

**OREGON
DEPARTMENT
OF REVENUE**

**Tax Professional
Liaison Meeting**

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

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


Tax Practitioner Liaison Meeting
July 29, 2022
Megan Denison

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What is OTAP?



\$600 Payment



Per Household



Claimed OR EIC

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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

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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

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Wrap up and looking forward

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

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

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DOR Legislative Update
 Marjorie Taylor, Legislative Director

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Agenda

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

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February 2022
Session

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

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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

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November
Election

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

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2023 Legislative Session

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

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

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IRS Operations Updates

Cathy Mason, IRS Stakeholder Liaison

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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

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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

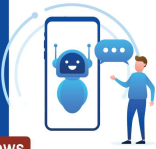
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Communications & Liaison:
Stakeholder Liaison

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>

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Claim of Right
2022 Update





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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

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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

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**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

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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

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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)

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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

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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

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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)

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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

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Outreach

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

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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)

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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

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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

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Preview of Upcoming Revenue Online Enhancements

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

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11:50-12:00

Association
Updates & News

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