

## Form OR-530, Oregon Quarterly Tax Return for Tobacco Distributors, Instructions

### General information

Every distributor who holds a license to distribute other tobacco products in Oregon must file a return. **A return must be filed even if there is no activity during the reporting period.** If you're filing a return to report tax, you must also include the applicable schedules with the return. See schedules 1–10 on our website. Products that are taxed as "other tobacco products" include cigars, chewing tobacco, smoking tobacco, shisha, blunt wraps, inhalants, oral nicotine products, and snuff. Moist snuff is taxed by weight. Oral nicotine products are taxed by consumable unit.

**Moist snuff definition A** includes any finely cut, ground, milled, or powdered tobacco product that isn't intended to be smoked or placed in the nasal cavity.

**Moist snuff definition B** includes other products containing tobacco that aren't intended to be consumed by burning see Oregon Administrative Rule (OAR) 150-323-0310 for examples.

**Inhalant products.** Inhalant products are taxable as "other tobacco products." An inhalant is a device that is used to deliver nicotine in the form of a vapor or aerosol. All substances and components of the inhalant system are taxable.

**Oral Nicotine Products.** Oral nicotine products, including nicotine analogs, are taxed by package size. Packages containing 20 consumable units or less have a minimum tax applied to each package. Packages with more than 20 consumable units are taxed based on the number of consumable units in each package, rounded to the nearest cent.

**Exceptions.** Battery chargers and lanyards are not taxable. Tobacco cessation products approved by the FDA are not taxable, if they are used solely for the approved therapeutic purpose. See ORS 323.500(8).

Quarterly returns and schedules are due by the last day of January, April, July, and October of each year for the preceding calendar quarter.

**What is the applicable law?** These instructions aren't a complete statement of Oregon laws. For more information, refer to Oregon Revised Statutes (ORS) 323.500 through 323.995.

### Oregon tobacco products tax rate

The tobacco products tax rate is 65 percent of the wholesale sales price on all tobacco products except moist snuff, cigars, and oral nicotine products. The moist snuff tax rate changes biennially. Refer to the current year's Form OR-530 for the tax rate. The cigar rate is the lower of 65 percent of the wholesale sales price or \$1.00 per single cigar. The oral nicotine product tax is calculated per package at a rate of \$0.0325 per

consumable unit within a package, rounded to the nearest cent, or \$0.65 per package with 20 or less consumable units.

### Name/address/ownership changes

Immediately notify us in writing when your business undergoes any change to its name, address, or ownership. Your business may need to be issued a new license as licenses aren't transferable.

### License cancellation

If you discontinued or sold your business during the quarter, notify us in writing and then return your license to us. If you sold your business, provide the name and address of the purchaser. You must file a return for the quarter during which you go out of business and report tobacco products transactions until you cease operations.

Licenses aren't transferable to new ownership, entity, or location and must be returned to us for cancellation. Return your license to: Tobacco Compliance Unit, Oregon Department of Revenue, PO Box 14630, Salem OR 97309-5050.

### Line instructions

**Out-of-state distributors.** Only report your activity in Oregon. For each section on Form OR-530, use the first line to enter the purchase price of products sold into Oregon.

Also, for each section, report all product shipped out of Oregon on the second and third lines.

**Inhalant and oral nicotine products:** These are treated separately from other tobacco products on the return. Report all inhalant activity on lines 36–46. Report all oral nicotine activity on lines 47.

**Line 41. Inhalant tax credit carryover.** If you had an inhalant credit carryforward on your prior quarterly return that as a positive amount on Line 41.

**Line 42. Inhalant product tax before discount.** Line 40 minus line 41.

**Line 43. Inhalant tax credit carryforward.** Enter the amount from line 42 if less than zero. This inhalant credit carryforward is to be reported on the next quarterly return as an inhalant tax carryover.

**Line 44. Inhalant product net tax.** Enter the amount from line 42 if more than zero.

**Note:** You may report a negative amount from line 42 only if your license has been cancelled and this is your final return.

**Line 45. Inhalant products tax discount.** The discount is also calculated separately for inhalant products. This is the 1.5 percent that the distributor keeps to recover the costs of reporting and recordkeeping.

**Line 46. Inhalant tax due.** Line 44 minus line 45. This is your inhalant tax credit for the quarter. If this is your only tobacco tax, go to line 53.

**Line 57. Oral nicotine tax credit carryover.** If you had an oral nicotine credit carryover on your prior quarterly return report that as a positive amount on line 57.

**Line 58. Oral Nicotine tax before discount.** Line 56 minus line 57. If the result of this line is less than zero, enter it onto line 59. If the result of this line is greater than 0, enter it onto line 60. **Note:** You may report a negative amount from line 60 if your license has been canceled and this is your final return.

**Line 59. Oral nicotine tax credit carryforward.** Enter the amount from line 58 if less than zero. This oral nicotine credit carry forward is to be reported on the next quarterly return as a tax carryover.

**Line 60. Net tax on oral nicotine products.** Enter the amount from line 58 if it is more than zero.

**Line 63. Tax credit carryover from last quarter for sections 1-7.** Report the tax credit carryforward from sections 1-7 from your prior quarterly return.

**Line 64. Tax on sections 1-7.** Add lines 5, 10, 15, 20, 25, 30, 35 and Subtract line 63.

**Line 65. Tax credit carryforward.** Enter the amount from line 64 if less than zero. This credit carryforward is to be reported on the next quarterly return as a section 1-7 tax carryover.

**Line 66. Tax before discount on sections 1-7.** Enter the amount from line 64 if more than zero.

**Note:** You may report a negative amount from line 66 only if your license has been canceled and this is your final return.

**Line 67. Quarterly tax discount is for sections 1-7.** The discount for section 1-7 product is calculated separate from inhalant and oral nicotine products. This is the 1.5 percent that the distributor keeps to recover the costs of reporting and recordkeeping.

**Line 68. Net tax on sections 1-7.** Line 66 minus line 67. This is the sections 1-7 tax due for this quarter.

**Line 69. Total net quarterly tax due.** Add the section 1-7 tax due from line 68 and the inhalant products tax from line 46 and the oral nicotine product tax from line 62.

**Line 70. Penalty and interest.** A penalty is imposed if you file your report and pay the tax after the due date.

**Interest.** Interest is charged on any unpaid tax from the due date until the date payment in full is received. The current interest rate can be found on our website under Frequently Asked Questions (FAQ's).

**Line 71. Total due.** Add lines 69 and 70.

**Sign and date your return.** Don't use red ink or staple your check or money order to this return.

Mail this return, including schedules 1-10, with your check payable to:

Oregon Department of Revenue  
Tobacco Compliance Unit  
PO Box 14110  
Salem OR 97309-0910

**Keep a copy of your completed return with your records.**

**Do you have questions or need help?**

[www.oregon.gov/dor](http://www.oregon.gov/dor)  
[questions.dor@dor.oregon.gov](mailto:questions.dor@dor.oregon.gov)

General .....503-378-4988 or 800-356-4222  
Tobacco Unit..... 503-947-2560

Contact us for ADA accommodations or assistance in other languages.