



# DOR Tax Professional Liaison Meeting

July 28, 2023

Robert Oakes, Operations and Policy Analyst

# Agenda

- Welcome and Introduction
- New Oregon-Only Extension Request Form for Estate Returns
- Pass-Through Entity Elective Tax Update
- 2023 Legislative Session Update
- Agriculture Overtime Update
- Revenue Online to Look Up 1099Gs
- DOR Updates



# Oregon-Only Extension Request Form

July 28, 2023

Jason Larimer, Business Division Operations and Policy  
Analyst



# Pass-Through Entity Elective Tax Update

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July 28, 2023

Jackie Hovey, PTAC Operations and Policy Analyst



# PTE-E Return Filing

- Electronic file only
- Register to file
- Late filing of the OR-21
- PTE with loss or no tax to pay
- Action item alert appears while logged into Revenue Online



# PTE-E Payments

- Payments
  - Return payments
  - Estimated payments
    - First installment due April 18, 2023
    - Second installment due June 15, 2023
    - Third installment due September 15, 2023
    - Fourth installment due January 16, 2024
- Refunds
  - Overpayment
  - PTE-E election not made
- Payments not showing on account
  - Send email to [BusinessAlternative.IncomeTax@dor.oregon.gov](mailto:BusinessAlternative.IncomeTax@dor.oregon.gov)





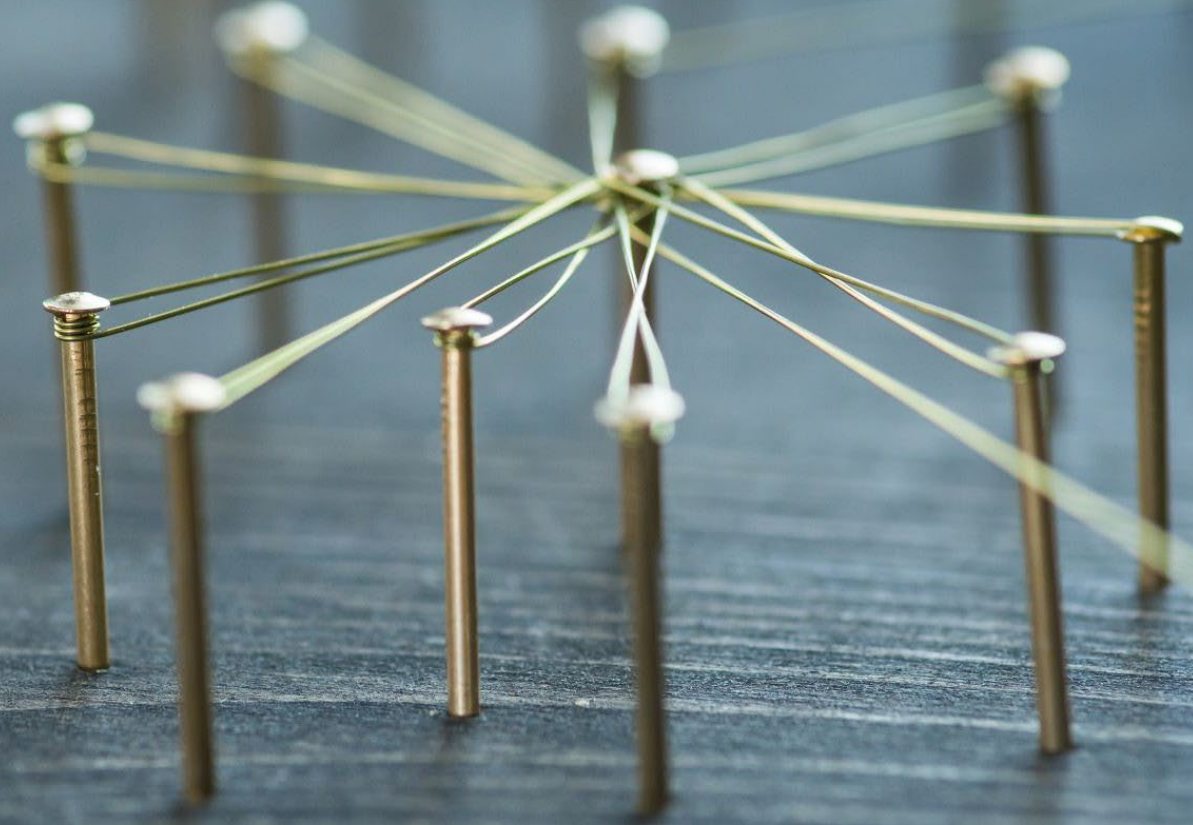


# Estimated Payment Interest

Underpayment of estimated  
tax interest applied during the  
first year

# Payment Effects on Members

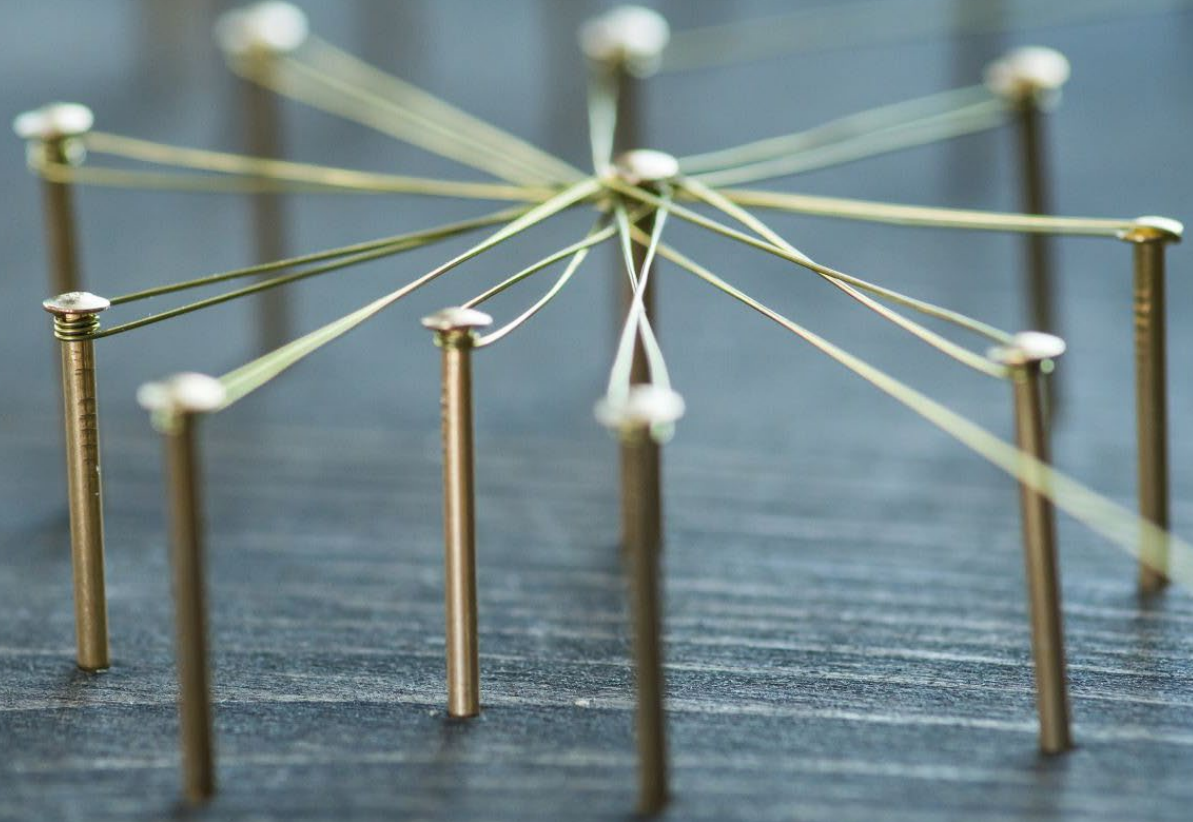
- Members receive credit if the PTE did not make estimated payments:
  - Additional tax owed at the entity level
  - Entity subject to underpayment interest
- Member received letter denying credit





# Payment Effects on Members

- Sufficient estimated payments made at member level:
  - Member withholding will not cover estimated payments
  - Member estimated payments considered for PTE requirement
- Waiver of underpayment penalties and interest:
  - PTE if election made and members made sufficient payments
  - Members if election not made and PTE made sufficient payments





# Current Legislation

## Senate Bill (SB) 158

- Currently going through committees, not law yet:
  - Adding an addition to the PTE-E return
  - Adding trusts
  - Adding the ability to apply payments to the next tax year
  - Increase the PTE-E program from two years to four years



# Communicating with PTE-E Team

- Questions can be sent to:
  - [BusinessAlternative.IncomeTax@dor.oregon.gov](mailto:BusinessAlternative.IncomeTax@dor.oregon.gov)
- External Webpage:
  - [www.oregon.gov/dor/programs/businesses/Pages/Pass-Through-Entity-Elective-Tax.aspx](http://www.oregon.gov/dor/programs/businesses/Pages/Pass-Through-Entity-Elective-Tax.aspx)
  - *(From our main page, click the Businesses section and follow the link under Resources)*
- Subscribe to Pass-Through Entity Elective Tax Updates emails:
  - [www.oregon.gov/dor](http://www.oregon.gov/dor)
  - *(Under Contact and Follow Us at the bottom of the page)*
- Revenue Online: [revenueonline.dor.oregon.gov](http://revenueonline.dor.oregon.gov)





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

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

503-378-4988 or 800-356-4222

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

Contact us for ADA accommodations or assistance in other languages.





# 2023 Legislative Update

July 28, 2023

Marjorie Taylor, Legislative Director

# Agenda

- 01** Legislative session dynamics
- 02** DOR-requested bills
- 03** Bills that were approved
- 04** Bills that were not approved
- 05** Agency budget
- 06** Next steps

# 2023 Legislative Session Dynamics

New Governor

New Legislative leaders

New legislators

New staff around the capitol

Return to in-person/hybrid meetings

Capitol under construction

Pause in Senate sessions

Etc.

# DOR-requested bills



SB 205 – Allows DOR and Employment Department to share data to prevent fraud



SB 206 – Repeals or modifies property tax statutes made obsolete by Measure 50



SB 981 – After DAS rule-making, allows DOR to keep certain collections accounts for longer rather than send to private collections



HB 2073 – Includes CAT housekeeping pieces to align filing year and due dates

# Bills that were approved (Business Division)



SB 498 – Excludes up to \$15 million of property value from estate tax for transfer of natural resource property to family



HB 2009 – Establishes a tax credit for research and development activities essential to the semiconductor industry



HB 2071 – Omnibus tax credit bill extending several existing credits and establishing new ones for certain service in the National Guard and for owners selling publicly supported housing to purchasers agreeing to affordability restrictions



HB 2757 – Establishes the 9-8-8 tax on telecommunications service to fund a statewide suicide crisis

# Bills that were approved (Pers. Tax/Comp. Division)



SB 1 – Allows taxpayers to voluntarily provide information about their race and ethnicity on their tax return



HB 2083 – Extends the Pass-Through Entity – Elective tax through tax year 2025 (would have expired in after 2023)



HB 2812 – Allows a tax subtraction for personal casualty loss that occurs in Oregon, for a Governor-declared disaster



HB 3235 – Establishes the Oregon Kids' Credit for up to five children under age 6 and up to \$1,000 per child, for taxpayers of certain income, and requires quarterly advanced payments of the credit

# Bills that were approved (Property Tax Division)



HB 2031 – Changes the name of Board of Property Tax Appeals to Property Value Appeals Board



HB 2080 – Omnibus property tax bill including provisions related to community solar projects, food processing equipment exemptions, multiunit rental housing exemptions, and exemptions for surviving spouses of disabled veterans



HB 2086 – Allows assessors to make tax roll corrections – changing max assessed value due to errors in square footage

# Examples of bills that were not approved



SB 149 – would have extended the historic property special assessment by six years, moving sunset from July 1, 2025 to July 1, 2031



HB 2008 – would have revised collections and garnishment laws as they apply to public and private sector debts



HB 3032 – would have allowed for tax subtraction for rent received from room in the taxpayer residence – up to \$12,000 per room per year



HB 3090 – would have banned the sale of flavored tobacco or inhalant delivery systems



# DOR Budget HB 5034



\$232.2 million General Fund and \$181.2 million Other Funds with 1,078.61 FTE



Funds Phase 2 for modernization of ELVIS property value appraisal system



Enhances staffing for Diversity, Equity and Inclusion efforts



Provides staff for a “Center of Excellence” related to call center modernization



Supports IT Help Desk staffing and classifications



Begins to address a new methodology for allocating central operating costs across DOR revenue streams

# Next Steps for DOR

Implementation conversations for 2023 bills

Effective dates (91days Sine Die-Sept. 24; January 1, 2024; Other)

Participate in interim work groups

Develop bill requests for 2025 legislative session

Respond to legislative proposals during 2024 session (2/5-3/10)

Etc.



## Questions?

Marjorie Taylor

(503)476-7644

[marjorie.taylor@dor.oregon.gov](mailto:marjorie.taylor@dor.oregon.gov)



# Agriculture Overtime Tax Credit

July 28, 2023

Daron Prara and Cecily Guterrez, PTAC Operations  
and Policy Analysts



# Overtime in Agriculture

Overview for OSHA Staff  
April 13, 2023



# DOR- requested bills



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# BOLI

## Agricultural Compliance and Education Unit (ACE)

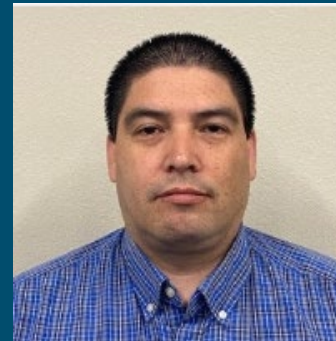
Our Team:

Emily Sitton, Unit Manager

Juan López, Compliance Specialist

Jose Mesta, Compliance Specialist

Jess Sandroek, Training and Development Specialist



Contact us:

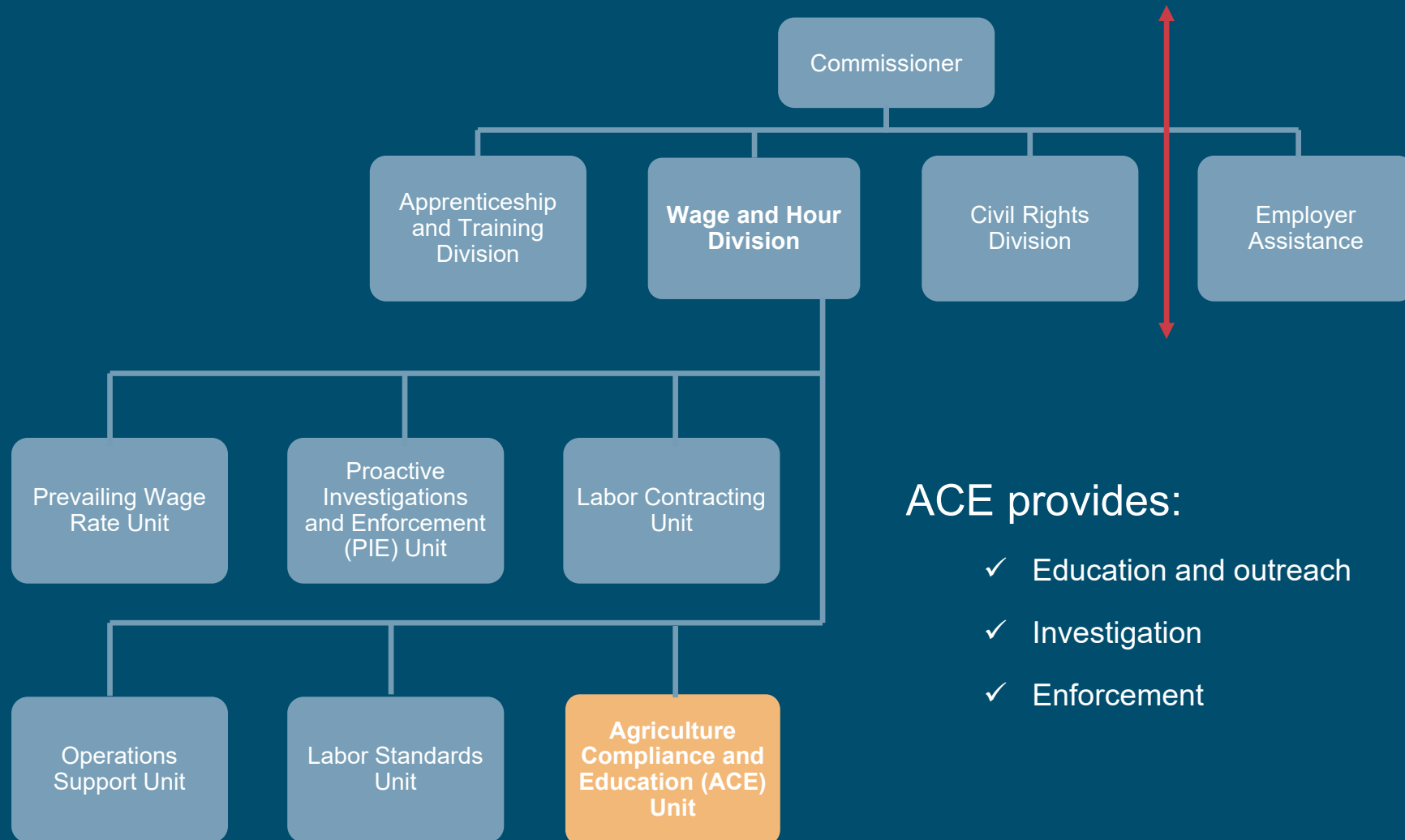
[ag.overtime@boli.oregon.gov](mailto:ag.overtime@boli.oregon.gov)





# BOLI

## Agricultural Compliance and Education (ACE)



### ACE provides:

- ✓ Education and outreach
- ✓ Investigation
- ✓ Enforcement



# Disclaimer

- These materials were prepared as a general summary and teaching guide.
- ACE answers questions to inform agricultural employers and workers regarding the policies and procedures of the Oregon Bureau of Labor and Industries.
- ACE does not give legal advice. In order to determine the legality of any matter or to protect your legal rights, you should obtain the assistance of a lawyer or contact the Oregon state bar lawyer referral service at (503) 684-3763 or 1-800-452-7636.
- This information is available in alternate format.



# HB 4002

- Starting **January 1, 2023**, employers will be required to pay overtime to agricultural workers after they work *55 hours in one work week*.
- Starting **January 1, 2025**, employers will be required to pay overtime to agricultural workers after they work *48 hours in one work week*.
- Starting **January 1, 2027**, employers will be required to pay overtime to agricultural workers after they work *40 hours in one work week*.





# Agricultural Worker

“Agricultural Worker” means an individual who performs services in agriculture for an employer in exchange for an agreed remuneration or rate of pay.

HB 4002 (1)



# How does Oregon law define Agriculture?



## Primary meaning

"Agriculture" includes farming in all its branches. This includes:

- ✓ cultivating and tilling the soil
- ✓ dairying
- ✓ producing, cultivating, growing, and harvesting any agricultural or horticultural commodities
- ✓ raising livestock, bees, fur-bearing animals, or poultry
- ✓ planting, pruning, and harvesting of Christmas trees
- ✓ any practices performed by a farmer on a farm as an incident to or in conjunction with such farming operations *including* preparing for market, delivering products to storage or to market or to carriers for transportation to market

[OAR 839-020-0004\(4\)](#)

[House Bill 4002 \(2022\)](#)

[29 CFR §780.103](#)





# How does Oregon law define Agriculture?



## Secondary meaning

- ✓ Operations other than those that fall within the primary meaning of the term.
- ✓ Any practices, whether or not they are themselves farming practices, which are performed either by a farmer or on a farm as an incident to or in conjunction with "such" farming operations.

## Examples:

- Office work, maintenance work, packing apples, shearing sheep, cooping poultry, etc.
- Work **MUST** be performed on products raised by a particular farmer on a particular farm.

Employment *not within the scope of either the primary or the secondary meaning* of "agriculture" is not employment in agriculture. In other words, employees not employed in farming or by a farmer or on a farm are not employed in agriculture.

[OAR 839-020-0004\(4\)](#)  
[House Bill 4002 \(2022\)](#)  
[29 CFR §780.105 \(c\)\(d\)](#)



# Work week

- A "work week" is a regularly recurring period of seven consecutive 24-hour periods.
- It may begin on any day and hour the employer chooses as long as it repeats on a regular basis.
- The employer's work week is not necessarily the same as an individual employee's work schedule.

[ORS 653.261\(1\)\(b\)](#)



# Overtime Rate

Overtime is paid at a rate of 1.5 times an employee's hourly rate.

[OAR 839.020.0030](#)





# Some common questions about overtime in agriculture...

- Exemptions
- Piece-rate pay
- Salaried employees
- Immediate family
- Agricultural processors
- Joint employment
- Farm labor contractors
- Transport
- Work that crosses state lines



# Overtime in Agriculture

## *Exemptions*

Agricultural employers are *not required* to pay overtime to:



# Overtime in Agriculture *Exemptions*

Agricultural employers are *not required* to pay overtime to:

- ✓ members of their immediate family.



# Overtime in Agriculture

## *Exemptions*

Agricultural employers are *not required* to pay overtime to:

- ✓ members of their immediate family.
- ✓ local hand harvest or pruning workers who are paid piece-rate and who worked fewer than 13 weeks during the previous calendar year.





# Overtime in Agriculture

## *Exemptions*

Agricultural employers are *not required* to pay overtime to:

- ✓ members of their immediate family.
- ✓ local hand harvest or pruning workers who are paid piece-rate and who worked fewer than 13 weeks during the previous calendar year.
- ✓ migrant hand harvest workers 16 or younger who are paid the same piece rate as workers over 16.



# Overtime in Agriculture

## *Exemptions*

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- ✓ migrant hand harvest workers 16 or younger who are paid the same piece rate as workers over 16.
- ✓ workers mainly engaged in the range production of livestock.





# Overtime in Agriculture

## *Exemptions*

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- ✓ members of their immediate family.
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- ✓ migrant hand harvest workers 16 or younger who are paid the same piece rate as workers over 16.
- ✓ workers mainly engaged in the range production of livestock.
- ✓ hand harvest and pruning workers who are paid piece-rate and work for an employer who did not exceed 500 piece-rate-workdays\* of agricultural labor in any quarter of the previous calendar year.



\* A piece-rate-workday accrues for each day an employee performs piece-rate agricultural labor for at least one hour.

# How do we pay employees who do hourly work and piece-rate work?

	# hours worked	Hourly rate	Pay
<b>Piece-rate earnings</b>	25	\$20.00 (\$500 ÷ 25 hours = \$20)	\$500.00
<b>Hourly work</b>	35	\$15.00	\$525.00
<b>Straight-time pay</b>	60		\$1,025.00
<b>Weighted average</b> \$1025 ÷ 60 hours = \$17.08		\$17.08	
<b>Overtime rate</b> \$17.08 x 0.5 = \$8.54		\$8.54	
<b>Additional overtime pay</b> 60 hours – 55 hours = 5 hours overtime 5 hours x \$8.54 = \$42.70			\$42.70
<b>Weekly gross pay</b> \$1,025 + \$42.70 = \$1067.70			\$1,067.70



# Are salaried employees exempt from ag overtime?



- Depends on job duties and pay
- Employer must consider the “White Collar” exemptions
- *Job duties tests used for exemption:* worker whose principal duties are administrative, executive **OR** professional **AND** who:
  - (a) Perform predominantly intellectual, managerial or creative tasks;
  - (b) Exercise discretion and independent judgment; **AND**
  - (c) Earn a salary and is paid on a salary basis.

ORS 653.020(3); 29 USC § 213(a)(1)



# Do I need to pay overtime after 40 hours or after 55 hours if a worker handles products not grown by their own employer?

If an employee handles or processes ANY AMOUNT of another farmer's crop, that employee is owed overtime *after 40 hours* under both state and federal law



If operations of the establishment constitute "manufacturing" then daily overtime and maximum hours worked may apply. Manufacturing means the process of using machinery to transform materials, substances or components into new products.

[ORS 652.020\(1\)\(b\); OAR 839-001-0100\(14\)](#)



[CFR 290 780.158\(c\)](#)



# Does an Oregon employer have to pay workers overtime when they complete work in another state?

*This depends on several factors...*

Some questions to consider:

- Where was the employment agreement made?
- Where is the employer's main location?
- Does the employer have multiple work sites?
- How much of the work is performed in Oregon?
- Where are payments made to workers?
- Who is supervising the workers?



*Oregon law, other state's law, and federal law may apply.  
By paying the highest requirement, or what benefits the employee  
the most will ensure you comply with the strictest potential law.*



# We use contract labor. How does overtime apply when working with a labor contractor?



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Wage and hour law recognizes that sometimes an employee's work benefits two or more employers simultaneously, such as when a labor contractor provides a crew for harvest. In such joint employment situations, both parties may *share responsibility* for ensuring compliance with wage and hour obligations.

Joint employment determination by BOLI is guided by federal law  
[CRF 29 825.106](#)





# I am a farmer. Do I need to comply with labor contracting laws?

If you own or lease your land and hire workers to perform labor on only your own property, then you do not need a labor contractor license. However, if you send your seasonal labor crew to a neighbor's farm and require such workers to perform labor on your neighbor's farm as a condition of employment with you, or you otherwise receive compensation from the other farmer, then you are acting as a farm labor contractor and you need a license.



[ORS 658.405](#)



# What resources are available?

## BOLI information:

- [BOLI website for Employers](#)
- [BOLI website for Workers](#)
- [Minimum Wage and Overtime in Agriculture](#)
- [House Bill 4002, law for new agriculture overtime](#)
- [Hiring Minors](#)
- [Overtime](#)
- [Employees exempt from Overtime](#)
- [Farm Labor Contractor \(FLC\) Handbook](#)
- [Farm/Forest Labor Contractors](#)

## Oregon Department of Revenue information:

- [Employer Tax Credit for Ag Overtime](#)

## United States Department of Labor information:

- [Agriculture Employment](#)
- [Fair Labor Standards Act \(FLSA\) in Agriculture](#)
- [Overtime Pay](#)





Agricultural Worker  
Overtime Project  
House Bill 4002 (2022)

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# 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.)

## Agriculture Employer Overtime Tax Credit

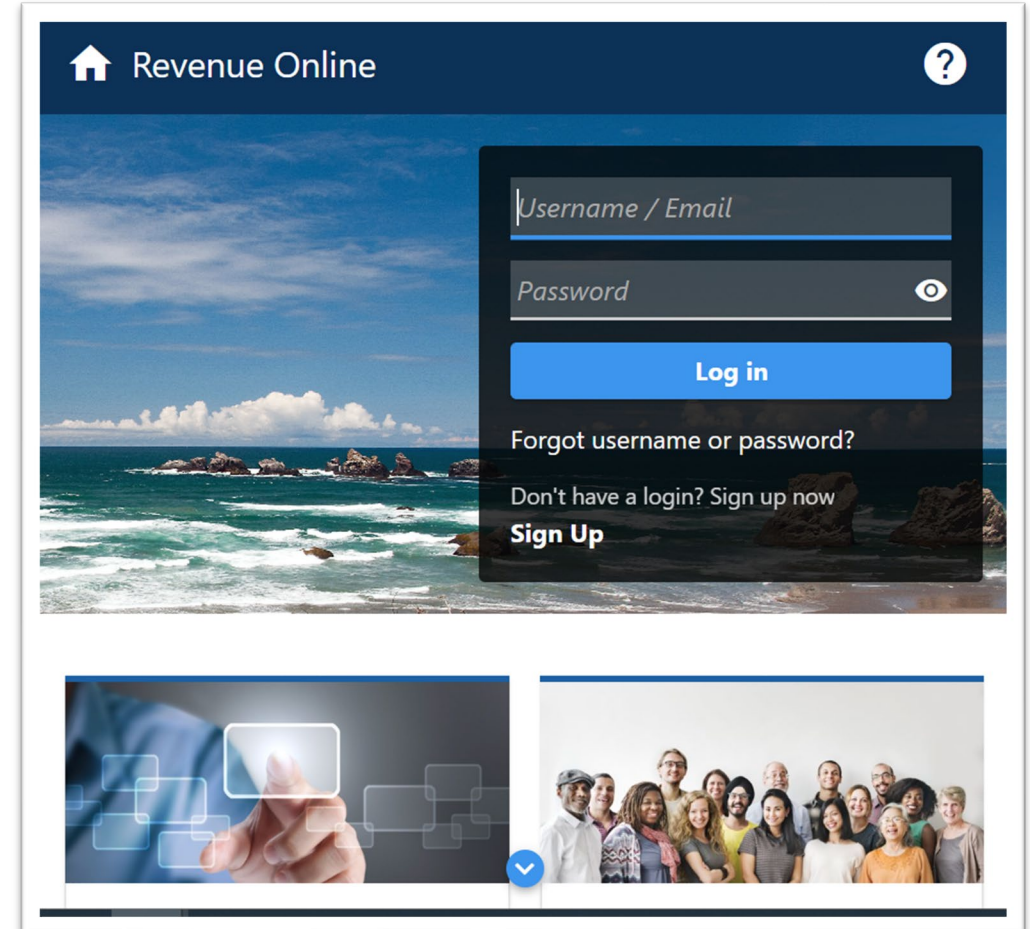
	Tax credit as a percentage of overtime costs				
Year	Overtime threshold	More than 50 FTE*	26 to 50 FTE* & dairies with more than 25 FTE*	Not more than 25 FTE*	Dairies with not more than 25 FTE*
2023	55 hours	60%	75%	90%	100%
2024	55 hours	60%	60%	80%	100%
2025	48 hours	45%	60%	80%	100%
2026	48 hours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

*\*FTE is full-time equivalent*



# 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.
  - Appeal process to be determined (Phase 2)
- June 1 - Tax credit approval 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



# AG OT – Paid Family Leave Oregon



## **Attention Agricultural Employers!**

**Avoid late penalties and interest by filing your quarterly payroll reports for Paid Leave Oregon contributions**

All Oregon employers, including agricultural employers, must file **quarterly** payroll reports.

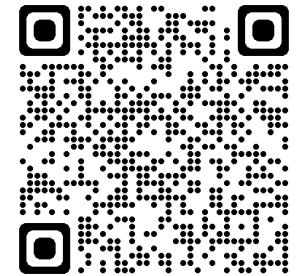
Avoid late penalties by filing your payroll reports **each quarter**, including contributions for Paid Leave Oregon.

### **Paid Leave Oregon contributions**

- Regardless of the size of your business, all employers must collect their employees' contributions for Paid Leave Oregon.

# Communicating with Ag OT Team

- Tax credit questions can be sent to [Ag.Overtime@dor.oregon.gov](mailto: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](http://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](http://www.oregon.gov/dor)
  - *(Under Contact and Follow Us at the bottom of the page)*
- Wage and hour questions can be sent to [Ag.Overtime@boli.oregon.gov](mailto:Ag.Overtime@boli.oregon.gov)







# Revenue Online – 1099 G

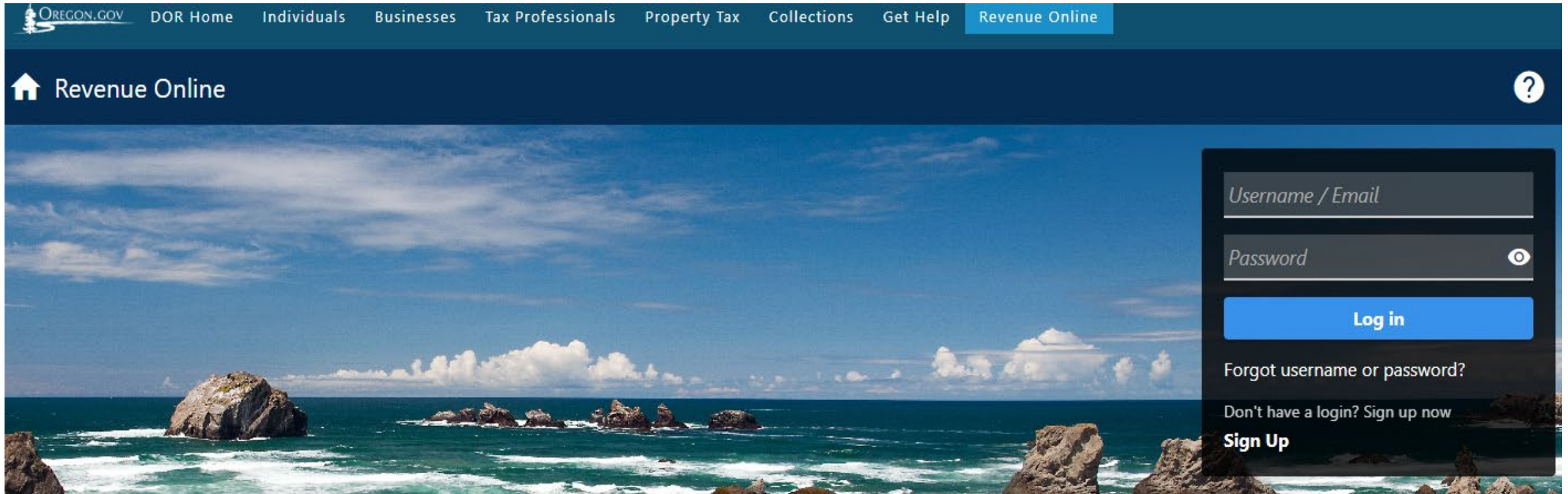
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July 28, 2023

Robert Oakes, Operations and Policy Analyst

# Revenue Online

- DOR's secure web service that provides access to your tax account at any time.



The screenshot shows the Oregon Revenue Online login interface. At the top, a dark blue navigation bar contains the Oregon state logo and the text 'OREGON.GOV', followed by menu items: 'DOR Home', 'Individuals', 'Businesses', 'Tax Professionals', 'Property Tax', 'Collections', 'Get Help', and 'Revenue Online' (which is highlighted). Below this is a sub-header 'Revenue Online' with a home icon on the left and a help icon on the right. The main content area features a scenic background image of a rocky coastline with waves crashing against the shore under a blue sky with scattered clouds. Overlaid on the right side of this image is a dark grey login form. The form contains two input fields: 'Username / Email' and 'Password' (with an eye icon for toggling visibility). Below the fields is a blue 'Log in' button. Underneath the button are two links: 'Forgot username or password?' and 'Don't have a login? Sign up now'. At the bottom of the form is a 'Sign Up' link.

# Revenue Online

- We use this form to report income tax refunds if you itemized deductions on your federal return.
- DOR is planning on electronic-only 1099Gs
- Click on “View my 1099G”

## View my 1099-G


Welcome to the Oregon Department of Revenue 1099-G inquiry service. The department is now providing 1099-G information online over a secure server that is available anytime.

Form 1099-G reports the amount of refunds, credits, or other offsets of personal income, statewide transit individual, tri-met transit self-employment, or lane transit self-employment tax during the previous year. The Department of Revenue's 1099-G only applies to individuals who itemize their deductions on their federal income tax return. If you claimed the standard deduction on your federal return and did not itemize you will not have a 1099-G. If you are not sure if you itemized your deductions, please review your most recently filed federal return(s).

To determine if you are required to report this information on a federal income tax return, see the federal income tax instructions, contact the IRS, or contact your tax professional.

We do not issue Form 1099-G for unemployment insurance benefits. For information regarding these forms contact the State of Oregon Employment Department.

Select your taxpayer ID type

Social Security Number (SSN) 

Enter your Social Security Number (SSN) \*

*Required*

Enter your last name \*

*Required*

Is the address outside of the United States?

No	Yes
----	-----

Enter your ZIP Code \*

*Required*





# DOR Update

July 28, 2023

Robert Oakes, Operations and Policy Analyst

# DOR Updates

- Delinquent Taxpayer List
- Rules Advisory Committees (RAC)
- YouTube Channel
- Forms and Instructions for 2024 Tax Season
- Fraud
- BIN registration on Revenue Online
- DOR is hiring!



## **Questions?**

Tax Services Department

503-378-4988 or 1-800-356-4222

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