

OFFICE OF THE SECRETARY OF STATE
TOBIAS READ
SECRETARY OF STATE

MICHAEL KAPLAN
DEPUTY SECRETARY OF STATE



ARCHIVES DIVISION
STEPHANIE CLARK
DIRECTOR

800 SUMMER STREET NE
SALEM, OR 97310
503-373-0701

NOTICE OF PROPOSED RULEMAKING

INCLUDING STATEMENT OF NEED & FISCAL IMPACT

CHAPTER 150
DEPARTMENT OF REVENUE

FILED: 04/29/2026 4:06 PM

ARCHIVES DIVISION SECRETARY OF STATE

FILING CAPTION: Moving Expense Deduction – for Part-year and Nonresidents

LAST DAY AND TIME TO OFFER COMMENT TO AGENCY: 06/01/2026 5:00 PM

The Agency requests public comment on whether other options should be considered for achieving the rule's substantive goals while reducing negative economic impact of the rule on business.

CONTACT:

Katie McCann
503-509-9787
RulesCoordinator.dor@dor.oregon.gov
955 Center St NE
Salem, OR 97301

Filed By:

Katie McCann
Rules Coordinator

HEARING(S)

Auxiliary aids for persons with disabilities are available upon advance request. Notify the contact listed above.

DATE: 06/01/2026

TIME: 10:00 AM

OFFICER: Robert Oakes

REMOTE HEARING DETAILS

MEETING URL: [Click here to join the meeting](#)

PHONE NUMBER: 503-446-4951

SPECIAL INSTRUCTIONS:

Join by video:

<https://www.microsoft.com/en-us/microsoft-teams/join-a-meeting>

Meeting ID: 281 706 150 690 48

Passcode: fP9QN2gW

Join by phone:

503-446-4951

Conference ID: 589 383 598#

NEED FOR THE RULE(S):

Federal H.R. 1, signed into law July 4, 2025, made permanent a temporary restriction that allowed only military personnel to take the moving expenses deduction and expanded the deduction to include members of the intelligence community. OAR 150-316-0181 contains references to the temporary dates of the restriction and does not allow the deduction to members of the intelligence community. The rule must be amended to conform the language to current law.

DOCUMENTS RELIED UPON, AND WHERE THEY ARE AVAILABLE:

H.R. 1 (Public Law 119-21).

STATEMENT IDENTIFYING HOW ADOPTION OF RULE(S) WILL AFFECT RACIAL EQUITY IN THIS STATE:

No impacts to racial equity in this state have been identified. The rules will apply to statewide demographics for all personal income taxpayers.

FISCAL AND ECONOMIC IMPACT:

The proposed amendment aligns the rule with federal law and is not expected to result in a fiscal or economic impact.

COST OF COMPLIANCE:

(1) Identify any state agencies, units of local government, and members of the public likely to be economically affected by the rule(s). (2) Effect on Small Businesses: (a) Estimate the number and type of small businesses subject to the rule(s); (b) Describe the expected reporting, recordkeeping and administrative activities and cost required to comply with the rule(s); (c) Estimate the cost of professional services, equipment supplies, labor and increased administration required to comply with the rule(s).

(1) The proposed amendment is technical in nature and does not impose additional costs of compliance on state agencies, units of local government, or the public.

(2)(a) The administrative rule impacts only the personal income tax returns of military personnel and members of the intelligence community. Small businesses will not be subject to the rule.

(b) N/A

(c) N/A

DESCRIBE HOW SMALL BUSINESSES WERE INVOLVED IN THE DEVELOPMENT OF THESE RULE(S):

Small businesses are not impacted by the rule, but representatives of tax professional organizations were invited to participate in the Rules Advisory Committee meeting and the public hearing.

WAS AN ADMINISTRATIVE RULE ADVISORY COMMITTEE CONSULTED? YES

AMEND: 150-316-0181

RULE SUMMARY: The rule must be amended to incorporate changes in federal law.

CHANGES TO RULE:

150-316-0181

Moving Expense Deduction - for Part-year and Nonresidents ¶

~~(1) A moving expense deduction will be allowed only if it applies to taxable years beginning prior to January 1, 2018 and the requirements described in subsection (2) are met. For tax years beginning after December 31, 2017 and before January 1, 2026, only active-duty military personnel may claim a deduction if the requirements described in subsection (2) are met. s must be deductible on the federal return to be deducted on the Oregon~~

return.¶

(2) To be deductible from the Oregon portion of federal adjusted gross income, moving expenses must be connected with employment within Oregon. Thus, for a part-year or nonresident taxpayer, the moving expenses incurred are deductible only if the taxpayer's new principal place of work is within Oregon. Moving expenses incurred by a part-year or nonresident taxpayer for the purpose of beginning work at a new principal place of employment outside of Oregon are not deductible.¶

~~Example 1: Matt moves from Oregon to California to begin work there. The moving expenses are not deductible.¶~~

~~Example 2: Paul moves from Utah to Oregon to begin work in Oregon. The moving expenses are deductible.¶~~

~~Example 3: Sally moves from Oregon to Washington to begin work in Oregon. The moving expenses are deductible.¶~~

~~Example 4: Greg moves from Nevada to Washington to begin work in Oregon. The moving expenses are deductible.¶~~

~~Example 5: Anne moves from Montana to Oregon to begin work in Washington, lives in Oregon temporarily and then settles in Washington. The moving expenses are not deductible.¶~~

~~Example 6: Sue moves from Florida to Oregon to begin work in Idaho. While the expenses are not related to Oregon employment, they are deductible if they were paid after Sue became a full year resident of Oregon.~~

~~Reimbursement of moving expenses shall be included in the Oregon portion of federal adjusted gross income if the moving expenses are connected to Oregon employment.¶~~

~~Example 7: John moves from California to Oregon to begin work in Oregon. His employer reimburses him \$10,000, which includes \$4,000 of qualified moving expenses under IRC 132. John includes \$6,000 of income in the Oregon portion of federal adjusted gross income. The reimbursement of \$4,000 is not included in income and is not claimed as a deduction.~~

(3) Taxable reimbursement of moving expenses shall be included in the Oregon portion of federal adjusted gross income if the moving expenses are connected to Oregon employment.

Statutory/Other Authority: ORS 305.100

Statutes/Other Implemented: ORS 316.127