



ADMINISTRATIVE RULE REVIEW

Amended Rule	Rule No. 150-305-0160	
	Page Page 1 of 2	Last Revised Date 4/30/2020
	NOTICE OF INTENDED ACTION	
	Bulletin Dated	Hearing Scheduled

PURPOSE: Amending the rule to provide financial relief to debtors due to financial hardship related to COVID-19. Adoption of the amendment would suspend the department’s obligation to assess a penalty for dishonored checks (NSF penalty) beginning March 8, 2020 until 90 days after the end of the state of emergency related to COVID-19.

1 **150-305-0160**

2 **Penalty for Dishonored Checks**

3 (1) A penalty on dishonored checks will be assessed in the amount of \$25.00 or three times the amount of
4 the check, whichever is greater, but not to exceed \$500.00. This is in addition to all other penalties
5 provided by statute.

6 (2) Other than as provided in sections (5) and (6) of this rule, the penalty will be imposed on a
7 dishonored check if a prior dishonored check has been tendered by any individual, firm, corporation,
8 company, association, copartnership, estate, trust, trustee, receiver syndicate or any group or combination
9 acting as a unit to the Department of Revenue within the immediately preceding two years. Checks
10 tendered in the same envelope will be considered a single occurrence for the purpose of determining if a
11 prior dishonored check has been received.

12 (3) This penalty will be assessed on all types of dishonored checks to the department including, but not
13 limited to:

- 14 (a) Advance deposits on withholding accounts.
- 15 (b) Estimated tax payments for personal income and corporate excise tax.
- 16 (c) Payments to the department for transfer to other agencies or governmental units.

17 (4) For the purposes of this rule, “check” includes checks, drafts, orders and electronic funds transfers.

18 (5) Under authority granted in ORS 305.229, the department will not impose the penalty described in
19 section (1) of this rule for a period of time beginning March 8, 2020 and extending until 90 days after the
20 Governor of the State of Oregon declares an end to the state of emergency existing in the state of Oregon
21 related to COVID-19.

22 (6) Under authority granted in ORS 305.229, the department will not impose the penalty described in
23 section (1) of this rule on a second dishonored check if the first dishonored check was received by the
24 department during the period of time set forth in section 5 of this rule.



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- 1 (7) The department may waive the entire penalty if a reasonable basis exists. “Reasonable basis” means
- 2 any situation in which circumstances beyond the taxpayer’s reasonable ability to control resulted in the
- 3 refusal to honor the check. In determining reasonable basis for waiving the penalty the department will
- 4 examine all facts and circumstances. Examples of reasonable basis for waiver include, but are not limited
- 5 to:
- 6 (a) The bank returns the check to the payee in error.
- 7 (b) The taxpayer issues a stop payment order for presumably lost or stolen checks that are later located
- 8 and processed.
- 9 (c) The check was dishonored during the period set forth in section 5 of this rule.
- 10 **Statutory/Other Authority:** ORS 305.100
- 11 **Statutes/Other Implemented:** ORS 305.228; ORS 305.229