Oregon Department of Revenue
955 Center Street NE
Salem OR 97301-2555

Oregon Combined Payroll Tax Report 2018

Oregon Department of Revenue

Oregon Employment Department

Oregon Department of Consumer & Business Services

Forms and instructions for Oregon employers

— **Order Form**

— **Business Change in Status Form**

— **Business Contact Change Form**

2018 Oregon Combined Payroll Tax Payment Coupons (Form OR-OTC) are not in this booklet. They are mailed separately.

How to ensure that your report is processed on time

- ✓ **File electronically.** See page 8 for details.
- ✓ Do you use a tax preparer? If so, they may need this booklet to file your reports.
- ✓ Double-check your math.
- ✓ When sending a payment by check, you must include Form OR-OTC.
- ✓ If you have no payroll or subject hours worked during a quarter, enter a "0" in the boxes on lines 1, 5, 9, and 11 of Form OQ for each tax program to which you are subject.

150-211-155-2 (Rev 12-17)

Contact Information

State withholding, TriMet, LTD taxes

Oregon Department of Revenue (DOR)

Salem: 503-945-8100 or 1-800-356-4222
TTY users: 503-945-8617 or 1-800-886-7204
Fax: 503-945-8772
Email: payroll.help.dor@oregon.gov
Mail: **Oregon Department of Revenue**
955 Center Street NE
Salem OR 97301-2555
Internet: **www.oregon.gov/dor/business**

- Sign up for "***Payroll Tax News***"
- Payroll tax basics
- Oregon transit payroll taxes for employers, including transit rates
- Withholding tables & formula

TriMet Boundaries

Phone: TriMet, 503-962-6466 or
DOR, 503-945-8100
Internet: **www.trimet.org/taxinfo**

Lane Transit District (LTD) Boundaries

Phone: LTD, 541-682-6100 or
DOR, 503-945-8100
Internet: **www.ltd.org/payroll-self-employment-tax-information**

Reporting forms:

Oregon Quarterly Tax Report (Form OQ)
Oregon Schedule B State Withholding Tax (Schedule B)
Employee Detail Report (Form 132)
Oregon Annual Withholding Tax Reconciliation Report (Form OR-WR)
Business Change in Status Form
Business Contact Change Form

Payments for all tax programs

Order Form OR-OTCs:

Salem: 503-945-8100 or 503-378-4988
Internet: **www.oregon.gov/employ/businesses/tax**

Oregon Combined Payroll Tax Payment Coupons (Form OR-OTC) are mailed separately to employers. You must include one with each payment. You don't need to send Form OR-OTC if you use Revenue Online.

Revenue Online

Internet: **www.oregon.gov/dor**

Electronic Funds Transfer (EFT) is being replaced by Revenue Online. Revenue Online provides convenient, secure access to tools for paying and managing your tax account.

Workers' Benefit Fund (WBF) assessment

Oregon Department of Consumer & Business Services (DCBS)

Assessment questions:

Salem: 503-378-2372
Fax: 503-378-3134
Email: wbfassess.fabs@oregon.gov
Mail: **WC Assessments Unit**
DCBS/CSD/Financial Services
PO Box 14480
Salem OR 97309-0405
Internet: **www.oregon.gov/dcbs/pages/wbf.aspx**

- What is the Workers' Benefit Fund?
- Determining WBF hours worked
- Calculating the WBF assessment

Subjectivity questions:

Salem: 503-947-7815 or 1-888-877-5670
Email: wcd.employerinfo@oregon.gov

Reporting forms:

Oregon Quarterly Tax Report (Form OQ)
Business Change in Status Form
Business Contact Change Form

State Unemployment Insurance tax

Oregon Employment Department (OED)

Salem: 503-947-1488
TTY users: 711
Fax: 503-947-1700
OTTER: 503-947-1544
Email: oed_taxinfo_user@oregon.gov
Mail: **Tax Section**
Employment Department
875 Union St NE
Salem OR 97311-0030
Internet: **www.oregon.gov/employ/businesses/tax**

- Electronic reporting
- Order or download forms
- UI account information

Reporting forms:

Oregon Quarterly Tax Report (Form OQ)
Employee Detail Report (Form 132)
Order form (paper report forms)
Business Change in Status Form
Business Contact Change Form

Employer new hire reporting program

Oregon Department of Justice

Salem: 503-378-2868 or 1-866-907-2857

Fax: 503-378-2863 or 503-378-2864
1-877-877-7415 or 1-877-877-7416

Email: emplnewhire.help@doj.state.or.us

Mail: **Department of Justice**
Division of Child Support
Employer New Hire Reporting Program
4600 25th Ave NE, Suite 180
Salem OR 97301

Internet: **www.oregonchildsupport.gov**

Oregon Employer Services Portal:
employerportal.oregonchildsupport.gov

All Oregon employers must report new and rehired employees to the Oregon Department of Justice's Division of Child Support no later than 20 days from their hire date.

Online resources

www.wcd.oregon.gov
- Do I need Workers' Compensation (WC) insurance?
- Employer incentives to hire an injured worker
- Insurers authorized to write Oregon WC policies

sos.oregon.gov/business
- *Starting a Business*
- *Employer's Guide for Doing Business in Oregon*
- Electronic Business Registration forms
- Electronic Business Update Registration forms

www.irs.gov/businesses
- Contracting payroll service
- Acquiring a Federal Employer Identification Number (FEIN)
- Federal payroll tax forms

www.oregon.gov/boli
- Technical assistance for employers

www.oregon.gov/boli/whd
- Minimum wage
- Overtime

Table of Contents

Contact Information 2
Tips for Successful Reporting 3
Filing Due Dates for Quarterly Reports; Where to File and Pay 4
New Information 5
Important Information 6
Required Forms; Amended Forms; Other Forms 7
Filing the Combined Quarterly Tax Report 8
Payment Instructions 9
Guidelines for Oregon Withholding Payment Due Dates; Penalties 10
Interest 11
Credits; Oregon Quarterly Tax Report (Form OQ) Instructions 12
Employee Detail Report (Form 132) Instructions 15
Oregon Schedule B State Withholding Instructions; Unemployment Insurance Tax Information 16
Withholding Tax Information 18
Transit District Excise Tax Information 19
Workers' Benefit Fund Assessment Information 20

Tips for Successful Reporting

When you report all required information correctly, you can avoid delays in the processing of your forms. Delays may result in penalties, interest charges, and other fees you may be required to pay if you don't report accurately and on time. If you use a payroll service, remember you are ultimately responsible for providing accurate and timely reporting and payments.

How to avoid common problems

- Use the correct Oregon Business Identification Number (BIN).
- Put the BIN and quarter/year on each report form in the appropriate box.
- Use the correct tax and assessment rates.
- If using non-prefilled forms, make sure to include name and address.
- Keep copies of Form OQ, Schedule B, Form 132, and Form OR-OTC for your records.
- Report whole hours on Form OQ (WBF assessment) and on Form 132.
- Reduce calculation errors and other mistakes by filing your report electronically. See Filing Options on page 8.

Filing Due Dates for Quarterly Reports

Quarter	Quarter Ending Date	Report Due Date
1st — Jan–Feb–Mar	March 31, 2018	April 30, 2018
2nd — Apr–May–Jun	June 30, 2018	July 31, 2018
3rd — Jul–Aug–Sep	September 30, 2018	October 31, 2018
4th — Oct–Nov–Dec	December 31, 2018	January 31, 2019

If the due date is on a weekend or holiday, the report is due the next business day.

Where to File and Pay

All reports using **Employment Department software** (see page 8)	→	**Send electronically**
All wages and annual W-2s using **electronic filing** (EFW2 format) (see page 8)	→	**Send electronically**
All reports in **paper form** (see pages 7) *All payments* **Form OR-OTC** (see page 9)	→	*Mail to:* **Oregon Department of Revenue PO Box 14800 Salem OR 97309-0920**
Form OR-WR Annual Withholding Tax Reconciliation Report (see page 7)	→	**File electronically with DOR, Revenue Online. See "Revenue Online"**

New Information

Tax rates

- The Workers' Benefit Fund (WBF) assessment rate is **0.028**.
- The taxable wage base for Unemployment Insurance (UI) is **$39,300**.
- Tri-County Metropolitan Transportation District (TriMet) tax rate is **0.007537**.
- Lane Transit District (LTD) tax rate is **0.0073**.

Form requirements

Form OR-WR is now required to be filed electronically with Revenue Online. See "Revenue Online" below.

We require all submitted forms to be complete, legible, and on approved agency forms. Non-agency forms and forms that are incomplete or illegible won't be processed and will be returned to you. Agency forms are located on the agency websites (see page 2).

Required reporting

On Form 132, there's a new column to be used by employers subject to UI. The new column six is to report Oregon withholding tax.

Employers of Oregon nonresidents

You must withhold Oregon income tax from all wages earned by nonresident employees for their services performed in Oregon, unless their Oregon earnings for the year will be less than the standard deduction amount for their filing status. The Oregon standard deduction amounts for tax year 2018 are:

Single, married or RDP* filing separately	$2,215
Head of household	$3,570
Married/RDP filing jointly	$4,435
Qualifying widow(er)	$4,435

**Registered Domestic Partner*

Nonresident employees with wages more than their standard deduction amount must file an Oregon nonresident income tax return.

Nonresident employees with Oregon wages less than their standard deduction still may ask you to withhold tax. Usually, this is because they have additional Oregon income from other sources.

Oregon retirement savings program

OregonSaves, the new Oregon retirement savings program, is an easy way for Oregonians to save for retirement through payroll deductions. Oregon employers that don't currently offer an employer-sponsored retirement plan will begin to facilitate OregonSaves for its employees. OregonSaves will roll out in phases, beginning with larger employers in 2018 and smaller employers over the course of the next two years. For more information, go to www.oregonsaves.com.

Revenue Online

Revenue Online, our new self-service site, is now available for combined payroll taxpayers. Revenue Online provides convenient, secure access to tools for managing your tax account—and it's free! With Revenue Online, you can:

- View your tax account.
- Make payments.
- View and print letters from us.
- Send us secure messages.
- Check your account balance and more!

For more information or to sign up for an account, go to www.oregon.gov/dor.

Note: The W-2 filing date has changed to **January 31** of each year. 1099s with information in box 7 will be due January 31.

Transit tax

The 2017 legislature passed House Bill 2017 which imposes a 0.1% transit tax on the wages of every Oregon resident, nonresidents of Oregon for services performed in Oregon, and periodic payments made under ORS 316.189. The new transit tax applies to tax periods beginning on July 1, 2018.

The employer or payer is considered the taxpayer for the transit tax and is required to withhold the transit tax, file returns and remit tax payments to DOR in a time and manner yet to be determined. However, if a nonresident employer, who doesn't conduct business in Oregon, doesn't withhold the transit tax from wages of an Oregon resident employee, the employee is responsible for reporting and paying the tax.

In Spring 2018, DOR will provide forms, the timing for payment, and additional information for the transit tax through U.S. mail, Revenue Online, or on www.oregon.gov/dor.

Important Information

Oregon Department of Revenue (DOR), Oregon Employment Department (OED), and Department of Consumer and Business Services (DCBS) rules may be different from each other. ***Read all instructions carefully. If you have questions, contact the appropriate agency*** (see page 2).

What is a filed return?

Only columns on Form OQ that are filled in with numerical information are considered a filed return (for example, using a 0 rather than a blank space).

You don't need to file Form 132 or Schedule B if you file a non-payroll report.

Oregon identification numbers

Your Oregon Business Identification Number (BIN) is not the same as your registry number issued by the Oregon Secretary of State's Corporation Division. **If you don't know your BIN, contact DOR** (see page 2).

The correct format for a BIN is NNNNNNN-N (for example, 1234567-8).

You must include your BIN at the top of all correspondence, returns, and payments that you file with DOR, OED, and DCBS.

Important: If the structure of your business has changed, contact DOR (see page 2).

Withholding tax tables and formulas

The Oregon withholding tax tables and formulas will be updated each year by December 1, with an effective date of January 1. DOR will send information through the Payroll Tax News. Contact DOR for more information (see page 2).

Small employers and withholding

Small employers must file quarterly with DOR using Form OQ, unless they qualify for annual reporting as an agricultural or domestic household employer under Oregon law. Contact DOR for more information (see page 2).

Sole corporate officer UI exclusion

Effective January 1, 2016, if you're a sole corporate officer who is also a corporate director and owns a substantial part of your corporation, you may elect out of UI coverage for yourself. You must apply to OED in writing and OED must approve the exclusion prior to it going into effect [ORS 657.044 (1)(b)].

W-2 informational returns

All businesses and payroll service providers must report W-2 information electronically to DOR using iWire (see page 8). The filing due date is **January 31** of each year.

1099 electronic filing requirements

If your business reports Forms 1099-Misc, 1099-G, 1099-R or W-2G, you **must submit them electronically by JANUARY 31** of each year. 1099's with information in box 7 will be due **January 31**.

You're required to file electronically if you have **one** or more information returns. An information return is a tax document you must file to report certain business transactions to DOR and the IRS, such as 1099s. (ORS 314.360)

Penalties assessed

House Bill (HB) 2464 allows DOR to assess penalties for employers who do not file a timely information return (Form W2 or 1099) or file an incorrect or incomplete information return. DOR may assess $50 per information return, up to an annual maximum amount of $2,500. DOR may raise the penalty to $250 per information return, up to an annual maximum amount of $25,000, for employers who knowingly fail to file a timely information return or knowingly file an incomplete, false or misleading information return.

Unemployment Insurance—Alternate base year

Individuals that file a claim for Unemployment Insurance benefits might qualify using an Alternate Base Year. To determine if they qualify, OED will send a request for information to the last known employer. The response to this notice doesn't replace Form OQ. You need to include the wages and hours for all subject employees, whether using a Regular or Alternate Base Year on your Forms OQ and 132. Contact OED for more information (see page 2).

Independent contractors

To be an independent contractor, workers must meet the statutory definition in ORS 670.600. This law covers DOR, OED, Construction Contractors Board, and Landscape Contractors Board.

The laws covering the WC Division of DCBS and the Bureau of Labor and Industries (BOLI) differ from ORS 670.600.

Misclassifying employees as independent contractors can be costly to an employer. For more information about independent contractors, visit **www.oregon.gov/ic**.

Bankruptcy

If you file for bankruptcy, you need to notify **separately** each state agency that administers the payroll taxes or assessments to which you are subject.

Common pay agent

Oregon law doesn't allow Oregon combined payroll taxes to be reported by a "common pay agent" as defined in IRS Section 3504.

Keep your records

You must keep WBF assessment-related payroll records for at least four years.

You must keep all other payroll records for at least six years after filing the required reports.

Required Forms

If you file paper forms, using the forms in this booklet ensures faster and more accurate processing.

We process paper forms electronically. It's critical for successful reporting to use the correct format and color of ink.

To avoid problems:

- Use only blue or black ink.
- Use only original forms. Don't photocopy or fax your reports.
- Use **CAPITAL LETTERS ONLY** when filling out your reports.

If you use a tax preparer, check with them to see if they need this booklet to file your reports. Your forms can be sent directly to your tax preparer. Fill out the *Business Contact Change Form* to change the mailing address to your tax preparer's address.

Use the order form at the back of this booklet to order more reporting forms.

Forms needed for reporting

Form OQ—File this form each quarter to document how you calculate the amounts of withholding tax, UI tax, TriMet and Lane Transit District taxes, and WBF assessment you owe.

Also use it to report withholding on pension/annuity payments.

Schedule B—For withholding tax only. Use this form only if you must make semi-weekly or daily state income tax withholding deposits. File Schedule B with Form OQ to document withholding tax deposit amounts by deposit date.

Form 132—Use only if you are reporting UI subject wages. Form 132 is filed with Form OQ on a quarterly basis.

You must include:

1. Total UI subject wages

Detailed information for each employee:

2. Social Security number
3. First initial
4. Last name
5. Whole hours worked
6. Total UI subject wages
7. State withholding taxes

Form OR-OTC—File with each payroll tax payment to show how the amount paid is to be distributed among withholding tax, UI tax, TriMet and Lane Transit District taxes, and WBF assessment.

> **NOTE:**
> *Form OQ, Schedule B, and Form 132 are processed by OED using automated equipment. Form OR-OTC and payments are processed by DOR. To correctly apply payments, send Form OR-OTC with every payment, including payments made with your Form OQ. Form OR-OTC is not required for payments made by EFT.*

Amended forms

Use fillable amended report forms available at OEDs website (see page 2):

- Form OQ/OA–AMENDED
- Schedule B–AMENDED
- Form 132–AMENDED

DOR: You may make changes as far back as necessary to make corrections and report the proper amount of withholding and transit taxes. However, if that correction results in a refund, you have three years from the due date of the return, or two years

from the date the tax was paid, whichever is later, to request that refund.

OED: As of July 1, 2017, OED won't process amended payroll reports on non-agency forms. The non-agency forms will be returned to you. Agency forms are located on agency websites (see page 2).

You may make changes to the UI tax portion of the reports for any quarter between the first quarter three years back and the current quarter.

DCBS: You may make changes to the WBF assessment portion of the reports for any quarter between the first quarter three years back and the current quarter.

Other forms

Because we process reports and payments electronically, our systems won't pick up special instructions or notations you write on Form OQ or Form OR-OTC. Use the following forms, located in the back of this booklet, to make updates:

***Business Change in Status Form*—**Use this form to update your business information, such as: changing a business name, correcting an FEIN, selling or closing a business, no longer working in a transit district, and starting a business in a transit district.

If the structure of your business changes, you may need to complete a *Combined Employers Registration*.

***Business Contact Change Form*—**Use this form to update your contact information, such as: physical, mailing, or email address; phone or fax number; and off site payroll service, accountant, or bookkeeper.

Form OR-WR—Effective January 1, 2017, all employers are required to file this form annually even if you are reporting -0-.

Effective January 1, 2018, all employers are required to file electronically through Revenue Online by January 31 of the following year.

Filing the Combined Quarterly Tax Report

Who must file

You must file a Form OQ each quarter if you:

- Are registered as an active employer with DOR or OED, **even if you had no payroll during the quarter**. Reimbursing employers and Local Government Employers Benefit Trust Fund employers also must file Form OQ.
- Have paid workers subject to Oregon's WC law, or any paid individuals covered by WC insurance, whether or not required by law.
- Withhold on a distribution of pensions or annuities.

You must file Schedule B if you:

- Are required to deposit withholding taxes on a semi-weekly or a one-banking-day basis.

You must file Form 132 if you:

- Are an employer subject to UI law,
- Are a reimbursing employer, or
- Are a Local Government Employers Benefit Trust Fund employer.

When to file

See page 4 for report due dates.

Failure to file

If you don't file a correct, complete report, you may receive an assessment from each agency based on available information. Each agency may charge penalties and interest on the amount assessed (see pages 10-11).

Filing options

Instead of filing by paper, consider filing electronically. Electronic filing is more efficient, accurate and takes less time than paper. Check for updates on electronic filing options at: www.oregon.gov/employ/businesses/tax.

- **Telephone (IVR)**. If you are an employer who has no payroll or subject hours to report for all programs for a particular quarter, you can file a "no-payroll/no-hours worked" report by telephone. IVR is available 24 hours a day, seven days a week. Call 503-378-3981. Confirmation numbers aren't issued. Stay on the line until you're notified at the end of the call that your report was accepted.

Oregon annual filing

- **iWire—*Income and Wage Information Return E-services*.** File Form W-2s by using DORs iWire website. You can file several W-2s with the EFW2 format provided by the Social Security

Administration or by using DORs spreadsheet template or manual entry format. In addition, file Forms 1099-MISC, 1099-G, 1099-R, and W-2G electronically for Oregon purposes. You can file several by using the format provided by the IRS (Publication 1220) or by using DORs spreadsheet template or manual entry format.

- If you file federal Form 943, you may file your Oregon withholding reports once a year using Form OR-WA. Agricultural employers subject to UI tax, WBF assessment, or transit tax must file Form OQ in addition to Form OR-WA. Contact DOR for more information (see page 2).
- Domestic household employers with employees doing only in-home services may file the combined payroll tax reports annually using Form OA Domestic. The forms are sent by November 15 of each year. Contact OED for more information (see page 2).

Payment Instructions

To make sure your payment is correctly applied:

- Complete and send in Form OR-OTC with every payment when due, including payments made with your Form OQ.
- Show the amount paid to each tax program in the appropriate boxes on Form OR-OTC. Don't include credits (see page 12).
- Enter the quarter for which you are making payment.
- If amending your reports, include Form OR-OTC with payment.
- If paying more than one quarter, use a separate coupon for each quarter.
- Use current-year personalized coupons. Changes to the coupons or using the wrong coupon could result in misapplied payments.
- Payments for UI tax, WBF assessment, and transit taxes are due when reports are due.
- Payments for withholding tax are based on federal deposit schedule (see page 10).
- Don't staple or tape check to Form OR-OTC.
- Make checks payable to Oregon Department of Revenue. Send Form OR-OTC and your check to:

  Oregon Department of Revenue
  PO Box 14800
  Salem OR 97309-0920

- Keep all payment records (see page 7).

Revenue Online

Revenue Online is now available. Revenue Online provides convenient, secure access to tools for managing your tax account—and it's free! With Revenue Online, you can:

- View your tax account.
- Make payments.
- View and print letters from us.
- Send us secure messages.
- Check your account balance and more!

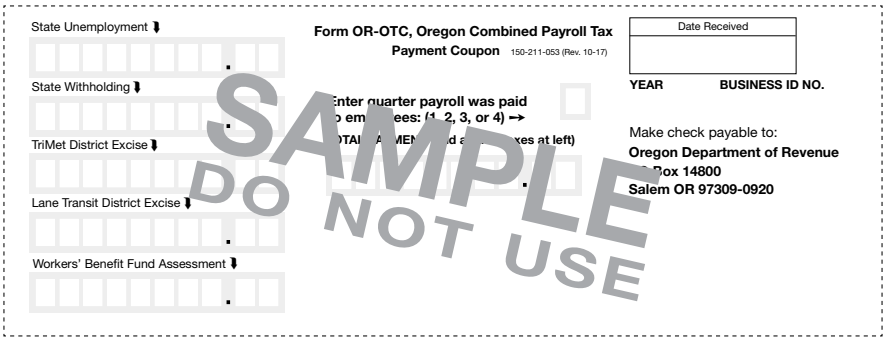
For more information or to sign up for an account, go to www.oregon.gov/dor.

Alternate withholding method

Multi-state employers with small payrolls in Oregon must deposit following the same schedule as the federal deposit schedule. Multi-state employers who find that following the federal tax deposit schedule will cause a burden may request a different method of withholding tax payments. To do this, send a letter that includes your business name, BIN, nature of the burden, your proposed withholding method, and proposed effective date of modified withholding method.

Send this information to:

Withholding Manager
Department of Revenue
955 Center Street NE
Salem OR 97301-2555



Continue using the federal requirements until DOR approves your request and designates the change date (ORS 316.191).

Federal Form 944 filers

As an employer, Oregon law requires you to file tax returns quarterly with DOR. You're also required to pay taxes using federal deposit schedules. If you're an employer instructed by the IRS to file Form 944 and deposit annually, please continue to deposit your Oregon withholding tax payment quarterly.

You will receive a penalty if you file your Oregon return quarterly and deposit your withholding tax payment annually, unless you tell us that you pay annually for the IRS. To avoid penalty, send us a copy of your IRS notification before your first DOR payment is due. Contact DOR for more information on small employers (see page 2).

Guidelines for Oregon Withholding Payment Due Dates

*Oregon withholding tax due dates are the same as the dates for depositing **federal** tax liability. New employers must deposit monthly until they have a lookback period* established.*

If your total FEDERAL tax liability is:	Oregon withholding tax payments are due:
• Less than $2,500 for the quarter	→ By the quarterly report due date
Example: If your federal tax liability is $2,300 and your state income tax liability is $1,500, you deposit quarterly.	
• $50,000 or less in the lookback period*	→ By the 15th of the month following payroll
Example: If your federal tax liability is $5,000 and your state income tax liability is $2,500, you deposit monthly.	
• More than $50,000 in the lookback period*	→ **Semi-weekly deposit schedule**
If the day falls on a: / **Then pay taxes by:**	
Wednesday, Thursday, or Friday / The next Wednesday	
Saturday, Sunday, Monday, or Tuesday / The next Friday	
Example: If your federal tax liability is $60,000 and your state income tax liability is $25,000, you deposit semi-weekly.	
• $100,000 in a single pay period	→ Within one banking day
Example: If your federal tax liability is $120,000 and your state income tax liability is $75,000, you deposit the next business day.	

Payrolls paid in:

Quarter 1
January
February
March

Quarter 2
April
May
June

Quarter 3
July
August
September

Quarter 4
October
November
December

** The lookback period is the 12-month period that ended the previous June 30. The lookback period for agricultural employers is the calendar year before the calendar year that just ended.*

Penalties

Unemployment Insurance (UI) tax

A late-filing penalty may be assessed if you file Form OQ or Form 132 more than 10 calendar days after the due date and received a warning or had a penalty assessed within the past 3 years. Incomplete or incorrectly formatted forms may be returned to you. You must resubmit these forms by the 10th day after the due date to avoid a penalty.

The UI tax late-filing penalty is $8 for each employee reported, with a $100 minimum and $2,000 maximum penalty. If no subject wages are reportable, but you file the report late, you may be assessed a penalty up to $100.

OED may assess a penalty if you fail to pay a tax assessment. The penalty will be 10 percent of the unpaid tax for that assessment.

OED may assess a 50 percent penalty of the unpaid tax balance if the agency finds out that an employer is intentionally avoiding paying UI tax. [ORS 657.515(5)]

OED may charge an employer an additional 1 percent penalty if, as of September 1, the employer hasn't:

- Filed all UI tax reports:
  —Form OQ, or
  —Form 132, or
- Paid all UI taxes due.

The penalty is 1 percent of the employer's previous year's taxable payroll.

Note: These penalties are in addition to interest.

Under OED law, an employer may not engage in or advise another employer to engage in activity to transfer or acquire, or attempt to transfer or acquire, a trade or business or any part of a trade or business solely or primarily for the purpose of getting a lower UI tax rate.

If an employer knowingly engages in such activity, the highest UI tax rate (currently 5.4 percent) will be assigned to that trade or business for the tax year in which the activity occurred and for the next three years. However, if the employer is already subject to the highest tax rate for the year, or if the amount of increase in the tax rate is less than 2 percent, an additional penalty tax rate of 2 percent will be added to the calculated tax rate.

Also, if any person advises an employer to engage in this activity, the adviser may be charged a civil penalty of up to $10,000. Criminal penalties for engaging in tax avoidance schemes also may be imposed.

State withholding and transit taxes

DOR charges:

- A 5 percent late-payment penalty on any unpaid tax after the return's (Form OQ, Form WA, Form OA) due date.
- An additional 20 percent late filing penalty on any tax due, as of the due date, if you file the return (Form OQ, Form WA, Form OA) more than one month late.
- An additional 25 percent penalty if DOR determines and assesses the tax that should have been reported by the due date.
- A possible 100 percent penalty on any tax due if you don't file Form OQ for 12 quarters, Form WA for 3 years, or Form OA for 3 years in a row.

Workers' Benefit Fund (WBF) assessment

DCBS may charge a late-filing penalty if you make your payment or file your Form OQ after the due date. DCBS may charge a civil penalty of up to $2,000 for each violation. Penalties are charged at 10 percent of the outstanding balance, with a minimum of $50 for each violation.

If your account is audited for failure to report or for inaccurate reporting, DCBS may charge up to $2,000 for failure to respond on time to notices and orders related to audit findings.

Interest

Unemployment Insurance (UI) tax

General employers. OED assesses interest on unpaid or late UI tax. The rate is 1.5 percent per month or fraction of a month after the payment is due.

Payments are due by the last day of the month after the quarter ends. Interest is assessed if the payment is one day late. Interest is calculated on unpaid tax only. Previously assessed interest or penalties are not included in the calculation.

Local Government Employers Benefit Trust Fund participants. Use the "General employers" calculation above.

Reimbursing employers. OED will bill these accounts for interest due on unpaid balances.

State withholding and transit taxes

DOR charges interest on any remaining tax left unpaid after the due date. DOR will bill for this interest, so you don't need to calculate interest due.

Workers' Benefit Fund (WBF) assessment

DCBS charges interest on unpaid WBF assessments. If your account is assigned for collection, you will be responsible for paying the collection fee and interest of 9 percent per year, charged on all overdue balances effective back to the original due date. If the debt is assigned to DOR or a private collection firm, a fee of up to 28 percent will be added to your debt (ORS 293.231).

Credits

To apply a credit to a quarter in the same tax program:

You may use Form OQ to apply an amount that you overpaid in a previous quarter if you haven't already requested or been issued a refund. Add the credit to any prepaid amount in the correct box on Form OQ (box 6A, 6B, 6C, 6D, or 12) to reduce the balance owing.

To apply a credit to another tax program:

Send a written request to the agency with a credit. Include your account name, address, BIN, tax program, quarter, year, and amount of the credit. Write the tax program, quarter and year to which you want the credit applied. Attach any notices or memos you received about the credit. Don't use Form OQ to transfer credits between programs.

To request a refund:

Send a written request to the agency with a credit. Include your account name, address, BIN, the word "**Refund**," and the amount to refund. Attach any notices or memos you received about the credit. Don't use Form OQ to request a refund.

Oregon Quarterly Tax Report (Form OQ) Instructions

Employer information section

Before you complete Form OQ, review the business name, mailing address, BIN, and FEIN to make sure they are correct. Make corrections on the *Business Change in Status Form* included at the end of this booklet.

The North American Industry Classification System (NAICS) code is assigned by OED. Coding is based on the information you gave OED. The code reflects the main activity for your company in Oregon. If you have questions about these codes, call 1-800-262-3912, ext. 7-1248, or 503-947-1248.

Number of covered workers for Unemployment Insurance (UI)

Complete this section if you are subject to UI law. If you have questions about how to count workers, call 1-800-262-3912, ext. 7-1248, or 503-947-1248.

Monthly number of covered workers. Include all full-time and part-time workers who worked or received pay subject to UI law during the payroll period that includes the 12th of the month. Some examples are:

- **Daily pay period**. Enter the number of workers on the daily payroll for the workday nearest the 12th of the month.
- **Weekly, biweekly, or semi-monthly pay period**. Enter the number of workers on the payroll for the period that includes the 12th of the month.
- **Monthly pay period**. Enter the number of workers on your monthly payroll.
- If there were no covered workers during any pay period, enter "0" in the appropriate boxes. Don't leave these boxes blank.

Add the numbers for the three months and place the sum in the **Total** (M1 + M2 + M3) box.

OQ columns

In each column:

- Enter the total subject wages paid for each tax program during the quarter. Total wages reported for UI and for withholding may differ depending on the subjectivity requirements for each program (see page 16, OED; page 18, DOR); and
- Enter the total tax owed to each state program. If any of the amounts are equal to or less than zero, enter "0." If you have credits, see the Credits section on page 12.

Column A. Unemployment Insurance (UI)

Box 1. **Subject wages**. This amount must be the same as line 1 (total subject wages) on Form 132. Include excess wages (see box 2).

Enter "0" if you had no UI subject wages this quarter.

Box 2. **Excess wages**. Excess wages are wages above the taxable wage base for the year, *per employee*. Yearly taxable wage bases are:

2018 =	$39,300	2016 =	$36,900
2017 =	$38,400	2015 =	$35,700

Reimbursing employers and Local Government Employers Benefit Trust Fund participants, leave this box blank.

Box 3. **Taxable wages**. Enter box 1A minus box 2A.

Reimbursing employers, leave this box blank.

Box 4. **Tax rate**. Use your current year's UI tax rate. If you are subject to UI tax and no rate is printed, look up the rate at OEDs website (see page 2).

Reimbursing employers, leave this box blank.

Box 5. **Total tax**. Multiply box 3A by box 4A. Round down to the nearest cent and enter the tax amount. Enter "0" if you had no UI tax this quarter.

Box 6. **Tax prepaid this quarter**. Enter the amount of UI tax prepaid or credits used this quarter. Include any credit amount that may have been overpaid in previous quarters where no refund was requested or issued (see page 12).

UI tax payments are due once per quarter on the same day as the tax reports.

Box 7. **UI penalty and interest owed**. Enter the amount of penalty and interest owed if the report is submitted more than 10 days after the due date. To calculate the penalty, multiply the number of employees by $8. The minimum penalty is $100. The maximum penalty is $2,000. If there were no employees, the penalty is up to $100.

Penalties are:

2018 = $8	2016 = $7
2017 = $7	2015 = $7

The minimum and maximum penalties are:

	Minimum	Maximum
2018 =	$100	$2,000
2017 =	$100	$1,900
2016 =	$100	$1,800
2015 =	$100	$1,800

To calculate interest owed, multiply the unpaid tax owed by 0.015 for each month or fraction of a month after the date the payment is due. Interest is assessed even if the payment is one day late.

When calculating interest, use only the amount of unpaid tax. Don't calculate interest on previously assessed interest or penalties.

Box 8. **Total due**. Enter box 5A **minus** box 6A **plus** box 7A. If the amount is less than zero, enter "0."

Column B. State withholding

Box 1. **Subject wages**. Enter total wages subject to income tax (salaries, commissions, and bonuses), paid to Oregon employees this quarter (see page 18).

- If you are reporting withholding on pension or annuity distributions, enter the amount of distributions with Oregon withholding.
- This amount need not match box 1A.
- Enter "0" if you had no subject payroll this quarter.

Box 5. **Total tax**. Enter total Oregon income tax withheld this quarter. Enter "0" on the wage and tax line of the appropriate column if you had subject payroll but no withholding tax to pay this quarter. Only numerical information entered in the state withholding tax column will be considered a filed return for that program.

If you deposit:

- **Quarterly—**complete only box 5B.
- **Monthly—**complete boxes on line 15 (M1, M2, and M3) on Form OQ. Add the amounts and enter the total into box 5B. **Note**: Box 5B and the total box on line 15 **must** be the same amounts.
- **Semi-weekly or one-banking-day depositors—**complete and file Schedule B. Enter the total in box 5B. **Note**: Box 5B and the total box on Schedule B **must** be the same amounts.

Box 6. **Tax prepaid this quarter**. Enter the amount of withholding tax prepaid this quarter. Include any withholding credits used (see page 12).

Box 8. **Total due**. Enter box 5B minus box 6B. If the amount is less than zero, enter "0."

Column C. Tri-County Metropolitan Transportation District (TriMet)

Box 1. **Subject wages**. Enter wages paid for work done in the TriMet District. Enter "0" if there was no subject payroll in the district this quarter (see page 19).

Box 4. **Tax rate**. TriMet yearly tax rates are:

2018 = 0.007537	2015 = 0.007237
2017 = 0.007437	2014 = 0.007237
2016 = 0.007337	2013 = 0.007137

Box 5. **Total tax**. Multiply box 1C by box 4C. Round down to the nearest cent and enter the tax amount. If you are subject to TriMet District tax but had no tax this quarter, enter "0" on the wage and tax line of the appropriate column.

Only numerical information entered in the TriMet District tax column will be considered a filed return for that program.

Box 6. **Tax prepaid this quarter**. Enter the amount of TriMet District tax prepaid this quarter. Include any TriMet credits used (see page 12).

Box 8. **Total due**. Enter box 5C minus box 6C. If the amount is less than zero, enter "0."

Column D. Lane Transit District (LTD)

Box 1. **Subject wages**. Enter wages paid for work done in LTD. Enter "0" if there was no subject payroll in the district this quarter (see page 19-20).

Box 4. **Tax rate**. LTD yearly tax rates are:

2018 =	0.0073	2015 =	0.0070
2017 =	0.0072	2014 =	0.0070
2016 =	0.0071	2013 =	0.0069

Box 5. **Total tax**. Multiply box 1D by box 4D. Round down to the nearest cent and enter the tax amount. If you are subject to LTD tax but had no tax this quarter, enter "0" on the wage and tax line of the appropriate column.

Only numerical information entered in the Lane Transit District tax column will be considered a filed return for that program.

Box 6. **Tax prepaid this quarter**. Enter the amount of LTD tax prepaid this quarter. Include any LTD credits used (see page 12).

Box 8. **Total due**. Enter box 5D minus box 6D. If the amount is less than zero, enter "0."

Workers' Benefit Fund (WBF) assessment

Box 9. Like wages, report hours in the quarter that they are paid. Total all full and partial hours worked by all paid individuals subject to Oregon's WC law or covered by WC insurance through personal election. You must include hours worked by individuals paid by salary or on a basis other than by the hour.

Enter the total hours rounded down to the nearest whole (no fractions or decimals). If you have no hours to report for the quarter, enter "0."

Note: The hours you report for the WBF assessment won't necessarily equal the hours you report for UI tax purposes on Form 132. In part, this is because there may be differences in who is subject to which tax. Contact DCBS for more information (see page 2).

Box 10. **Assessment rate**. WBF assessment rates are:

2018 =	0.028	2016 =	0.033
2017 =	0.028	2015 =	0.033

Employers contribute one-half of the hourly assessment amount and deduct one-half from workers' wages.

Box 11. Multiply box 9 times box 10. Round down to the nearest cent. This is the total WBF assessment due for the quarter. If no assessment is due for the quarter, enter "0."

Box 12. Enter the amount of prepaid WBF assessment or WBF assessment credits used this quarter (see page 12).

Box 13. Subtract box 12 from box 11. This is the net WBF assessment amount due for the quarter. It should match the amount you enter in the "Workers' Benefit Fund Assessment" box on Form OR-OTC. If the amount is zero or less, enter "0."

Box 14. Total payment due

- Enter total payment due
- Add boxes 8A, 8B, 8C, 8D, and 13
- **If you have credits, see page 12**

Make your payment to DOR using Revenue Online, or make your check payable to Oregon Department of Revenue. If you pay by check, include a payment coupon (Form OR-OTC) with your check.

Box 15. Monthly summary of state withholding tax liability

This line is for employers who must deposit withholding taxes monthly. Show the amount of income tax withheld each month of the quarter. Add those amounts to get the total amount withheld that quarter. The total must equal the total withholding tax reported in box 5B.

Don't include payments you made for UI tax, WBF assessment, or transit taxes.

If you deposit only once a quarter, enter the total amount withheld in box 5B.

If you are required to deposit withholding on a daily or semi-weekly basis, don't complete this line (see page 10). Report withholding on Schedule B (see page 16).

Box 16. Special payroll tax

Multiply box 3A by the amount listed for each quarter. Don't add or subtract this amount from boxes 5A or 14.

Quarterly rates are:

	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
2018	0.0009	0.0009	0.0009	0.0009
2017	0.0012	0.0009	0.0009	0.0009
2016	0.0009	0.0009	0.0009	0.0009
2015	0.0012	0.0009	0.0009	0.0009

Don't complete this section if you're a reimbursing employer, a Local Government Employers Benefit Trust Fund (LGEBTF) employer, or an employer not required to pay Federal Unemployment Tax Act (FUTA). For additional information see page 17.

Signature

The tax preparer needs to sign Form OQ on the signature line and include a telephone number and the date they fill out the form. A signature is required even if you file a "0" report.

Employee Detail Report (Form 132) Instructions

Subject to UI law, employers are required to complete this form. Employee Detail Report (Form 132) forms must be complete and legible to be processed. Incomplete or illegible forms will be returned to you. You will need to correct and resubmit your forms within 14 days of the date of notice for them to be processed on time.

Line 1. **Total subject wages**. Enter the total subject wages paid to employees during the quarter. If you use more than one page of Form 132, enter the total from all pages on page 1 only. This figure must equal the amount in box 1A, Form OQ.

Column 2. **Social Security number**. Enter the Social Security number for each employee reported.

Column 3. **Employee name**. Enter the first initial and last name of each employee reported.

Column 4. **Hours worked during this quarter**. Enter the number of hours each employee worked in the quarter. If you don't track hours for a full-time employee, use 520 hours for the report. **For fractions or portions of an hour worked by an employee**, round up any portion of an hour to the nearest whole hour.

Report the actual number of hours worked, both straight time and overtime. Don't report hours paid for sick leave, vacation leave, or any other hours paid where no work was performed. Even though these hours aren't reported in column 4, wages paid are still included in the subject wages in column 5.

Although you report wages in the quarter they are paid, report hours in the quarter they are worked.

Note: The hours you report for UI tax purposes on Form 132 won't necessarily equal the hours you report for the WBF assessment on Form OQ, box 9. In part, this is because there may be differences in who is subject to which tax. Also, hours for the WBF assessment should be reported, like wages, in the quarter they are paid. The hours for UI tax purposes should be reported in the quarter they are worked.

Enter "0" for an employee who didn't work during the quarter but received wages. **Don't leave blank**.

Column 5. **Total subject wages paid this quarter**. Wages are reported in the quarter paid to the employee regardless of when earned. Enter the total subject wages paid to each employee during the quarter regardless of whether the employee's wages were more than the taxable wage base.

Column 6. State Withholding Taxes. Enter the amount of withholding tax for employees who are subject to UI law. **Report whole dollars only.**

Example: If the total withholding for John Smith for quarter 1 is $550.43, enter $550 on column 6.

Box 7. **Column totals**. Enter the total subject wages for all employees reported on the page. Don't include the totals from other pages of this form.

Oregon Schedule B State Withholding Instructions

Example: How to complete Schedule B

A. Daily Oregon Withholding Tax Liability — First Month of the Quarter														
1	2500	00	8			15	1600	00	22			29		
2			9			16			23	300	00	30		
3			10			17			24			31		
4			11			18			25					
5			12	1450	00	19			26					
6			13			20			27					
7	450	00	14			21			28					
A. Total Withholding Tax Liability for the First Month of the Quarter.												A	6300	00

Line instructions—Schedule B

Complete Schedule B if you are required to deposit on a semi-weekly or one-banking-day basis. This form includes a box for every day of the quarter. Find the boxes that match your payroll dates. Enter the amount of Oregon tax withheld from your employees during each payroll period. Enter the total tax withheld for each month in boxes A, B, and C. Enter the total of all the amounts in box D. The total should equal the total withholding tax reported in box 5B on Form OQ. **Don't enter credits** (see page 12).

Unemployment Insurance Tax Information

Subject wages

Generally, wages reportable for FUTA purposes are reportable for UI tax. All wages, including draws, are reportable when paid to the employee. For example, wages paid April 1 for work performed in March are reportable in the second quarter (April–June).

An employee is any person (including aliens and minors) employed for pay by any employer subject to OED law (ORS 657.015). This includes contract, casual, or temporary labor.

"Wages" means all compensation for service, unless specifically excluded by law. Payments other than cash are reportable at cash value in the quarter in which they are available to the employee.

Examples of subject wages include:

- Payments for services to officers and employees of any type of corporation, except those officers electing to be excluded under the family corporation provision (see excluded wages, this page).
- Payments for agricultural and domestic (in-home services) labor by qualified employers.
- Payments for services to employees of nonprofit organizations or political subdivisions.
- Payments for services to clergy and employees of churches or other religious organizations.
- Special payments for services, such as commissions, fees, gifts, bonuses, prizes, separation allowances, guaranteed wage payments, vacation pay, holiday pay, and sick pay.
- Employee tips reported by the employer as directed by Internal Revenue Code Section 3306.
- Board provided to employees as part of their pay has a minimum value of 30 percent of the standard per diem meal rate within the continental United States. Round the per-diem rate to the nearest dollar. The rate per month will be 30 times the rounded daily rate.

  If room is also furnished, no additional value will be placed upon it. If room and board are furnished at hotels, resorts, or lodges, or if a room only, an apartment, a house, or any other consideration is provided, the value for tax purposes will be the fair market value.

Excluded wages

Examples of payments that aren't subject to UI tax under UI law are:

- Payments to a sole proprietor or the sole proprietor's child under 18, spouse, or parent.

- Payments to legally responsible and registered general partner(s) of a Limited Liability Partnership (LLP) or to members of a Limited Liability Company (LLC).
- Payments by nonprofit or public educational institute to full-time students attending said institution.
- Noncash payments to workers in agricultural or domestic (in-home services) employment.
- Sick pay under WC law.
- Effective January 1, 2016, certain sole corporate officers and closely held family corporations that elect in writing to exclude payments for services to corporate offices who:
  - —Are directors;
  - —Have a substantial ownership interest in the corporation; **and**
  - —Are members of the same family, as parents, stepparents, grandparents, spouses, sons-in-law, daughters-in-law, brothers, sisters, children, stepchildren, adopted children, or grandchildren.

  An election to exclude corporate officers must be in writing and will be effective the first day of the current or preceding calendar quarter in which the request was submitted. To download the form visit OED's website (see page 2).

  The exclusion doesn't go into effect until you receive written approval.

  Note: Those excluded from state UI tax may be subject to higher FUTA tax.

UI tax payments

UI tax payments are due quarterly when reports are due (see page 4). When there is more owed than taxes, payments are applied first to legal fees, penalties, and interest. The remainder is applied to tax owed.

Special payroll tax

The UI tax program is authorized to collect a special payroll tax that is calculated every quarter. This isn't an additional tax. Employers subject to FUTA must deduct the special payroll tax from the total state unemployment tax to determine the amount reported as "contributions paid to the state unemployment fund" on FUTA Form 940.

The special payroll tax funds the Wage Security Fund (BOLI) and the Supplemental Employment Department Administration Fund (SEDAF). The BOLI fund pays final wages when a business closes and doesn't have enough money to make final payroll. The SEDAF fund provides OED services.

Don't include the special payroll tax to calculate a credit when reporting on federal Form 940. To calculate "contributions paid to the state," use two lines in item 3 on Form 940 (computation of tentative credit)—see the table on page 14 for the correct amounts.

Example 1: An employer has a tax rate of 3 percent (0.03). In the second quarter, the experience rate will be 2.91 percent (0.0291), which is the tax rate less the 0.09 percent (0.0009) special payroll tax offset.

Example 2: Employers with the highest state unemployment tax rate, 5.4 percent (0.054), should not calculate the amount of the special payroll tax offset. The employer should use the unadjusted amount of taxes paid to the state as "contributions paid to your state unemployment fund."

"Contributions actually paid to the state" should equal the amounts on line 17, Form OQ for each quarter. If the amounts paid were less than owed, report the amount **actually** paid. To download Form 940 visit the IRS website (see page 3).

Exemption from UI tax

An employer who doesn't have enough employment or payroll may qualify for exemption from UI tax per ORS 657.415. To apply for the exemption, file a written request with the director of OED. If approved, the exemption will continue until the employer again qualifies as an employer as defined in ORS 657.

Election of coverage

An employer who has employees not subject to UI tax may file a written election to cover such employees under ORS 657.425. To apply for the election, file a *Notice of Election to Cover Employees* form with the director of OED. You will need to receive written notification of approval to begin coverage. To download the form visit OEDs website (see page 2).

Withholding Tax Information

Subject wages

Examples of taxable wages include:

- Salaries, commissions, bonuses, wages, tips, fees, prizes, separation allowances, guaranteed wage payments, and vacation and holiday pay.
- Payments by a corporation, including S corporations and professional corporations, to a corporate officer for services, including guaranteed wage payments for services.
- Wages paid when an employer-employee relationship exists between spouses, domestic partners, or a parent and child.

Exempt wages

Oregon withholding law exempts wages paid for certain kinds of services, labor, employee allowances for the benefit of employer, and reimbursed employee business expenses. A list of exempt wages is in the *Employer's Guide For Doing Business in Oregon* (see page 3).

Figuring allowances

Use the number of allowances claimed by an employee on IRS Form W-4, *Employee's Withholding Allowance Certificate*. Oregon doesn't have its own W-4 or W-4P.

Use "single 0" allowances if:

- An employee didn't file a Form W-4 or W-4P.
- The employee claims exempt status for state withholding tax only.
- DOR or the IRS tells you not to permit the allowances.
- There are more than 10 allowances.
- Exempt from federal or state tax, and the employee's income is expected to be more than $200 per week.

Make sure that Form W-4 has complete information about the employer (including FEIN) and employee.

Employees who owe tax when they file their personal tax return may not have enough state tax withheld during the year. To prevent this in the future, they may choose to have more state tax withheld than is required under the law.

To do this, they must complete a federal Form W-4 for Oregon purposes **only**. For information on how to use the federal form for Oregon purposes contact DOR (see page 2).

Withholding on IRAs, annuities, and compensation plans

A payer of commercial annuities, employer-deferred compensation plans, and retirement plans must withhold tax from the distributions on behalf of the individual payee unless the individual payee chooses to have no withholding.

The payee must give federal Form W-4P to the payer to show the number of exemptions the payer should use to calculate state withholding. A payee may also use Form W-4P if they choose to have no withholding.

The payer must withhold as if the payments were wages, using the tax tables furnished by DOR. The amount of withholding per payee must be $10 or more.

Withholding on pension and annuities requires a different BIN than your payroll account BIN because these are not payroll wages.

State withholding requirements on IRAs, annuities, and deferred compensation plans are similar to federal withholding requirements (IRC Section 3405). The difference is that state withholding isn't required for a rollover from one qualifying plan to another. Oregon doesn't follow the federal backup withholding rules for pension and annuities distributions.

The payer issues 1099s to the individual payees at the end of the year, and files Form OR-WR with DOR.

Contact DOR for more information (see page 2).

Figuring withholding tax

All Oregon employers must withhold tax from employee wages (including draws) at the time employees are paid. Taxes are withheld and reported in the quarter the employee is paid.

To figure the amount of tax to withhold from an employee's wages:

- Use the Oregon withholding tax tables (see DOR on page 2).
- For computer payroll systems, use the percentage formula in the Oregon withholding formula publication on DORs website (see DOR on page 2).

Transit District Excise Tax Information

These tax programs are administered by DOR for the Tri-County Metropolitan Transportation District (TriMet) and the Lane Transit District (LTD). They provide revenue for mass transit (ORS Chapter 267). Transit payroll (excise) tax is imposed on most employers who pay wages for services performed in the TriMet or LTD districts. If you use a payroll service, you may need to inform them of this tax.

Who must file a report?

Unless exempt (see next column), employers who have resident or nonresident employees working in the TriMet or LTD districts must register and file with DOR. If an employer doesn't have employees working within the transit district boundaries, the payroll isn't subject to the transit tax.

Wages subject to transit districts

Wages means all salaries, commissions, bonuses, fees, or other items of value paid to a person for services performed within a transit district (ORS 267.380).

Transit district wages also include:

- Contributions to a Simplified Employee Pension (SEP) made at the election of the employee.
- Payments for the purchase of IRC Section 403(b) annuities under salary-reduction agreements.
- Contributions to 401(k) retirement plans chosen by the employee, including employer-matched contributions.
- Pick-up payments to governmental retirement plans under salary-reduction agreements.
- Amount deferred under governmental deferred compensation plans.
- Any amount deferred under a non-qualified deferred compensation plan.
- Payment to an IRC Section 408 Individual Retirement Account under salary-reduction agreement.

Exempt payroll

The following are exempt from TriMet and LTD excise taxes:

- Federal government units
- Federal credit unions
- Public school districts

TriMet District service area

TriMet serves the Portland metropolitan area, which includes parts of Multnomah, Washington, and Clackamas counties. For information see page 2.

ZIP codes completely in TriMet District

97003	97035	97204	97214	97222	97236
97005	97036	97205	97215	97223	97239
97006	97068	97206	97216	97225	97256
97008	97077	97209	97217	97227	97258
97024	97078	97210	97218	97229	97266
97027	97201	97211	97219	97230	97267
97030	97202	97212	97220	97232	
97034	97203	97213	97221	97233	

ZIP codes partially in TriMet District

97007	97022	97062	97086	97123	97231
97009	97023	97070	97089	97124	97236
97015	97045	97078	97113	97140	
97019	97060	97080	97116	97224	

Lane Transit District (LTD) service area

LTD serves the entire Eugene-Springfield urban area and several rural areas. Some ZIP codes may not line up with district boundaries. For information see page 2.

ZIP codes in LTD

97401	97413	97452
97402	97424	97455
97403	97426	97477
97404	97431	97478
97405	97437	97482
97406	97438	97487
97407	97440	97488
97408	97448	97489

- Organizations, except hospitals, that qualify for exemption under ORS 267.380(1)(b)
- All foreign insurers
- 501(c)(3) nonprofit institutions (except hospitals)
- Insurance adjusters, agents, and agencies and their office support staff, are exempt from transit tax if the business income is from insurance-related activity. Non-insurance income is taxable (ORS 731.840).
- Domestic service in a private home
- Cafeteria plans
- Casual labor
- Services performed outside the district
- Seamen who are exempt from garnishment
- Employee trusts that are exempt from taxation
- Wages paid to employees whose labor is solely connected to planting, cultivating, or harvesting seasonal agricultural crops

These apply only to the TriMet District:

- Public education districts
- Public special service and utility districts
- Port authorities
- Fire districts
- City, county, and other local government units

How to figure the transit tax

The transit tax is an employer-paid tax. It's based on the amount of gross payroll paid for services their employees perform within the TriMet or LTD district.

Use the current TriMet or LTD tax rates. If you are subject to TriMet or LTD transit tax and no tax rate is printed on the Form OQ, visit DORs website (see page 2).

Workers' Benefit Fund Assessment Information

Workers' Benefit Fund

The Workers' Benefit Fund (WBF) supports programs that benefit injured workers and the employers who help them return to the work force. Visit the DCBS website for more information about programs supported by the fund (see page 2).

Note: The WBF assessment is separate from WC insurance premium and doesn't provide insurance coverage.

Workers subject to WBF assessment

Individuals subject to the WBF assessment are:

- All paid workers for who the employer is required by Oregon law to provide WC insurance coverage; and
- All paid individuals (workers, owners, officers) who may otherwise be non-subject, but the employer chooses to cover under WC insurance; and
- All paid individuals performing personal support work who are eligible for WC insurance coverage under HB 3618 (2010).

To clarify whether a worker is subject to Oregon's WC law and WBF assessment, call the subjectivity phone (see page 2).

WBF assessment reporting exemptions

As a business, you may qualify for exemption from reporting the WBF assessment if you don't have any paid individuals (including yourself) covered by your WC insurance policy. To request an exemption from WBF assessment reporting, complete and mail to DCBS a *Corrections and Changes Notification* form. To download the form, visit the DCBS website (see page 2).

Hourly assessment

This assessment is based on hours worked by all paid individuals subject to the assessment. If you don't track hours, use the flat rate calculation or calculate reasonable hours worked. For details, visit the DCBS website (see page 2).

Hours are reportable in the quarter they are paid. For example, report hours worked in March, but not paid until April 1, in the second quarter.

How to update or close your WBF assessment account

If your business changes ownership, discontinues business, or no longer employs workers, complete a *Business Change in Status Form*. In addition, contact your WC insurer with the corrected information.

Order Form
self mailer

Request for additional forms

www.oregon.gov/employ/businesses/tax.
503-947-1488 or fax, 503-947-1487.
To order Form OR-OTC (Oregon Tax Coupon), call 503-945-8100.

Use this order form to request additional original forms.
Check the appropriate boxes below or enter the number of copies you need.

Fold in here last ↓

Personalized preprinted forms

_____ Current-year report packet (specify quantity)

What quarters do you need forms? Check boxes below:

- ☐ 1st quarter
- ☐ 2nd quarter
- ☐ 3rd quarter
- ☐ 4th quarter

_____ **Extra** current-year Form 132 (specify quantity)

Fold in here first ↑

Blank Oregon Combined Payroll Tax forms
(specify quantity)*

Form OQ	Schedule B	Form 132
_____	_____	_____

2018 forms will be mailed around February 15, 2018. If you haven't received them by mid-March, you may request forms at that time.

Your contact
telephone number: ( ) _____

Postage Required

Post Office will not deliver without proper Postage

EMPLOYMENT DEPARTMENT
UI TAX SECTION
875 UNION ST NE RM 107
SALEM OR 97311-0030

ATTN: FORMS

1" Tape Here

Don’t staple to close; use 1" tape instead.

1" Tape Here

Oregon Combined Payroll Tax
Business Change in Status Form

To update business status and employment information
Attach additional sheets if needed.

Business name	BIN (Oregon business identification number)
Other names (ABN/DBA)	FEIN (Federal employer identification number)

Owner/Officer updates:
To update owner/officer information, attach a complete list of current owners/officers including position, social security number (SSN), home address, and phone.

General updates (check all that apply)

☐ Update/Change FEIN to:	☐ Update/Change business name to:	☐ Now doing business in TriMet/Lane Transit District as of:

Closing account (check all that apply)

☐ Closed pension/annuity account as of:	☐ No longer doing business in TriMet/Lane Transit District as of:

☐ All or
☐ Part of the business was ▶ ☐ Closed ☐ No longer doing business in Oregon ☐ Sold ☐ Leased ☐ Transferred

Was business operating at the time it was sold, leased or transferred? ☐ Yes ☐ No Effective date:

How many employees were transferred? Date of final payroll:

Describe what was transferred

New business name

New owner's name	New owner's phone		
New owner's address	City	State	ZIP code

Where are the records of the terminated business? (Include contact name, phone, address, city, state, ZIP code)

Changing entity (check all that apply)

Effective date: **Note:** A new *Combined Employer's Registration* form, 150-211-055, is required when there is an entity change.

Change from:	☐ Corporation—"C"	☐ Corporation—Subchapter "S"	☐ LLP (Limited Liability Partnership)
	☐ Individual (Sole Proprietor)		LLC (Limited Liability Company) Recognized by IRS as:
	☐ Partnership—General	☐ Partnership—Limited	☐ Corporation ☐ Sole Proprietor/Single Member ☐ Partnership
Change to:	☐ Corporation—"C"	☐ Corporation—Subchapter "S"	☐ LLP (Limited Liability Partnership)
	☐ Individual (Sole Proprietor)		LLC (Limited Liability Company) Recognized by IRS as:
	☐ Partnership—General	☐ Partnership—Limited	☐ Corporation ☐ Sole Proprietor/Single Member ☐ Partnership

Employment status updates (check all that apply)

☐ Still in business, but have no paid employees (corporate officers are still subject to payroll taxes). Effective date:

☐ Only have workers' compensation insurance to cover owners, officers or members.
☐ Only LLC members or officers
☐ Courtesy withholding
☐ Only using independent contractors

☐ Employing Oregon residents in another state. State:	☐ Now working in Oregon. Effective date:

Using leased employees

Name of leasing company	Worker leasing company license number	Date employees leased	
Address	City	State	ZIP code
Leasing company contact name	Phone		

Number of leased employees:	Number of non-leased employees:	Leasing corporate officers/owners? ☐ Yes ☐ No

Submitted by

Print name	Title	
Signature	Date	Phone

Fax to: 503-947-1700 or mail to: Employment Department, 875 Union St NE Rm 107, Salem OR 97311-0030

Business Change in Status Form Instructions

Use this form to notify the Employment Department (OED), Department of Revenue (DOR), and Department of Consumer and Business Services (DCBS) of changes to your business or employment status. Attach additional sheets if needed.

General updates

NOTE: Some federal employer identification number (FEIN) and name changes may require a new *Combined Employer's Registration*, 150-211-055, form to be completed.

- Provide the correct FEIN for your business.
- Correct the business name and spelling errors as needed.
- Check the "Now doing business in TriMet/Lane Transit District" box and include the effective date if you're an employer paying wages earned in the TriMet or Lane Transit District. You must register and file with the Oregon Department of Revenue. Wages include salaries, commissions, bonuses, fees, payments to a deferred compensation plan, or other items of value.
- For boundary questions, see the *Oregon Combined Payroll Tax* booklet, 150-211-155, for the list of cities and ZIP codes.
  - — The TriMet district includes parts of Multnomah, Washington, and Clackamas counties. For TriMet boundary questions call 503-962-6466.
  - — Lane Transit District serves the Eugene-Springfield area. For Lane Transit District boundary questions call 541-682-6100.

Re-opened business

To re-open your business that you've closed for:

- Less than one year, file a:
  - — *Business Change in Status Form*, 150-211-156.
- One year or more, file a:
  - — *Combined Employer's Registration*, 150-211-055.

For more questions contact DOR at 503-945-8091.

Owner/officer updates

Attach a separate sheet to update or change corporate officer or owner information.

Compensation for services performed by corporate officers and shareholders is subject to payroll taxes (withholding, transit, and unemployment). If owners and officers are covered by Workers' Compensation insurance, the hours worked are also subject to Workers' Benefit Fund (WBF) assessment.

Fax to: 503-947-1700 *or*

Mail to: **Employment Department**
875 Union St NE Rm 107
Salem OR 97311-0030

For additional copies of this form, download at:
www.oregon.gov/dor/bus or call: **503-947-1488**

Employment status updates

- Check each box that applies to your business and include the effective date of change.
- If Oregon residents are working out of Oregon, indicate which state.
- Check box and indicate effective date of employees now working in Oregon that previously worked in another state.

Using leased employees

If you lease your employees from a Professional Employer Organization (PEO)/Worker Leasing Company, fill in the information requested.

Changing entity

Include the effective date of change, check the box of the entity you're changing from and the box of the entity changing to.

NOTE: Entity changes require the completion of a new *Combined Employer's Registration* form.

Examples include, but aren't limited to:

- Changing from a sole proprietorship to a partnership or corporation.
- Changing from a partnership to a sole proprietorship or corporation.
- Changing from a corporation to a sole proprietorship or partnership.
- Changing of members in a partnership of five or fewer partners.
- Adding or removing a spouse as a liable owner.
- Changing from a sole proprietorship, corporation, or partnership to a limited liability company.

Closing account

- Check the box if you closed a pension and annuity account. Include the effective date of change.
- Check the "No longer doing business in TriMet/Lane Transit District" box and include the effective date if you moved your business from the TriMet or Lane transit district and are no longer subject to this tax.
- Check the box if you closed the business or dissolved a sole proprietorship, partnership, corporation, or limited liability company, and no longer have payroll to report. Fill in the date of final payroll.
- If you sold your business, leased your employees, or transferred your business assets, indicate whether the transaction applied to all or part of the business.
- If you leased all or part of the business, fill out the section "Using Leased Employees."

NOTE: New or reorganized businesses must complete a *Combined Employer's Registration*, 150-211-055, which can be found in pdf format at: **www.oregon.gov/dor/bus** or electronically at **sos.oregon.gov/business.**

Oregon Combined Payroll Tax

Business Contact Change Form

To update contact and address information
Current information will ensure that you receive tax forms and other important information.

Form available electronically at: https://secure.sos.state.or.us/ABNWeb

Business name	BIN (Oregon business identification number) –
Other names (ABN/DBA)	FEIN (Federal employer identification number) –

Update mailing address

(attach additional sheet if necessary)

Check all that apply: ☐ Billings ☐ Business mail ☐ Payroll tax forms

Address

City State Zip

Telephone ( ) – Extension	Cell ( ) – Extension	Fax ( ) – Extension

E-mail ☐ Check here to authorize us to initiate e-mail exchange of tax information ☐ Revoke all prior e-mail addresses

Update physical locations

(attach additional sheet if necessary)

#1 ☐ Add location ☐ Delete location

Reason

Street address

City State Zip

☐ Is this an employee's home address?

#2 ☐ Add location ☐ Delete location

Reason

Street address

City State Zip

☐ Is this an employee's home address?

Update offsite payroll services, accountants or bookkeepers

(attach a Power of Attorney for Authorized Representative)

Name of service, accountant or bookkeeper — Effective date

Contact — Telephone ( ) – — Extension

Address

City State Zip

Fax ( ) – — E-mail

Submitted by:

Print name — Title — Telephone ( ) –

Signature — Date

Fax to: 503-947-1700

Or mail to: Employment Department, 875 Union St NE Rm 107, Salem OR 97311-0030