

**OREGON
DEPARTMENT
OF REVENUE**

**Tax Professional
Liaison Meeting**

July 29, 2022
Mona Henry, Senior Tax Auditor
Questions? Email to TaxProfessional.Meeting@dor.oregon.gov

1




**OREGON
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**One-Time
Assistance
Payment Update**


Tax Practitioner Liaison Meeting
July 29, 2022
Megan Denison

2


What is OTAP?



\$600 Payment



Per Household




Claimed OR EIC

3

3


**House Bill 4157
(2022)**

- Directs DOR to address the negative economic impacts of the COVID-19 public health emergency
- Payments cannot be garnished or offset
- No application process, DOR had all the information



4

Payment distribution – June 24, 2022

| | | |
|--|--|--|
|  |  |  |
| 236,314 Eligible Households Identified \$141,788,400 | 130,744 Direct Deposit \$78,466,400 | 105,570 Paper Check \$63,342,000 |

5

Wrap up and looking forward

- Answering questions over the phone and email
- Resolving account issues
- Working through outstanding and returned checks

6



Questions?
 Megan Denison
 503-856-2721
 Megan.C.Denison@dor.Oregon.gov

7



DOR Legislative Update
 Marjorie Taylor, Legislative Director

8

Agenda

- 01 February 2022 Legislative Session
- 02 June 2022 Emergency Board Action
- 03 November Election
- 04 2023 Legislative Session

9

February 2022 Session


- One-Time Assistance Payments (HB 4157)
- Agriculture Overtime (HB 4002)
- Misc. Changes (SB 1524)
- Timber (SB 1502/HB 4055)



10

June 2022 E-Board Action

- Establish the Internal Controls Office
- Mitigate Cybersecurity and Operational Risk
- Reflects SOS audit recommendations to state agencies
- Coordinate compliance with federal and state standards, training, and guidance



11

November Election

- New Governor, Transition Team, and Policy Staff
- Legislative Assembly – Members and Leadership



12

2023 Legislative Session

- Agency-requested Bills
- Agency Budget
- Other Policy Topics?



13



Questions?
 Marjorie Taylor, Legislative Director
 (503) 476-7644
marjorie.taylor@dor.oregon.gov

14



IRS Operations Updates

Cathy Mason, IRS Stakeholder Liaison

15



Communications & Liaison:
Stakeholder Liaison



Don't miss it!
 You'll want to get to know the **IRS Dirty Dozen** list of tax scams.

www.irs.gov/dirtydozen

16





Communications & Liaison:
Stakeholder Liaison

Security Summit Summer 2022

Topics:


- 1) Sign up clients for IP PIN's –July 19
- 2) Avoid spear phishing scams –July 26
- 3) Know the signs of a data breach –August 2
- 4) Create a security plan –August 9
- 5) Help clients protect themselves when working from home or traveling –August 16

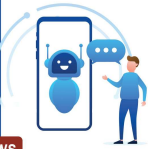
17



Communications & Liaison:
Stakeholder Liaison

Need to set up or modify a payment plan?

Expanded voice bots can help you avoid long wait times.

 irs.gov/news



<https://www.irs.gov/newsroom/irs-operations-during-covid-19-mission-critical-functions-continue>

18







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Claim of Right
2022 Update





19

Unemployment Benefits - Overpayment

-  • OED notified 30,000 people about overpayment
-  • Federal law requires notice and collection
-  • Lawsuit filed in June 2022
-  • Waivers available – OED Web site

20

Unemployment Benefits – Tax Issues

-  • Worksheet OR-CRC – Claim of Right Income Repayments
-  • Filed when repayment for earlier tax year
-  • Repayment \$3,000 or more
-  • Claim credit for Oregon tax paid on income

21



**Agricultural Worker Overtime Project
HB 4002 (2022)**

Operations and Policy Unit
Daron Prara, Project Manager
Favi Morales, Project Manager
Email: ag.overtime@dor.oregon.gov

22

Background

- House Bill 4002 established mandatory overtime pay for certain employees working more than 40 hours per week.
 - The Legislature wanted to extend overtime pay to employees working in the agricultural industry.
 - The measure includes almost every sector of the industry.
 - It 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

23

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)

24

Background (cont.)

Agriculture Employer Overtime Tax Credit

| Year | Overtime threshold | Tax credit as a percentage of overtime costs | | | |
|------|--------------------|--|--|-----------------------|------------------------------------|
| | | 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

25

25

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

26

26

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)

27

27

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

28

28

Outreach

- Listening sessions
- Tax Professional Liaison meeting
- Webpage
- GovDelivery

29

29

Communicating with Ag OT Team

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 Contact and Follow Us at the bottom of the page)

30

30

The Board of Tax Practitioners
Howard Moyes, Executive Director 2015-2022

- Deployed online license renewals
- Transitioned to computer-based licensing exams
- Implemented a modern, web-based licensing database for less than \$10,000
- Eliminated a 2-year backlog of compliance cases
- Increased pass rates on all 3 licensing exams
- Reduced annual operating costs by more than 20%
- Processed paper applications within 2 days of receipt
- Collected more than \$747,000 in civil penalties
- Waived and modified rules to extend licenses expirations and permit practitioners to work remotely during COVID
- Operated as a model for other boards and state agencies
- Provided excellent customer service

31


31

Challenges the Board of Tax Practitioners will likely encounter over the next couple of year:

- Declining number of licensees (which translates into less revenue)
- Increasing costs due to rising inflation
- Adopting permanent rules to address remote tax preparation and supervision
- Identifying and preventing unlicensed preparers
- Serving and protecting non-English-speaking individuals
- Maintain productive relations with external stakeholders and strategic partners, such as the IRS and OR DOR

32

32



Preview of Upcoming Revenue Online Enhancements

Adam Faust, Taxpayer Services Manager
Daniel Melzer, Public Service Representative

33

11:50-12:00

Association
Updates & News

34

34