

General information

You must make estimated tax payments if you expect to owe tax of \$1,000 or more after all credits and withholding. If you don't make estimated payments as required, you may owe underpayment interest when you file your return.

These instructions aren't a complete statement of laws and Department of Revenue rules. Contact us if you need more information. See the last page for contact information.

Definitions

Estimated tax: The amount of tax, after all credits, that you expect will be shown on your Oregon income tax return.

Estimated tax payment: An annual payment or an installment payment that you may be required to make during the tax year.

Annualize: Calculation for determining required estimated payments if you don't receive your income evenly throughout the year or if you're a part-year resident.

Tax: Amount of tax is based on your taxable income. Your Oregon taxable income is your federal taxable income with the additions, subtractions, and modifications described in Oregon's tax laws.

Tax credits: Amounts that reduce your tax liability. Nonrefundable credits, like the personal exemption credit, may reduce your tax liability to zero. Refundable credits may reduce your tax liability below zero, with any amount below zero treated the same as an overpayment of tax.

Tax paid: Total withholding, refundable credits, and estimated and other tax payments claimed on your return.

Overpayment or refund: When the amount of tax paid is more than the tax after all credits shown on your return.

Applied refund: An overpayment of tax that you choose to apply as an estimated payment against a later year's tax.

Underpayment: When your tax paid is less than the tax after all credits shown on your return.

Underpayment interest: The amount of interest charged on your underpayment if required payments aren't made.

Required annual payment: The total amount of all tax payments, including estimated tax payments, withholding, and applied refunds, that you must make by the required due dates in order to avoid being charged underpayment interest.

Withholding: A tax payment made on your behalf by an employer or payer who is required by law to withhold tax from your income when they pay you. Employers outside Oregon may withhold tax as a courtesy, but are not required to do so.

Estimated tax payments aren't a substitute for withholding. If you aren't having enough tax withheld from your wages or other payments, ask your employer or payer to increase your Oregon withholding. Use Form OR-W-4 to change your Oregon allowances or request an additional amount to be withheld from each payment. You can use our withholding calculator at www.oregon.gov/dor. The calculator can help you determine the correct number of allowances to claim and additional amounts to be withheld.

Comparison to federal estimated tax

Oregon's estimated tax system is similar to the federal system, except that you:

- Use Oregon's income tax laws and tax rates.
- Don't include Social Security tax (FICA), self-employment tax, or household employment tax in your calculations.

Unlike the federal system, estates and trusts are not required to make Oregon estimated tax payments. Oregon also treats farmers and commercial fishermen differently; see below.

Do I have to make Oregon estimated tax payments?

In general

In most cases, you must make estimated tax payments for tax year 2025 if:

- You estimate that your tax after withholding and credits (including refundable credits) will be \$1,000 or more when you file your 2025 Oregon return; and
- Your estimated withholding for 2025 will be less than:
 - Ninety percent of your 2025 tax after all credits; or
 - One hundred percent of the tax after all credits shown on your 2024 return; or
 - Ninety percent of the tax on your 2025 annualized income.

You can still make estimated tax payments even if you expect that your tax after all credits will be less than \$1,000.

Retirees

If you're retired or will retire in 2025, you may need to make estimated tax payments or have Oregon income tax withheld from your retirement income. Contact the payer of your retirement income to see if withholding is possible.

If you're a retiree who is domiciled in Oregon, but you file a nonresident return because you're living in another state, your retirement income may be subject to Oregon income tax. If you're not domiciled in Oregon, federal law prohibits Oregon from taxing your retirement income. See Publication OR-17 for more information about residency, domicile, and retirement income.

Federal retirees. If you retired from U.S. government service before October 1, 1991, you don't need to make Oregon estimated tax payments on your federal pension. If your federal service was both before and after October 1, 1991, you may be required to make estimated tax payments based on the portion of your federal pension received for service performed after October 1, 1991.

Residency

Nonresidents and part-year residents. If you're a nonresident, estimate your tax only on income from Oregon sources, such as:

- Compensation for personal services performed in Oregon.
- Income from conducting a trade or business within Oregon, including property rentals.
- Capital or other gains from the sale or exchange of Oregon property.
- Income from intangible property used in connection with an Oregon trade or business.
- Single-ticket Oregon lottery winnings between \$600–\$1,500.

Note: Single-ticket winnings of \$1,500 or more are subject to Oregon withholding.

If you'll file as a part-year resident in 2025, estimate Oregon tax on all income for the part of the year that you'll be a resident, and in the same manner as a nonresident for the rest of the year.

Nonresident aliens. If you're a nonresident alien, you have the same estimated tax payment requirements as U.S. citizens and resident aliens, whether you're an Oregon resident or nonresident. If you're married and you or your spouse are a nonresident alien, you must make separate estimated tax payments.

Pass-through entity (PTE) owners. Estimate the tax on your share of Oregon-source income to be reported by the PTE and on any guaranteed payments you'll receive. Guaranteed payments should be apportioned using the PTE's Oregon apportionment percentage.

Note: A PTE may have to file a composite return, withhold tax, or make estimated tax payments on behalf of one or more nonresident owners. See Publication OR-OC or the instructions for Form OR-19.

Note: A PTE that is electing to pay personal income tax on behalf of its members may also need to make estimated payments. See Publication OR-21-EST for additional information.

Exception for farmers and commercial fishermen

If your gross income from farming or fishing, including oyster farming, was at least two-thirds of the gross income shown on your 2024 return, or will be at least two-thirds of your estimated gross income for 2025, you don't have to make Oregon estimated tax payments.

Gross income. Gross income generally includes all income you receive during the year, such as wages, interest, and dividends. Along with your gross profit from fishing or farming, it also includes your gross profit from rentals,

royalties, businesses, capital gains, and the sale of property. When figuring your gross profit, don't deduct any expenses except for cost of goods sold (COGS).

Gross income doesn't include income that Oregon doesn't tax, like Social Security or Railroad Retirement Board benefits or welfare payments.

Gross income from farming or fishing. Use the following amounts from your 2024 federal return to determine your gross income from farming or fishing:

- Schedule C, line 5.
- Schedule E, line 42.
- Schedule F, line 9.
- Form 4797, line 20. Include only sales of draft, breeding, sporting, or dairy livestock.

Example 1: Fishing income. Felicia, a California resident, operates a commercial fishing business on the Southern Oregon coast. The gross profit from her Oregon fishing business in 2024 was \$50,000. The rest of her income was from California sources other than fishing. Her total gross income from all sources in 2024 was \$90,000. She estimates that her income will be the same in 2025. Because Felicia's gross income from her Oregon fishing business is less than two-thirds of her total gross income, she doesn't qualify for the exception for farmers and fishermen.

Example 2: Farming income. Vern is a farmer. Julie is a wage earner and an artist. They file jointly and want to know if they must pay estimated tax for 2025. Vern and Julie estimate that their gross income in 2025 will be about the same as it was in 2024.

Their 2024 federal return shows the following:

Wages	\$25,000
Business loss	– \$ 1,500
Farm income	<u>\$18,500</u>
Adjusted gross income	<u>\$42,000</u>

Vern's farming income, Schedule F:

Gross crop sales	\$10,000
Gross livestock sales	<u>\$17,000</u>
Farm gross income	\$27,000
Total expenses	– \$ 8,500
Net farm profit	<u>\$18,500</u>

Julie's business income, Schedule C:

Gross receipts	\$20,000
COGS	– <u>\$12,000</u>
Gross income after COGS	\$ 8,000
Total expenses	– \$ 9,500
Net Schedule C business loss	– <u>\$ 1,500</u>

Their gross income:

Wage income	\$25,000
Farm gross income	\$27,000
Business gross income after COGS	<u>\$ 8,000</u>
Total gross income	<u>\$60,000</u>

Two-thirds of Vern and Julie's gross income is \$40,000 (\$60,000 x 0.666). They don't qualify for the exception for farmers and fishermen because their gross income from farming shown on their 2024 return and estimated for 2025 is less than \$40,000.

Figure your estimated tax payments

You'll need:

- Your 2024 Oregon return and instructions.
- Your 2024 federal return with all schedules and instructions.
- The *Annualized Income Worksheet* from Form OR-10 Instructions, if you'll be annualizing your income.
- Estimated Oregon indexed figures for tax year 2025:
 - Personal exemption credit: \$250
 - Federal tax subtraction: \$0 to \$8,500
 - Standard deduction:
 - Single or married filing separately: \$2,800.
 - Head of household: \$4,500.
 - Married filing jointly or Qualifying surviving spouse: \$5,600.
- Rate charts for estimating 2025 Oregon tax:

Chart S: Single or Married filing separately	
If your taxable income is:	Your tax is:
Not over \$4,400	4.75% of taxable income
Over \$4,400 but not over \$11,050	\$210 plus 6.75% of excess over \$4,400
Over \$11,050 but not over \$125,000	\$660 plus 8.75% of excess over \$11,050
Over \$125,000	\$10,630 plus 9.9% of excess over \$125,000

Chart J: Married filing jointly, Head of household, or Qualifying surviving spouse	
If your taxable income is:	Your tax is:
Not over \$8,800	4.75% of taxable income
Over \$8,800 but not over \$22,100	\$420 plus 6.75% of excess over \$8,800
Over \$22,100 but not over \$250,000	\$1,320 plus 8.75% of excess over \$22,100
Over \$250,000	\$21,260 plus 9.9% of excess over \$250,000

Note: Keep a record showing how you figured the tax if you're using the reduced rate for qualified business income, the farm capital gain rate, or farm income averaging. We may ask for this later.

Method 1: Annual payment or regular installments

Use the estimated tax worksheet included with these instructions to find your required annual payment. Your required annual payment is the lesser of:

- Ninety percent (90%) of the tax after all credits to be shown on your 2025 return; or
- One hundred percent (100%) of the tax after all credits shown on your 2024 return (also known as "safe harbor").

Use your 2024 federal return to estimate your 2025 adjusted gross income (AGI). Your 2024 AGI is on line 11 of Form 1040, 1040-SR, or 1040-NR.

Example 3: Estimated 2025 tax (90 percent). Allan and Louise are married and have three children. Allan is self-employed. Louise is a teacher. They're calendar-year filers who want to know if they should make estimated tax payments in 2025. They use their 2024 federal return and schedules, their 2024 Oregon return and indexed Oregon figures, and the estimated tax worksheet to find their estimated 2025 tax, required annual payment, and annual estimated tax payment.

Estimated 2025 federal AGI	\$90,000
Federal tax subtraction	\$ 8,500
Oregon itemized deductions	<u>\$13,500</u>
Total deductions and modifications	– \$22,000
Estimated 2025 Oregon taxable income	\$68,000

Estimated Oregon income tax:

Oregon tax using tax rate chart J	\$ 5,336
Personal exemption credit (\$250 x 5)	\$1,250
Political contribution credit	<u>\$ 100</u>
Total Oregon tax credits	\$ 1,350
Oregon tax after credits	\$ 3,986

Required annual payment:

Tax after credits x 90% (0.90)	\$ 3,587
Tax to be withheld from Louise's wages	– \$ 787
Estimated tax for 2025	<u>\$ 2,800</u>

After subtracting Louise's withholding, their estimated tax is more than \$1,000, so Allan and Louise must make estimated tax payments for 2025. They can choose to pay the entire \$2,800 by April 15, 2025, or they can divide it into four equal installments of \$700 each ($\$2,800 \div 4 = \700).

Safe harbor. The safe harbor provision gives taxpayers the option to calculate their required annual payment for this year using 100 percent of last year's tax after all credits. This can benefit taxpayers whose income varies from year to year. To use the safe harbor provision, you'll have to file your 2024 return before you file your 2025 return. Your 2024 return can't be a short-year return, but it may be a part-year return. You can choose to pay 100 percent of your 2024 tax after all credits by the due date of your first 2025 installment, or you can divide that amount into four equal installments.

Method 2: Installments based on annualized income

If you don't receive your income evenly throughout the year, figure your estimated tax installment payments by annualizing your income using the *Annualized Income Worksheet* as a guide. This worksheet is found inside Form OR-10 Instructions. Visit our website to order or download Form OR-10 Instructions, or contact us to order it. Follow the instructions for using the worksheet to calculate your estimated tax installments for 2025.

Oregon estimated tax worksheet

Keep this worksheet with your records

Estimate all amounts for tax year 2025, except where noted.

Full-year residents: Complete only the **Oregon** column.

	Federal	Oregon
1. Federal AGI.	1F. _____	1S. _____
2. Oregon additions.	2F. _____	2S. _____
3. Income after additions. Line 1 plus line 2.	3F. _____	3S. _____
4. Oregon subtractions.	4F. _____	4S. _____
5. Income after subtractions. Line 3 minus line 4.	5F. _____	5S. _____
6. Estimated Oregon percentage. Line 5S divided by line 5F. Full-year residents enter 100%.		6. _____ %
7. Full-year residents and nonresidents: Enter the amount from line 5S. Part-year residents: Enter the amount from line 5F.		7. _____
8. Standard deduction (see page 3) or Oregon itemized deductions.	8. _____	
9. Federal tax liability (\$0 to \$8,500)*.	9. _____	
10. Other Oregon income modifications. Full-year residents enter \$0.	10. _____	
11. Total deductions and other modifications. Add lines 8, 9, and 10.	11. _____	
12. Full-year or part-year residents: Enter the amount from line 11. Nonresidents: Line 11 times line 6.		12. _____
13. Oregon taxable income. Line 7 minus line 12.		13. _____
14. Use the tax rate chart for your filing status on page 3 to figure the tax on the amount on line 13.**	14. _____	
15. Full-year residents and nonresidents: enter the amount from line 14. Part-year residents: Line 14 times line 6.		15. _____
16. Personal exemption credit (\$250 x number of exemptions x line 6)***.	16. _____	
17. Other Oregon tax credits (refundable and nonrefundable). Nonresidents and part-year residents: Multiply credits by line 6 if required.	17. _____	
18. Total Oregon tax credits. Add lines 16 and 17.		18. _____
19. Estimated 2025 Oregon tax after credits. Line 15 minus line 18 (not less than \$0).		19. _____
20a. Ninety percent of estimated 2025 Oregon tax after credits. Line 19 times 0.90.	20a. _____	
20b. Enter 100 percent of the Oregon tax after all credits shown on your 2024 return. If you didn't file a 2024 Oregon return, enter the amount from line 20a on line 21.	20b. _____	
21. Required annual payment. Enter the smaller of line 20a or 20b.		21. _____
22. Oregon tax you expect to have withheld from your income in 2025.		22. _____
23. Annual estimated tax payment. Line 21 minus line 22. If line 23 is \$1,000 or more, you must make estimated tax payments.		23. _____
24. Installment payment amount. Divide the amount on line 23 by the number of required installments.		24. _____

* The federal tax subtraction phases out above certain federal AGI levels. See the return instructions or Publication OR-17.

** If you're using the reduced tax rate for qualified business income, the farm capital gain rate, or farm income averaging, keep a record of how you figured the tax.

*** The exemption credit is \$0 if your federal AGI is over \$100,000 and your filing status is Single or Married filing separately, or over \$200,000 if your filing status is Married filing jointly, Head of household, or Qualifying surviving spouse with dependent child.

Estimated tax payment due dates

Regular installments

You have the option to pay all of your 2025 estimated tax by the due date of the first installment or in four equal installments. If your payment due date falls on a Saturday, Sunday, or an Oregon legal holiday, the payment is due the next business day.

Calendar-year filers	
First	April 15, 2025
Second	June 16, 2025
Third	September 15, 2025
Fourth	January 15, 2026

Fiscal-year filers	
First	15th day of 4th month
Second	15th day of 6th month
Third	15th day of 9th month
Fourth	15 days after last day of tax year

If income starts or changes after April 1

You can begin making installment payments after the first installment date if the income on which you're paying estimated tax isn't received until after April 1, or if your income significantly changes during the year. This also applies if you're annualizing your income. Use one of the following charts to determine how many installment payments to make and when they are due:

Calendar-year filers		
Start or change date	Number of installments	Installment due dates
After April 1 and before June 2	3	June 16, 2025 September 15, 2025 January 15, 2026
After June 1 and before September 2	2	September 15, 2025 January 15, 2026
After September 1	1	January 15, 2026

Fiscal-year filers		
Start or change date	Number of installments	Installment due dates
After 1st day of 4th month and before 2nd day of 6th month	3	15th day of 6th month 15th day of 9th month 15 days after last day of tax year
After 1st day of 6th month and before 2nd day of 9th month	2	15th day of 9th month 15 days after last day of tax year
After 1st day of 9th month	1	15 days after last day of tax year

Changes after installments already paid

If you've already made one or more installment payments before the change, first figure your amended estimated tax

for the entire year using one of the two methods explained above. Then use this worksheet to figure the amount of your remaining installments:

Amended installment payment worksheet

- Amended 2025 estimated tax. 1. _____
- Estimated tax already paid for 2025, including any applied refunds. 2. _____
- Unpaid estimated tax. Line 1 minus line 2. 3. _____
- Number of remaining installments. 4. _____
- Amount of each remaining payment. Line 3 divided by line 4. 5. _____

Joint estimated tax payments

You may make joint estimated tax payments if you're planning to file a joint return for 2025. If you expect to file separate returns, make separate estimated tax payments. Don't make joint payments if:

- You or your spouse are a non-U.S. citizen without permanent resident status.
- You are legally separated from your spouse.
- You and your spouse have different tax years. For example, you're a calendar-year filer and your spouse uses a fiscal year.

If you file separate returns after making joint estimated tax payments, you and your spouse should decide who will claim the payments when you file your returns. You may divide the payments between you or agree that one of you will claim it all. Be sure to notify us of your agreement so that we can properly apply the payments when we process your returns. If you and your spouse can't agree, or you don't notify us of your agreement, we'll divide the payments based on your separate tax liabilities.

Payment instructions

Electronic payments

You can make estimated tax payments directly from your checking or savings account. You can also pay using your debit or credit card; however, a convenience fee may be charged for debit and credit card payments. Visit Revenue Online at www.oregon.gov/dor for more information.

Payments by check or money order

Form OR-40-V. Use Form OR-40-V **only** if you are sending us a payment by check or money order. Follow the instructions for completing the voucher and be sure to mark the "Estimated payment" box. Use only blue or black ink.

Payments. Make your check or money order payable to "**Oregon Department of Revenue**" and write "2025 OR-40-V" and the last four digits of your SSN or ITIN on it. Don't send us cash or postdated checks.

Mailing. Enclose the payment and voucher in one envelope (but don't staple them together) and mail it separately from your return or other correspondence. **Note:** For the payment to be made on time, the envelope must be postmarked by the payment due date.

Mail your payment with Form OR-40-V to: Oregon Department of Revenue, PO Box 14950, Salem OR 97309-0950.

Personalized vouchers. These vouchers are printed with your name, address, and Social Security number (SSN). Using a personalized voucher helps us process your payment faster. If you prepare and file your return on paper and make estimated payments by check or money order using Form OR-40-V, we may send you a personalized voucher at the beginning of the next tax year. Always double-check to make sure the information is correct, and use only blue or black ink if you need to make changes. You can make copies of the voucher if you'll be making more than one payment.

If someone else prepares your estimated tax payments for you, ask them to use your personalized voucher. Your tax preparer may use software that will create vouchers for you.

Married taxpayers making separate payments: If you're using joint personalized vouchers to make separate payments, use blue or black ink to cross out your spouse's name and SSN.

PTE owner payments: Use Form OR-OC-V to make estimated tax payments on behalf of all nonresident owners electing to join in a composite filing. For all other nonresident owners whose PTE income is subject to withholding (and who haven't submitted a Form OR-19-AF affidavit) and resident owners, use Form OR-19-V.

Has your address or name changed? If your address or name has changed, be sure to send us a separate *Change of Address/Name* form. Visit our website or contact us for the form. You can also report a change of address by logging into your Revenue Online account.

Cash payments

Payments in cash can be made only in person at our main office at 955 Center Street NE in Salem. Field offices can't accept cash payments. Bring your personalized voucher or we can create one for you.

Applying a refund from a prior year's return

If you have an overpayment of tax (a refund) when you file your return, you can choose to apply some or all of it as an

estimated tax payment to a later tax year. See Publication OR-17 for more information.

Note: Refunds that are offset against tax or other debt will reduce the amount applied as an estimated payment.

Interest on late installment payments

You may owe interest when you file your 2025 return if your installment payments are late. All estimated tax payments are applied to unpaid installment periods before they're applied to a later period. If you underpaid in an earlier installment period, **don't wait** until the next installment due date to make a payment. Pay the difference as soon as possible to reduce potential interest charges.

Underpayment interest. You'll be charged underpayment interest when you file your return if the difference between your tax after all credits and your withholding is more than \$1,000 and your total tax paid is less than:

- Ninety percent of the tax shown on your 2025 return; or
- One hundred percent of the tax shown on your 2024 return (as long as it wasn't a short-year return); or
- Ninety percent of the tax figured on your 2025 annualized income.

Underpayment interest is charged on each underpaid installment until the date the installment is paid or the due date of the return, whichever comes first. The interest amount is reported on Form OR-10. See Form OR-10 Instructions for more information.

Do you have questions or need help?

www.oregon.gov/dor
503-378-4988 or 800-356-4222
questions.dor@dor.oregon.gov

Contact us for ADA accommodations or assistance in other languages.