
[Oregon Department of Revenue 2024 Annual Report](#)

