



Agricultural Worker Overtime Project HB 4002 (2022)

Operations and Policy Unit

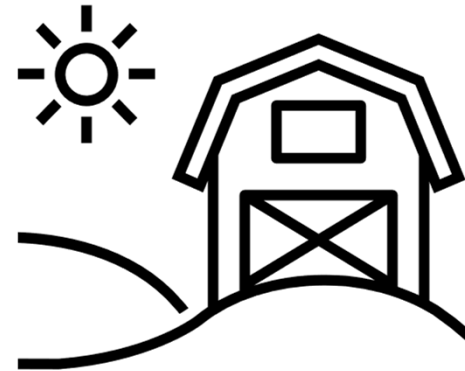
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Why are we here?

- Interested party engagement
- Meet the team
- Basic timeline



Background

- House Bill 4002 established mandatory overtime pay for certain employees working more than 40 hours per week.
 - Legislature wanted to extend overtime pay to employees working in the agricultural industry.
 - Includes almost every sector of the industry.
 - Tax credit for employers.
 - Credit is not offered to labor contractors.
- \$55 million total credit per year
- Application process, not a certification process

Background (cont.)

- Automatic filing extension for all applicants
- Six-year phase-in period
- SB 1524 (2022)
 - Three-year net operating loss (NOL) for personal income and corporation tax programs

Background (cont.)

Agriculture Employer Overtime Tax Credit

	Tax credit as a percentage of overtime costs				
Year	Overtime threshold	More than 50 FTE*	26 to 50 FTE* & dairies with more than 25 FTE*	Not more than 25 FTE*	Dairies with not more than 25 FTE*
2023	55 hours	60%	75%	90%	100%
2024	55 hours	60%	60%	80%	100%
2025	48 hours	45%	60%	80%	100%
2026	48 hours	30%	50%	60%	100%
2027	40 hours	15%	50%	60%	100%
2028	40 hours	15%	50%	60%	100%

**FTE is full-time equivalent*

Exceptions

- Family members
- Employees whose duties:
 - Are administrative, executive, or professional
 - Perform predominately intellectual, managerial, or creative tasks
 - Exercise discretion and independent judgment
 - Earn a salary and paid on a salary basis
- Individuals described in ORS 653.020(1)
 - Certain piece-rate compensation positions
 - Family members
 - Salaried employees



DOR Responsibility

- Create an application approval process
 - Electronically through Revenue Online
 - Paper for those without internet
- Develop unit to process applications
 - Review application
 - Deny or approve
 - Work appeals
 - Monitor amount of credit requested
 - Apportion credits
 - Mail notices to eligible applicants of allowable credit



DOR Responsibility

- Create administrative rules
 - Phase 1
 - Phase 2
- Partner with external agencies for rules and reporting
 - Bureau of Labor Industries (BOLI)
 - Oregon Department of Agriculture (ODA)
 - Oregon Business Development Department
 - Oregon Employment Department (OED)

Application Filing Timeline 2024

- Application filing period January 1 through January 31
 - Automatic extension granted – extension filing due date October 15
- Department reviews applications
 - Approved
 - Denied – denial mailed by February 15
- Appeal process to be determined (Phase 2)
- Approval letter with allowed credit amount mailed by June 1

Communicating with Ag OT Team

Questions can be sent to: Ag.Overtime@dor.oregon.gov

Project managers:

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External Webpage: www.oregon.gov/dor/programs/businesses/Pages/ag-overtime

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