


OREGON
DEPARTMENT
OF REVENUE

Tax Professional
Liaison Meeting

May 20, 2022

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OF REVENUE

One Time
Assistance
Payments
(OTAP) HB 4157

May 20, 2022
David Armstrong – Policy Analyst

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Agenda

- 01 What is the Program?
- 02 Who Qualifies?
- 03 OTAP Details
- 04 Additional Information
- 05 Questions

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What is the One-Time Assistance Payment Program?


House Bill 4157 directed the Oregon Department of Revenue to provide one-time assistance payments to low income households who received the Earned Income Tax Credit (EITC) for the 2020 tax year.

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Who Qualifies for the OTAP?



Received EITC






Original by 12/31/2021
and
Amended by 4/15/2022



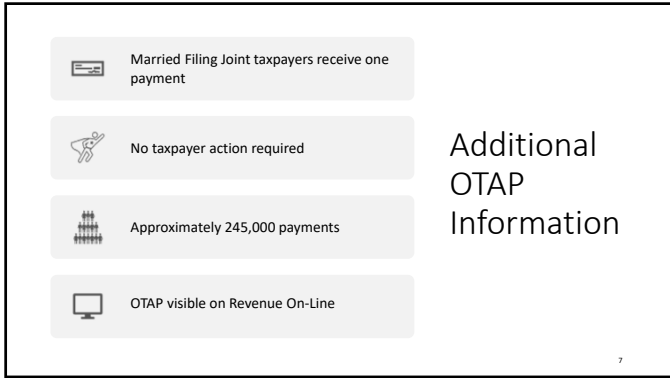
Resided in Oregon

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OTAP Details

-  \$600 Payments per household
-  Direct Deposit if possible
-  Issued no later than July 31, 2022

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Additional OTAP Information

- Married Filing Joint taxpayers receive one payment
- No taxpayer action required
- Approximately 245,000 payments
- OTAP visible on Revenue On-Line

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Questions??

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Revenue Online
– Upcoming
Enhancements

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Questions??

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Earned Income
Credit (EIC)
Changes

May 20, 2022

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EIC for ITIN Filers

Also OREGON LEGISLATIVE ASSEMBLY-2021 Regular Session

HB 2433-A Section 49

**Enrolled
House Bill 2433**

- Amends ORS 315.266
 - Allows for individuals who'd qualify for the EIC, if it weren't for IRC Section 32(m), to claim the EITC in Oregon.
 - IRC Section 32(m) specifies that eligible individuals must have an issued Social Security Number.

Form **W-9**
(Rev. October 2018)
Department of the Treasury
Internal Revenue Service

**Request for Taxpayer
Identification Number and Certification**

Go to www.irs.gov/FormW9 for instructions and the latest information.

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EIC for ITIN Filers

- Earned Income Credit for ITIN filers is calculated using Schedule OR-EIC-ITIN, a new schedule for tax year 2022.
 - This schedule *must* be included with the Oregon return when filed.
- The credit is claimed on the OR-ASC using code 898.

Section II: Refundable credits Excludes 800-808		Code	Amount
F1		F2	00
F3		F4	00
F5		F6	00
F7: Total refundable credits. Add from F2, F4, and F6. Enter on Form OR-45, line 37			Total F7: 00

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Questions??

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Oregon 529 and
ABLE Account
Tax Recapture

May 20, 2022

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Tax Recaptures

Oregon 529 College Savings & ABLÉ account tax recapture

Recapture reporting

- Nonqualified withdrawals from accounts where credit was claimed.
- Must have received tax benefit from credit.

2021 Issues

- Taxpayers claiming the recapture when they didn't claim a 529/ABLE credit in a prior year.
- Taxpayers overstated Oregon tax

Section E: Credit recaptures (codes 900-999)

Code	Amount
E1: <input type="text"/>	E2: <input type="text"/>
E3: <input type="text"/>	E4: <input type="text"/>
E5: Total Credit recaptures. Add lines E2 and E4. Enter on Form OR-65, line 90. Total E5: <input type="text"/>	

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DOR's Response to Issues

- Name changed to "Tax Recaptures" for tax year 2022.
- DOR has proactively assisted taxpayers that may have incorrectly added the tax recapture.
 - Written correspondence sent to taxpayers explaining the situation and their options.
 - Adjusted returns without requiring an amended return.
- Corrections are reducing tax for taxpayers who incorrectly claimed the recapture.

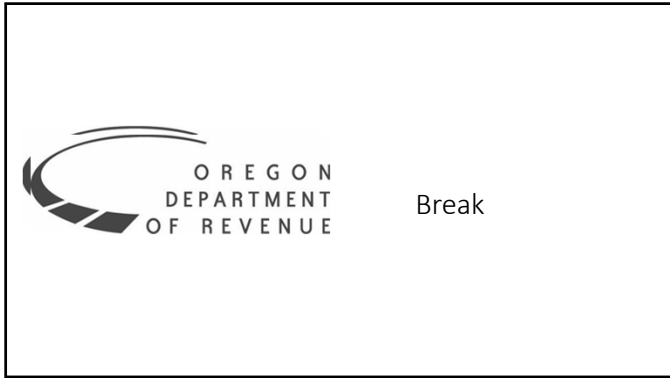


Department of Revenue
 1925 Governor St. SE
 Salem, OR 97301-2555
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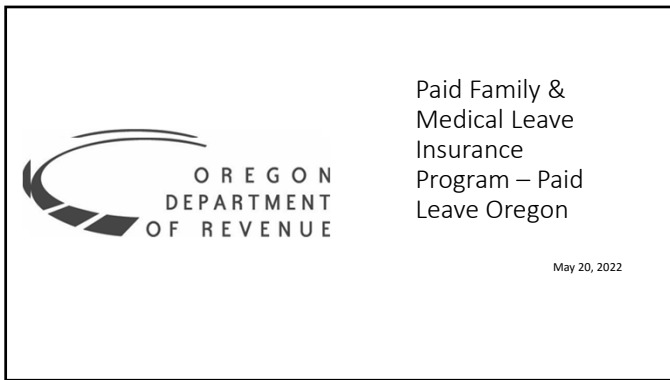
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Questions??

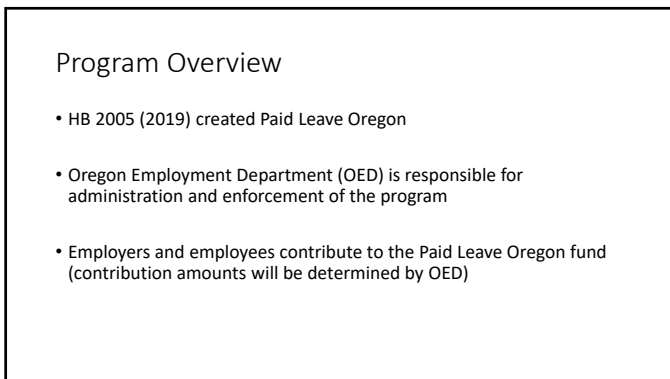
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Program Overview

- Paid Leave Oregon contributions will be reported on a revised quarterly employer tax report (Form OQ) starting in Q1 2023
- Employers must withhold contributions from employee wages
- Contributions payments are made to the Department of Revenue (think Unemployment Insurance)

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Program Overview (cont.)

- OED in the process of writing administrative rules to clarify certain authorities provided on ORS chapter 657B
- Returns and payments for Paid Leave Oregon are submitted quarterly
- Program and/or policy-specific questions must be directed to OED (DOR does NOT administer Paid Leave Oregon)
- Paid Leave Oregon contact information
 - Phone – 503.370.5800
 - Email – paidleave@oregon.gov
 - Internet – www.Oregon.gov/employ/PFMLI/Pages/default.aspx

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Questions??

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DOR Programs

Agriculture Worker Overtime

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Agriculture Worker Overtime – HB 4002 (2022)



- Tax credit for employers
- Starts in 2023 tax year
- Phases in overtime for workers
- Planning and staffing underway

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Agriculture Worker Overtime – HB 4002 (2022)



- Currently, agricultural workers are not paid overtime.
- Provides a tax credit equal to a portion of any overtime paid.
- Tax credit is refundable.

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Agriculture Worker Overtime – HB 4002 (2022)



• The amount of the credit equals qualifying overtime paid (50 workers or more):

- 60 percent in 2023 and 2024
- 45 percent in 2025
- 30 percent in 2026
- 15 percent in 2027 and 2028

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Agriculture Worker Overtime – HB 4002 (2022)



• The amount of the credit for employers with 25-50 workers (except dairies):

- 75 percent in 2023
- 60 percent in 2024 and 2025
- 50 percent in 2026, 2027 and 2028

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Agriculture Worker Overtime – Dairies



The credit equals these overtime percentages paid by dairies with more than 25 workers:

- 90 percent in 2023
- 80 percent in 2024 and 2025
- 60 percent in 2026, 2027 and 2028

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Agriculture Worker Overtime – Dairies



Dairies with fewer than 25 full time workers are allowed a credit equal to:

- 100% of overtime paid for 2023-2028.

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Agriculture Worker Overtime – HB 4002 (2022)



States with agriculture overtime laws:

- California
- Colorado
- Hawaii
- Minnesota
- New York
- Washington
- Maryland

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Agriculture Worker Overtime – HB 4002 (2022)



- Reporting :
- Department of Administrative Services (DAS)
- Bureau of Labor and Industries (BOLI)
- DOR
- Oregon Department of Agriculture (ODA)

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Agriculture Worker Overtime – HB 4002 (2022)



- Taxpayers apply for the tax credit.
- Applications must be received by January 31 of the year following the year the tax is claimed.
- A taxpayer may claim the tax credit upon DOR written notice of their application.
- Stay tuned.

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Questions??

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DOR Programs

Pass-Through Entity Elective Tax

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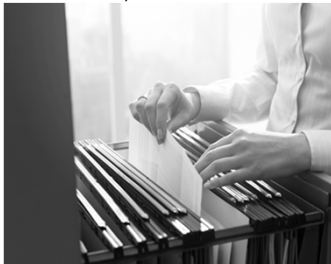
**Pass-Through Entity Elective Tax (PTE-E)
SB 727, 2021**



- Business alternative income tax.
- For tax years 2022 and 2023 only.
- Allows state income tax to be paid at pass-through entity level.
- Avoids \$10,000 cap on state and local tax deduction.

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**Pass-Through Entity Elective Tax (PTE-E)
SB 727, 2021**



- Elective
- Register on Revenue Online before making estimated tax payments
- **Registration opens June 6, 2022**
- Entity must make an election to pay each year

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**Pass-Through Entity Elective Tax (PTE-E)
SB 1524 (2022)**



- Estimated payments required
- New PTE-E webpage
- Registration
- Rulemaking underway

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Pass-Through Entity Elective Tax (PTE-E)
SB 727, 2021



For general question
about the PTE-E, email:

BusinessAlternative.Inco
meTax@dor.oregon.gov

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Questions??

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Contact Us

- Personal and partnership income tax: prac.revenue@dor.oregon.gov.
- Corporate income or excise tax: corp.help.dor@dor.oregon.gov.
- Payroll and business tax: payroll.help.dor@dor.oregon.gov.
- Fiduciary/estate/inheritance tax: estate.help.dor@dor.oregon.gov.
- Special programs: spa.help@dor.oregon.gov.
- Marijuana tax: marijuanatax.dor@dor.oregon.gov.
- Corporate Activity Tax: cattax.questions@dor.oregon.gov.
- PTE-E Tax: BusinessAlternative.IncomeTax@dor.oregon.gov.

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Questions?
Tax Services Department
503-378-4988 or 1-800-356-4222
questions.dor@dor.oregon.gov
