



Agricultural Worker
Overtime Project
House Bill 4002 (2022)

Background

- House Bill 4002 established mandatory overtime pay for certain employees working more than the maximum allowable hours per week.
 - The Legislature extended overtime pay to employees working in the agricultural industry.
 - The measure includes almost every sector of the industry.
 - Includes a tax credit for employers.
 - The 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
- Exceptions:
 - Family members
 - Administrative employees
 - Individuals described in ORS 653.020(1)

Background (cont.)

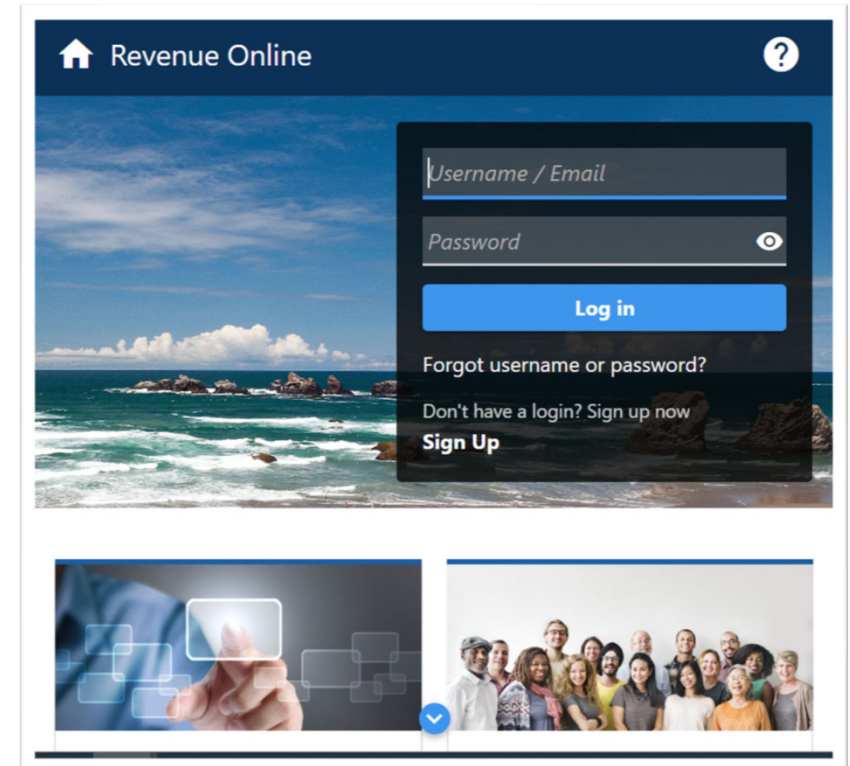
Agricultural Employer Overtime Tax Credit

	Tax credit as a percentage of overtime paid				
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*

DOR Responsibility

- Create an application approval process
 - Electronically through Revenue Online
- 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 (cont.)

- 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

- January 1 to January 31 - Tax credit application filing period.
- January to February - Department reviews tax credit applications.
- February 15 – Denial letters mailing deadline.
- February to March - Taxpayer appeal process.
 - Must appeal within 30 days of letter.
 - Final determination by mid-May.
- June 1 - Tax credit acknowledgement letter mailed with allowed credit amount.
- October 15 - Extension filing due date (an automatic tax return filing extension granted to all applicants).

Outreach

- Continued in 2023
 - Conventions,
 - Conferences,
 - Fairs,
 - and more.
- Tax Professional Liaison meetings
- Webpage
- GovDelivery bulletins



Communicating with Ag OT Team

- Tax credit questions can be sent to: Ag.Overtime@dor.oregon.gov
- Project managers:
 - Daron Prara, PTAC Operations and Policy Unit
 - Favi Morales, PTAC Operations and Policy Unit
- External Webpage:
 - www.oregon.gov/dor/programs/businesses/Pages/ag-overtime
 - *(From our main page, click the Businesses section and follow the link under Resources)*
- Subscribe to Agriculture Overtime Update emails:
 - www.oregon.gov/dor
 - *(Under Subscribe to our email list at the bottom of the page)*
- Wage and hour questions can be sent to: Ag.Overtime@boli.oregon.gov

