



ADMINISTRATIVE RULE REVIEW

Amend Rule	Rule No. 150-314-0248	Last Revised Date September 21, 2020
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Permanent Rule	NOTICE OF INTENDED ACTION	
	Bulletin Dated October 2020	Hearing Scheduled October 27, 2020

PURPOSE: Amend Oregon Administrative Rule (OAR) 150-314-0248 to clarify when refunds may be offset to assessed corporate activity tax (CAT) accounts.

1 **OAR 150-314-0248**

2 **Refund Offset Priority**

3 (1) As used in this rule:

4 (a) "Appropriation accounts" means accounts that are established by an appropriation of the state
5 legislature.

6 (b) "Nonassessed accounts" means: tax accounts for which the department has determined a deficiency
7 exists but that have not yet been assessed.

8 (c) "Assessed accounts" means:

9 (A) Tax accounts that have not been paid for which an appeal has not been made or is final and a written
10 notice of assessment stating the amount so assessed has been issued to the taxpayer; and

11 (B) Self-assessed accounts that have not had a written notice of assessment issued to the taxpayer.

12 (d) "Oldest account" means the account with the earliest set-up date. If more than one account has the
13 same set-up date, the earliest tax year is the oldest account.

14 (e) "Set-up date" means the date the account was established or created.

15 (2) The department will offset a refund to assessed accounts, unless the taxpayer has a currently pending
16 appeal of the assessment. The department may also offset a refund to nonassessed accounts when the
17 taxpayer sends the department a written authorization to offset the refund. Offsets will be made using the
18 following guidelines:

19 (a) First offset to the oldest account within the program that has the refund.

20 (b) After all accounts are satisfied within the program that has the refund, offset to other programs, oldest
21 account first, following the priorities shown in section (4) below.

22 (3) A taxpayer's refund will be offset only to accounts owed by that taxpayer. An individual refund will
23 not be offset to a corporate account nor a corporate refund offset to accounts of a subsidiary.

24 (4) The priority criteria are is:

25 (a) Funds due the general fund, excluding funds due other state of Oregon agencies, and also includes

26 ~~This includes~~ all funds due from the cigarette and amusement device taxes es that are is allocated part to

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- 1 the general fund and part to local governments [and all funds due the Fund for Student Success](#).
- 2 (b) Funds due an appropriation account that will revert to the general fund.
- 3 (c) Funds due the Senior Property Tax Deferral Revolving Account authorized under ORS 311.701.
- 4 (d) Funds due a state of Oregon tax program for distribution to local governments.
- 5 (e) Funds due other state of Oregon agencies.
- 6 (f) Funds due local jurisdictions for which the department collects under ORS 293.250.
- 7 (g) Funds due entities which serve a garnishment or levy on the Department of Revenue.
- 8 (h) Funds due charitable check-off programs designated by the taxpayer in lieu of receiving a refund
- 9 check.
- 10 (i) Funds due the federal government under the state reciprocal offset program under ORS 305.612.
- 11 Example: A taxpayer has a personal income tax refund due for the year. The amount of the refund owed
- 12 is \$200. The taxpayer also has two liability accounts. The taxpayer owes \$100 to the Department of
- 13 Revenue on an assessed personal income tax account for the previous year. The Taxpayer also owes \$300
- 14 to the Department of Education.
- 15 This is how the offset of the refund would look:
- 16 \$200.00 Refund
- 17 Less <\$100.00> Personal Tax liability on assessed account
- 18 Less <\$100.00> Department of Education
- 19 Refund = -0-
- 20 (5) If the refund balance as adjusted by the department in processing and after other offsets is insufficient
- 21 to pay the designated charitable check-off contributions in full, payment will be prorated. The proration
- 22 will be the ratio of the designated contribution to a specific fund divided by the total contribution to all
- 23 funds.
- 24 (6) State tax refunds will not be offset to accounts for TriMet Transportation District or the Lane Transit
- 25 District without the written permission of the taxpayer. Refunds from these programs will be offset to
- 26 accounts within the same program but not to an account for a different tax program.



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- 1 **Statutes/Other Authority:** ORS 305.100
- 2 **Statutes/Other Implemented:** ORS 314.415