



Oregon

John A. Kitzhaber, MD, Governor

Department of Revenue

955 Center St NE

Salem, OR 97301-2555

www.oregon.gov/dor

DATE: October 31, 2014

TO: Interested Parties

SUBJECT: Notice of Proposed Rulemaking

As shown in the enclosed notices, the Department of Revenue intends to adopt, amend, renumber, or repeal administrative rules relating to personal income tax, property tax, and corporate income and excise taxes. The proposed rules are posted on the department's website at www.oregon.gov/DOR/pages/adminrules.aspx

A public hearing is scheduled for 10 am to noon on Monday, November 17, 2014 in Salem. We will accept public comment at that time; however you may also send comments to the rules coordinator by e-mail, fax, or telephone until November 17, 2014 at 5pm.

If you wish to testify at the hearing will need to register prior to the hearing. Registration begins at 9:45 am on November 17, 2014 in the Fishbowl conference room. Please contact the rules coordinator in advance to make alternative arrangements for registration if you are not able to do so at 9:45 am on the day of the hearing. The hearing will close at 10:15am if no person registers to testify.

In compliance with the Americans with Disabilities Act, this information is available in alternative formats upon request. Please contact me if you have questions.

Deanna Mack
Administrative Rules Coordinator
Director's Office
Direct telephone: 503-947-2082
E-mail: Rulescoordinator.dor@oregon.gov
FAX: 503-945-8290

Enclosures: (6)
Notices of Proposed Rulemaking Hearing
Statements of Need and Fiscal Impact

Secretary of State
NOTICE OF PROPOSED RULEMAKING HEARING*
A Statement of Need and Fiscal Impact accompanies this form

FILED 10-14-14 3:45 PM ARCHIVES DIVISION SECRETARY OF STATE

Department of Revenue Agency and Division	150 Administrative Rules Chapter Number
Deanna Mack Rules Coordinator	(503) 947-2082 Telephone
Department of Revenue, 955 Center St. NE, Salem, OR 97301 Address	

RULE CAPTION

Corporation income/excise tax: Estimated Tax: Application of payments; Long Term Enterprise Zone distributions.
Not more than 15 words that reasonably identifies the subject matter of the agency's intended action.

Hearing Date	Time	Location	Hearings Officer
11-17-14	10:00 a.m.	Fishbowl Conference Room; Revenue Building; 955 Center ST NE;	Andrea Parrent

RULEMAKING ACTION

Secure approval of rule numbers with the Administrative Rules Unit prior to filing.

ADOPT:
150-317.131

AMEND:
150-314.515(2)

REPEAL:

RENUMBER: Secure approval of new rule numbers with the Administrative Rules Unit prior to filing.

AMEND AND RENUMBER: Secure approval of new rule numbers with the Administrative Rules Unit prior to filing.

Statutory Authority:
ORS 305.100

Other Authority:

Statutes Implemented:
ORS 314.515, 317.131

RULE SUMMARY

150-314.515(2) provides a method to determine the application of a corporate refund application and clarifies the date an amended return is posted.

150-317.131 provides guidance regarding how the department handles long-term enterprise zone distributions after a change in underlying corporate tax liability; also provides a procedure regarding how the department may recover erroneous distributions.

The Agency requests public comment on whether other options should be considered for achieving the rule's substantive goals while reducing negative economic impact of the rule on business.

11-17-2014 5:00 p.m. Last Day (m/d/yyyy) and Time for public comment	Deanna Mack Rules Coordinator Name	deanna.d.mack@dor.state.or.us Email Address
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*The Oregon Bulletin is published on the 1st of each month and updates the rule text found in the Oregon Administrative Rules Compilation.

Secretary of State
STATEMENT OF NEED AND FISCAL IMPACT
A Notice of Proposed Rulemaking Hearing accompanies this form.

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10-14-14 3:45 PM
ARCHIVES DIVISION
SECRETARY OF STATE

Department of Revenue
Agency and Division

150
Administrative Rules Chapter Number

Corporation income/excise tax: Estimated Tax: Application of payments; Long Term Enterprise Zone distributions.

Rule Caption (Not more than 15 words that reasonably identifies the subject matter of the agency's intended action.)

In the Matter of:

[See attached document.]

Statutory Authority:

ORS 305.100

Other Authority:

Statutes Implemented:

ORS 314.515, 317.131

Need for the Rule(s):

[See attached document.]

Documents Relied Upon, and where they are available:

[See attached document.]

Fiscal and Economic Impact:

[See attached document.]

Statement of Cost of Compliance:

1. Impact on state agencies, units of local government and the public (ORS 183.335(2)(b)(E)):

[See attached document.]

2. Cost of compliance effect on small business (ORS 183.336):

a. Estimate the number of small business and types of businesses and industries with small businesses subject to the rule:

[See attached document.]

b. Projected reporting, recordkeeping and other administrative activities required for compliance, including costs of professional services:

[See attached document.]

c. Equipment, supplies, labor and increased administration required for compliance:

[See attached document.]

How were small businesses involved in the development of this rule?

[See attached document.]

Administrative Rule Advisory Committee consulted?: No

If not, why?:

[See attached document.]

<u>11-17-2014 5:00 p.m.</u>	<u>Deanna Mack</u>	<u>deanna.d.mack@dor.state.or.us</u>
Last Day (m/d/yyyy) and Time for public comment	Printed Name	Email Address

STATEMENT OF NEED AND FISCAL IMPACT

A Notice of Proposed Rulemaking Hearing or a Notice of Proposed Rulemaking accompanies this form.

Department of Revenue; Business Division

150

Agency and Division

Administrative Rules Chapter Number

Corporation income/excise tax: Estimated Tax: Application of payments, Long Term Enterprise Zone distributions.

Rule Caption (Not more than 15 words that reasonably identifies the subject matter of the agency's intended action.)

In the Matter of:

ADOPT: 150-317.131**AMEND:** 150-314.515(2)

Statutory Authority: ORS 305.100

Other Authority:

Stats. Implemented: ORS 314.515, 317.131

Need for the Rule(s):

150-314.515(2) provides a method to determine the application of a corporate refund application and clarifies the date an amended return is posted.

150-317.131 provides guidance regarding how the department handles long-term enterprise zone distributions after a change in underlying corporate tax liability; also provides a procedure regarding how the department may recover erroneous distributions.

Documents Relied Upon, and where they are available:

Oregon Revised Statutes and Oregon Administrative Rules, both of which are available online or from the Agency.

Fiscal and Economic Impact:

There is no fiscal or economic impact due to these rule changes. The statutes implemented are what cause the impact.

Statement of Cost of Compliance:

1. Impact on state agencies, units of local government and the public (ORS 183.335(2)(b)(E)):

There is no impact to state agencies and a de minimis affect on the counties and the public. These changes tend to be clarifying or interpretive in nature and do not affect the cost to comply.

2. Cost of compliance effect on small business (ORS 183.336):

a. Estimate the number of small businesses and types of business and industries with small businesses subject to the rule: Oregon has approximately 123,000 small businesses with fewer than 250 employees that employ 81% of the state's workforce¹. Oregon has approximately 105,646 small businesses with fewer than 100 employees². Based on this information and information from tax returns reporting number of employees, we estimate Oregon has approximately 91,848 small businesses with fewer than 50 employees³ who are subject to these rules.

b. Projected reporting, recordkeeping and other administrative activities required for compliance, including costs of professional services:

There is a de minimis affect on those subject to the rules as these changes tend to be clarifying or interpretive in nature and does not affect projected reporting, record-keeping or other administrative activities or costs.

- c. Equipment, supplies, labor and increased administration required for compliance:

None known

How were small businesses involved in the development of this rule?

¹ Oregon Small Business Development Center Network www.bizcenter.org/about/our-impact

² Business Oregon www.oregon4biz.com/assets/docs/DataPacket09.pdf

³ Oregon Department of Revenue Research Section, 10-14-2013 Wage file extract 2012 tax year

We communicated and worked with small business liaison groups such as the Oregon State Bar Tax Section and the Oregon Society of Certified Public Accountants to obtain their input into how this rule will impact their clients, some of whom are small businesses. We also reached out to the Association of Oregon Counties, League of Oregon Cities, the Special Districts Association of Oregon, and Business Oregon for their input into how this rule would affect the small businesses community.

Administrative Rule Advisory Committee consulted? No

If not, why?

The Department of Revenue did not use a formal Advisory Committee for these rules; however, we did seek and receive input from industry representatives as well as from the counties and other taxpayer groups on these rule changes. No Administrative Rule Advisory Committee was consulted because the above groups were contacted and they have the interest and expertise necessary to provide adequate feedback on the proposed rule; therefore a committee is unlikely to provide further benefit.

/s/ Deanna Mack

Deanna Mack

October 14, 2014

Signature

Printed name

Date

Administrative Rules Unit, Archives Division, Secretary of State, 800 Summer Street NE, Salem, Oregon 97310. ARC 925-2007

Secretary of State
NOTICE OF PROPOSED RULEMAKING HEARING*
A Statement of Need and Fiscal Impact accompanies this form

FILED
10-14-14 3:57 PM
ARCHIVES DIVISION
SECRETARY OF STATE

Department of Revenue
Agency and Division
Deanna Mack
Rules Coordinator
Department of Revenue, 955 Center St. NE, Salem, OR 97301
Address

150
Administrative Rules Chapter Number
(503) 947-2082
Telephone

RULE CAPTION

Define "last known address" for purposes of mailing notices to taxpayers.

Not more than 15 words that reasonably identifies the subject matter of the agency's intended action.

Hearing Date	Time	Location	Hearings Officer
11-17-14	10:00 a.m.	Fishbowl Conference Room, Revenue Building, 955 Center Street NE,	Andrea Parrent

RULEMAKING ACTION

Secure approval of rule numbers with the Administrative Rules Unit prior to filing.

ADOPT:

AMEND:

150-305.265(11)

REPEAL:

RENUMBER: Secure approval of new rule numbers with the Administrative Rules Unit prior to filing.

AMEND AND RENUMBER: Secure approval of new rule numbers with the Administrative Rules Unit prior to filing.

Statutory Authority:

ORS 305.100

Other Authority:

Statutes Implemented:

ORS 305.265

RULE SUMMARY

150-305.265(11)--Clarifies what constitutes a "last known address" for the purpose of mailing notices to taxpayers. Removes IRS information as a source of the last known address. Implements 2013 SB 183, delivery of notices by electronic means.

The Agency requests public comment on whether other options should be considered for achieving the rule's substantive goals while reducing negative economic impact of the rule on business.

11-17-2014 5:00 p.m. Deanna Mack deanna.d.mack@dor.state.or.us
Last Day (m/d/yyyy) and Time Rules Coordinator Name Email Address
for public comment

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Department of Revenue
Agency and Division

150
Administrative Rules Chapter Number

Define "last known address" for purposes of mailing notices to taxpayers.

Rule Caption (Not more than 15 words that reasonably identifies the subject matter of the agency's intended action.)

In the Matter of:

Amend: 150-305.265(11)

Statutory Authority:

ORS 305.100

Other Authority:

Statutes Implemented:

ORS 305.265

Need for the Rule(s):

150-305.265(11)--Clarifies what constitutes a "last known address" for the purpose of mailing notices to taxpayers. Removes IRS information as a source of the last known address. Implements 2013 SB 183, delivery of notices by electronic means.

Documents Relied Upon, and where they are available:

Oregon Revised Statutes and Oregon Administrative Rules, both of which are available online or from the Agency.

Fiscal and Economic Impact:

There is no fiscal or economic impact due to these rule changes. The statutes implemented are what cause the impact.

Statement of Cost of Compliance:

1. Impact on state agencies, units of local government and the public (ORS 183.335(2)(b)(E)):

There is no impact to state agencies and a de minimis affect on the counties and the public. These changes tend to be clarifying or interpretive in nature and do not affect the cost to comply.

2. Cost of compliance effect on small business (ORS 183.336):

a. Estimate the number of small business and types of businesses and industries with small businesses subject to the rule:

Oregon has approximately 123,000 small businesses with fewer than 250 employees that employ 81% of the state's workforce . Oregon has approximately 105,646 small businesses with fewer than 100 employees . Based on this information and information from tax returns reporting number of employees, we estimate Oregon has approximately 91,848 small businesses with fewer than 50 employees who are subject to these rules.

b. Projected reporting, recordkeeping and other administrative activities required for compliance, including costs of professional services:

There is a de minimis affect on those subject to the rules as these changes tend to be clarifying or interpretive in nature and does not affect projected reporting, record-keeping or other administrative activities or costs.

c. Equipment, supplies, labor and increased administration required for compliance:

None known.

How were small businesses involved in the development of this rule?

We communicated and worked with small business liaison groups such as the Oregon State Bar Tax Section and the Oregon Society of Certified Public Accountants to obtain their input into how this rule will impact their clients, some of whom are small businesses. We also reach out to the Association of Oregon Counties, League of Oregon Cities, the Special Districts Association of Oregon, and Business Oregon for their input into how this rule would affect the small businesses community.

Administrative Rule Advisory Committee consulted?: No

If not, why?:

The Department of Revenue did not use a formal Advisory Committee for these rules; however, we did seek and receive input from industry representatives as well as from the counties and other taxpayer groups on these rule changes. No Administrative Rule Advisory Committee

was consulted because the above groups were contacted and they have the interest and expertise necessary to provide adequate feedback on the proposed rule; therefore a committee is unlikely to provide further benefit.

<u>11-17-2014 5:00 p.m.</u>	<u>Deanna Mack</u>	<u>deanna.d.mack@dor.state.or.us</u>
Last Day (m/d/yyyy) and Time for public comment	Printed Name	Email Address

Secretary of State
NOTICE OF PROPOSED RULEMAKING HEARING*
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FILED
10-15-14 10:25 AM
ARCHIVES DIVISION
SECRETARY OF STATE

Department of Revenue
Agency and Division
Deanna Mack
Rules Coordinator
Department of Revenue, 955 Center St. NE, Salem, OR 97301
Address

150
Administrative Rules Chapter Number
(503) 947-2082
Telephone

RULE CAPTION

Property Tax; Schools, Urban Renewal, Continuing Education, Deferral, Adjudicated Values, Indian Properties, Applications, Exemptions,
Not more than 15 words that reasonably identifies the subject matter of the agency's intended action.

Hearing Date	Time	Location	Hearings Officer
11-17-14	10:00 a.m.	Fishbowl Conference Room; Revenue Building, 955 Center Street NE.	Andrea Parrent

RULEMAKING ACTION

Secure approval of rule numbers with the Administrative Rules Unit prior to filing.

ADOPT:

150-307.145; 150-457.440(9) - (B) *DM*

AMEND:

150-306.265; ~~450-307.180~~; 150-308.057; 150-308.059-(A); 150-308.149(6); 150-311.672(1)(a) *DM*

REPEAL:

150-307.130-(B)

RENUMBER: Secure approval of new rule numbers with the Administrative Rules Unit prior to filing.

150-294.311(30) to 150-294.311(31)

AMEND AND RENUMBER: Secure approval of new rule numbers with the Administrative Rules Unit prior to filing.

150-309.115(2)(b) to 150-309.115(2); 150-311.670(1) to 150-311.670(1)(a)

Statutory Authority:

ORS 305.100, 308.411, 311.683

Other Authority:

Statutes Implemented:

ORS 306.265, 307.180, 308.010, 308.057, 308.059, 308.149, 457.440

RULE SUMMARY

150-294.311(30) to 150-294.311(31) aligns the rule number with the current numbering in the statute.

150-306.265 enables county assessors to accept other electronic exemption and special assessment applications.

150-307.130-(B) content of this rule is covered in OAR 150-311.216

150-307.145 provides guidance to taxpayers and county assessor staff regarding what constitutes a "school" or "academy" that qualifies for property tax exemption under the statute.

~~150-307.180 conforms with the statutory requirement to exempt reservation or trust lands, and to exempt property owned in severally by Tribes or Tribal Members on a reservation only to the extent provided by federal law.~~ *DM*

150-308.057 prescribes continuing education requirements for county assessors.

150-308.069-(A) sets continuing education requirements for nonappraisal managers.

150-308.149(6) prescribes procedures for calculating the minor construction thresholds.

150-309.115(2)(b) to 150-309.115(2) clarifies the procedure to adjust an adjudicated value.

150-311.670(1) to 150.311670(1)(a) clarifies what constitutes being away from the home "by reason of health" for Property Tax Deferral Programs.

150-311.672(1)(a) outlines the required supplemental information that the county assessor includes with the Property Tax Deferral Application prior to forwarding the application to the Department of Revenue.

150-457.440(9)-(B) provides direction for calculating urban renewal division of tax rates derived from city taxes when the city's taxes are being phased-in.

The Agency requests public comment on whether other options should be considered for achieving the rule's substantive goals while reducing negative economic impact of the rule on business.

<u>11-17-2014 5:00 p.m.</u>	<u>Deanna Mack</u>	<u>deanna.d.mack@dor.state.or.us</u>
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SECRETARY OF STATE

Department of Revenue
Agency and Division

150
Administrative Rules Chapter Number

Property Tax: Schools, Urban Renewal, Continuing Education, Deferral, Adjudicated Values, Indian Properties, Applications, Exemptions,

Rule Caption (Not more than 15 words that reasonably identifies the subject matter of the agency's intended action.)

In the Matter of:

ADOPT: 150-307.145, 150-457.440(9)-(B) ^{DM}

AMEND: 150-306.265, ~~450-307.180~~ ^{me}, 150-308.057, 150-308.059-(A), 150-308.149(6), 150-311.672(1)(a)

RENUMBER: 150-294.311(30) to 150-294.311(31)

AMEND AND RENUMBER: 150-309.115(2)(b) to 150-309.115(2), 150-311.670(1) to 150-311.670(1)(a)

REPEAL: 150-307.130-(B)

Statutory Authority:

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Business Oregon www.oregon4biz.com/assets/docs/DataPacket09.pdf

Oregon Department of Revenue Research Section, 10-14-2013 Wage file extract 2012 tax year

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