



# Oregon

Kate Brown, Governor

Department of Revenue  
955 Center St NE  
Salem, OR 97301-2555  
[www.oregon.gov/dor](http://www.oregon.gov/dor)

**DATE:** October 31, 2016  
**TO:** Interested Parties  
**SUBJECT:** Notice of Proposed Rulemaking

As shown in the enclosed notices, the Department of Revenue intends to amend administrative rules relating to a variety of tax programs, including: Amusement Devices, Cigarette Tax, Corporation/Estate Tax, Information Returns, Personal Income Tax, Property Tax, and State Lodging Tax. The proposed rules are posted on the department's website at <http://www.oregon.gov/DOR/about/Pages/rules.aspx>.

A public hearing is scheduled for 9:00 am to 11:00 am on Tuesday, November 22, 2016 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 22, 2016 at 5:00 pm.

If you wish to testify at the hearing you will need to register prior to the hearing. Registration begins at 8:45 am on November 22, 2016 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 8:45 am on the day of the hearing. The hearing will close at 9:15 am 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.

Lois Williams  
Administrative Rules Coordinator  
Director's Office  
Direct telephone: 503-945-8029  
E-mail: [Rulescoordinator.dor@oregon.gov](mailto:Rulescoordinator.dor@oregon.gov)  
FAX: 503-945-8290

Enclosures: Notices of Proposed Rulemaking Hearing, Statements of Need and Fiscal Impact

Note: Revenue recently renumbered all of its administrative rules to meet the requirements of the Secretary of State Archives Division's new Oregon Administrative Rules database. The new database should be active later this year, but the new rule numbers are effective as of September 1, 2016. You can match old rule numbers to new rule numbers using an index on the above website.

For questions about Revenue's administrative rules, email [rulescoordinator.dor@oregon.gov](mailto:rulescoordinator.dor@oregon.gov).  
For questions about Archives' new database, email Colleen Needham at [colleen.a.needham@state.or.us](mailto:colleen.a.needham@state.or.us) or Mary Beth Herkert at [mary.e.herkert@state.or.us](mailto:mary.e.herkert@state.or.us).

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

**FILED**  
10-13-16 11:05 AM  
ARCHIVES DIVISION  
SECRETARY OF STATE

Department of Revenue  
Agency and Division

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Lois Williams  
Rules Coordinator

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Department of Revenue, 955 Center St. NE, Salem, OR 97301  
Address

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Administrative Rules Chapter Number  
150

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(503) 945-8029  
Telephone

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**RULE CAPTION**

Amusement device tax: Repeals rule defining devices subject to tax

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

Hearing Date	Time	Location	Hearings Officer
11-22-16	10:00 a.m.	Revenue Bldg, 955 Center St NE, Salem, OR 97301	Joshua Lawson

**RULEMAKING ACTION**

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

**ADOPT:**

**AMEND:**

**REPEAL:**

150-320-0010

**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 320.010

**RULE SUMMARY**

150-320-0010 -- Repeal of the rule removes inconsistencies with Amusement Device Tax statutes regarding the types of devices that are subject to the tax.

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.

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11-22-2016 5:00 p.m.	Lois Williams	lois.j.williams@oregon.gov
Last Day (m/d/yyyy) and Time for public comment	Rules Coordinator Name	Email Address

\*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.

**FILED**  
10-13-16 11:05 AM  
ARCHIVES DIVISION  
SECRETARY OF STATE

Department of Revenue  
Agency and Division

150  
Administrative Rules Chapter Number

Amusement device tax: Repeals rule defining devices subject to tax

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

In the Matter of:

Administrative rules relating to amusement device tax administration

REPEAL: 150-320-0010

**Statutory Authority:**

ORS 305.100

**Other Authority:**

**Statutes Implemented:**

ORS 320.010

**Need for the Rule(s):**

150-320-0010 -- Repeal of the rule removes inconsistencies with Amusement Device Tax statutes regarding the types of devices that are subject to the tax.

**Documents Relied Upon, and where they are available:**

Oregon Revised Statutes, available online at [www.oregonlegislature.gov](http://www.oregonlegislature.gov) or from the agency; and Oregon Administrative Rules, available online at [http://sos.oregon.gov/archives/Pages/oregon\\_administrative\\_rules.aspx](http://sos.oregon.gov/archives/Pages/oregon_administrative_rules.aspx) or from the agency.

**Fiscal and Economic Impact:**

There is no fiscal or economic impact due to these rule changes.

**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 or the counties, and de minimus impact on the public. The rule changes will make the department's rules consistent with the ADT statutes 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:**

The Oregon restaurant industry includes approximately 9,600 "eating-and-drinking places" which employ roughly 144,000 employees i.e. an average of 15 employees per establishment. There are approximately 2,500 retail businesses in Oregon that offer video gambling. Based on this information, we estimate that there are approximately 2,500 businesses with fewer than 15 employees who are subject to this rule.

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

There is a de minimis impact on those small businesses subject to the rules as these changes will make the department's rules consistent with the Amusement Device Tax statutes and do 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 did not involve small businesses or small business liaison groups because the department's rule has no bearing as written.

**Administrative Rule Advisory Committee consulted?: No**

**If not, why?:**

The Oregon Department of Revenue did not use a formal Advisory Committee for these rules. No Advisory Committee was consulted because the department's rule has no bearing as written. Therefore a committee is unlikely to provide further benefit.

11-22-2016 5:00 p.m.

Lois Williams

lois.i.williams@oregon.gov

Last Day (m/d/yyyy) and Time  
for public comment

Printed Name

Email Address

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

<b>FILED</b> 10-13-16 11:06 AM ARCHIVES DIVISION SECRETARY OF STATE
------------------------------------------------------------------------------

Department of Revenue Agency and Division	150 Administrative Rules Chapter Number
Lois Williams Rules Coordinator	(503) 945-8029 Telephone
Department of Revenue, 955 Center St. NE, Salem, OR 97301 Address	

**RULE CAPTION**

Cigarette Tax: Amends rules related to the purchase of cigarette tax stamps.

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

Hearing Date	Time	Location	Hearings Officer
11-22-16	10:00 a.m.	Revenue Bldg; 955 Center St NE; Salem, OR 97301, Fishbowl	Joshua Lawson

**RULEMAKING ACTION**

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

**ADOPT:**

**AMEND:**

150-323-0130  
150-323-0150

**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, 323.170, 323.180

**Other Authority:**

**Statutes Implemented:**

323.170, 323.180

**RULE SUMMARY**

150-323-0130: Allows cigarette distributors to purchase cigarette tax stamps using electronic type payments.

150-323-0150: Requires cigarette distributors to electronically authorize individuals to order cigarette tax stamps on the distributors' behalf and removes requirement for the department to maintain signature cards for authorized purchasers.

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.

11-22-2016 5:00 p.m. Last Day (m/d/yyyy) and Time for public comment	Lois Williams Rules Coordinator Name	lois.j.williams@oregon.gov Email Address
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Secretary of State  
**STATEMENT OF NEED AND FISCAL IMPACT**  
A Notice of Proposed Rulemaking Hearing accompanies this form.

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10-13-16 11:06 AM  
ARCHIVES DIVISION  
SECRETARY OF STATE

Department of Revenue  
Agency and Division

150  
Administrative Rules Chapter Number

Cigarette Tax: Amends rules related to the purchase of cigarette tax stamps.

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

In the Matter of:

AMEND: 150-323-0130

AMEND: 150-323-0150

**Statutory Authority:**

ORS 305.100, 323.170, 323.180

**Other Authority:**

**Statutes Implemented:**

323.170, 323.180

**Need for the Rule(s):**

150-323-0130: Allows cigarette distributors to purchase cigarette tax stamps using electronic type payments.

150-323-0150: Requires cigarette distributors to electronically authorize individuals to order cigarette tax stamps on the distributors' behalf and removes requirement for the department to maintain signature cards for authorized purchasers.

**Documents Relied Upon, and where they are available:**

Oregon Revised Statutes, available online at <https://www.oregonlegislature.gov/> or from the agency; and

Oregon Administrative Rules, available online at [http://sos.oregon.gov/archives/Pages/oregon\\_administrative\\_rules.aspx](http://sos.oregon.gov/archives/Pages/oregon_administrative_rules.aspx) or from the agency

**Fiscal and Economic Impact:**

There is no fiscal or economic impact due to these rule changes.

**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 effect on the counties and the public. These rule changes are intended to bring our stamp ordering process in line with technology and the electronic capabilities of our system and meet the needs of our distributors.

**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:**

There are 41 licensed cigarette distributors in Oregon and approximately 24 are required to pay for cigarette tax stamps at time of purchase (non-deferred distributors) with approximately 54 stamp orders placed per month. The Department of Revenue currently retains distributor signature verification cards for each licensed distributor. To amend these rules will allow the distributors to electronically pay and electronically authorize purchases and no longer require a written signature card on file with the department.

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

There is a de minimis effect on those small businesses subject to the rules. Allowing electronic payments at the time the order is placed removes the need for a distributor to purchase a cashiers' check for each cigarette tax stamp order and send by expedited mail or deliver to a department office. Requiring distributors to electronically authorize individuals to purchase cigarette tax stamps on behalf of the distributor retains an electronic record that the distributor can reference when needed.

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

None known

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

We received feedback from licensed distributors after implementing our new online tax stamp ordering system.

**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 groups of industry representatives. 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 rules; therefore a committee is unlikely to provide further benefit.

11-22-2016 5:00 p.m.	Lois Williams	lois.j.williams@oregon.gov
Last Day (m/d/yyyy) and Time for public comment	Printed Name	Email Address

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

<b>FILED</b> 10-13-16 10:49 AM ARCHIVES DIVISION SECRETARY OF STATE
------------------------------------------------------------------------------

Department of Revenue Agency and Division	150 Administrative Rules Chapter Number
Lois Williams Rules Coordinator	(503) 945-8029 Telephone
Department of Revenue, 955 Center St. NE, Salem, OR 97301 Address	

**RULE CAPTION**

Extension of time to pay estate tax; enforcement of corporate e-file mandate.

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

Hearing Date	Time	Location	Hearings Officer
11-22-16	10:00 a.m.	Revenue Bldg; 955 Center St NE; Salem, OR 97301; Fishbowl conf. Rm	Joshua Lawson

**RULEMAKING ACTION**

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

**ADOPT:**

**AMEND:**

150-118-0150  
150-314-0150

**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 118.225; ORS 305.100; ORS 314.364

**Other Authority:**

**Statutes Implemented:**

ORS 118.225; ORS 314.364

**RULE SUMMARY**

150-118-0150 - Amend to clearly identify when a request for an extension to pay the estate tax must be received; specify that fluctuations in the market value of property will not generally grant reasonable cause for an extension of time to pay the estate tax.

150-314-0150 - Amend to provide that the Department of Revenue may reject non-electronically filed corporate tax returns that are required to be filed electronically by the taxpayer.

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.

11-22-2016 5:00 p.m. Last Day (m/d/yyyy) and Time for public comment	Lois Williams Rules Coordinator Name	lois.j.williams@oregon.gov Email Address
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ARCHIVES DIVISION  
SECRETARY OF STATE

Department of Revenue  
Agency and Division

150  
Administrative Rules Chapter Number

Extension of time to pay estate tax; enforcement of corporate e-file mandate.

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

In the Matter of:

AMEND: 150-118-0150; 150-314-0150

**Statutory Authority:**

ORS 118.225; ORS 305.100; ORS 314.364

**Other Authority:**

**Statutes Implemented:**

ORS 118.225; ORS 314.364

**Need for the Rule(s):**

150-118-0150 - Amend to clearly identify when a request for an extension to pay the estate tax must be received; specify that fluctuations in the market value of property will not generally grant reasonable cause for an extension of time to pay the estate tax.

150-314-0150 - Amend to provide that the Department of Revenue may reject non-electronically filed corporate tax returns that are required to be filed electronically by the taxpayer.

**Documents Relied Upon, and where they are available:**

Oregon Revised Statute 118.225, HB 2541 (2011 Regular Session of the Oregon Legislature), 26 CFR § 20.6081-1, 26 CFR § 20.6151-1, 26 CFR § 20.6161-1, 26 CFR § 20.6161-2, 26 CFR § 20.6163-1, Oregon Revised Statute 314.364, HB 2071 (2011 Regular Session of the Oregon Legislature), IRS FAQ B7: <https://www.irs.gov/businesses/e-file-for-large-and-mid-size-corporations-frequently-asked-questions-corporations-required-to-e-file-tax-year-2015>, and 26 CFR§301.6011-5(c), all 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.

**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 or the counties, and a de minimis impact on the public. The rule changes are intended 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 that are subject to these rules. However C-Corporations aren't typically small businesses. These rules apply to all types of business and industries.

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

There is a de minimis effect on those small businesses subject to the rules as these changes are intended to be clarifying or interpretive in nature and do 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?**

The Department of Revenue communicated with, and are working 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 these rules will impact their clients, some of

whom are small businesses.

**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 groups of industry representatives. 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 rules; therefore a committee is unlikely to provide further benefit.

<u>11-22-2016 5:00 p.m.</u>	<u>Lois Williams</u>	<u>lois.j.williams@oregon.gov</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**  
10-13-16 11:14 AM  
ARCHIVES DIVISION  
SECRETARY OF STATE

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

150  
Administrative Rules Chapter Number  
(503) 945-8029  
Telephone

**RULE CAPTION**

Information returns and W-2 penalties, information return filing requirements, tax compliance certificates

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

Hearing Date	Time	Location	Hearings Officer
11-22-16	5:00 p.m.	Revenue Bldg; 955 Center St NE; Salem, OR 97071; Fishbowl	Joshua Lawson

**RULEMAKING ACTION**

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

**ADOPT:**

150-418-0010

**AMEND:**

150-314-0140

150-316-0359

**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, 316.202, 316,360, 418.255

**Other Authority:**

**Statutes Implemented:**

ORS 314.360, 316.202, 418.255

**RULE SUMMARY**

150-314-0140 - Amend definition of what constitutes "knowingly" for assessing the enhanced penalty of \$250 per information return to include the requirement of an employer being assessed the lower penalty before being eligible for the enhanced penalty. Amend the rule to require all 1099s to be filed electronically with the department and remove the exception for issuers of under 10 forms 1099.

150-316-0359 - Amend definition of what constitutes "knowingly" for assessing the enhanced penalty of \$250 per W-2 to include the requirement of an employer being assessed the lower penalty before being eligible for the enhanced penalty. Mandate electronic filing of the form WR starting in 2018. Remove March 31 due date for W-2s.

150-418-0010 - Establish administrative rule for child caring agencies with the following criteria that defines "tax compliance" for PIT, withholding, transit, corporation excise, and corporation income tax programs administered by DOR:

- All required returns or reports have been filed, whether timely or not, or, in the absence of a return or report, final assessments of tax have been issued by the department for the preceding three tax years and any tax period subsequent to the application date;
- Tax is paid in full for PIT, withholding, transit, corporation excise, and corporation income tax programs; or
- The child caring agency is in compliance with a department-approved payment plan for PIT, withholding, transit, corporation excise, and corporation income tax programs.

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.

11-22-2016 5:00 p.m.	Lois Williams	lois.j.williams@oregon.gov
Last Day ( <i>m/d/yyyy</i> ) and Time for public comment	Rules Coordinator Name	Email Address

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10-13-16 11:14 AM  
ARCHIVES DIVISION  
SECRETARY OF STATE

Department of Revenue  
Agency and Division

150  
Administrative Rules Chapter Number

Information returns and W-2 penalties, information return filing requirements, tax compliance certificates

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

In the Matter of:

ADOPT: 150-418-0010  
AMEND: 150-314-0140  
AMEND: 150-316-0359

**Statutory Authority:**

ORS 305.100, 316.202, 316,360, 418.255

**Other Authority:**

**Statutes Implemented:**

ORS 314.360, 316.202, 418.255

**Need for the Rule(s):**

150-314-0140 - Amend definition of what constitutes "knowingly" for assessing the enhanced penalty of \$250 per information return to include the requirement of an employer being assessed the lower penalty before being eligible for the enhanced penalty. Amend the rule to require all 1099s to be filed electronically with the department and remove the exception for issuers of under 10 forms 1099.

150-316-0359 - Amend definition of what constitutes "knowingly" for assessing the enhanced penalty of \$250 per W-2 to include the requirement of an employer being assessed the lower penalty before being eligible for the enhanced penalty. Mandate electronic filing of the form WR starting in 2018. Remove March 31 due date for W-2s.

150-418-0010 - Establish administrative rule for child caring agencies with the following criteria that defines "tax compliance" for PIT, withholding, transit, corporation excise, and corporation income tax programs administered by DOR:

- All required returns or reports have been filed, whether timely or not, or, in the absence of a return or report, final assessments of tax have been issued by the department for the preceding three tax years and any tax period subsequent to the application date;
- Tax is paid in full for PIT, withholding, transit, corporation excise, and corporation income tax programs; or
- The child caring agency is in compliance with a department-approved payment plan for PIT, withholding, transit, corporation excise, and corporation income tax programs.

**Documents Relied Upon, and where they are available:**

Oregon Revised Statutes, available online through Legislative Counsel.

**Fiscal and Economic Impact:**

There is no fiscal impact due to these rule changes.

**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 effect on the counties and the public. These changes tend to be clarifying in nature and do not affect the cost.

**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 number of small businesses with fewer than 50 employees who are subject to this rule.

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

There is a de minimus effect on those subject to the rules as these changes tend to be clarifying or interpretive in nature and does not affect projected reporting, recordkeeping 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, Oregon Collectors Association, Oregon Board of Tax Practitioners and the Oregon Association of Tax Consultants to obtain their input into how this rule will impact their clients some of whom are small businesses. We also reached out to the Oregon Society of Certified Public Accountants to gain their input into how this rule would affect the small business 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 groups of industry representatives. 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.

11-22-2016 5:00 p.m.	Lois Williams	lois.j.williams@oregon.gov
Last Day (m/d/yyyy) and Time for public comment	Printed Name	Email Address

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

**FILED**  
10-13-16 11:07 AM  
ARCHIVES DIVISION  
SECRETARY OF STATE

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

150  
Administrative Rules Chapter Number  
(503) 945-8029  
Telephone

**RULE CAPTION**

Personal Tax: Split Joint Liability, Information Returns, Composite Return, Agriculture Workforce Housing, Childcare tax credits.

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

Hearing Date	Time	Location	Hearings Officer
11-22-16	10:00 a.m.	Revenue Bldg; 955 Center St NE; Salem OR 97301; Fishbowl	Joshua Lawson

**RULEMAKING ACTION**

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

**ADOPT:**

**AMEND:**

150-316-0435, 150-314-0485, ~~150-314-0515~~, 150-315-0070

**REPEAL:**

150-315-0080, 150-315-0082, 150-315-0084, 150-315-0120

**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; 315.169

**Other Authority:**

**Statutes Implemented:**

ORS 316.368; 314.724, ~~314.776~~, 315.164; 315.169; 315.204; 315.262

**RULE SUMMARY**

150-316-0435--- references a publication number that no longer exist. Delete reference.

150-314-0485--- remove the references to ORS 314.760 and "multiple nonresident income tax returns" (i.e. delete section 4) and remove the term "attach" and replace with "include."

150-314-0515--- eliminate the verbiage that indicates the due date and extension periods for S corporation and partnership returns are different than the composite return.

150-315-0070--- require the transfer statement for the Agricultural Workforce Housing credit to be submitted within 30 days of the transfer; specify that the transferor and transferee retain a copy of the transfer notice for their records; and eliminate the reference to the "BIN."

150-315-0080--- Dependent Care Credit sunset. No carry forward. Repeal rule.

150-315-0082--- Dependent Care Credit sunset. No carry forward. Repeal rule.

150-315-0084--- Dependent Care Credit sunset. No carry forward. Repeal rule.

150-315-0120--- Working Family Child-Care Credit sunset. No carry forward. Repeal rule.

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.

11-22-2016 5:00 p.m.	Lois Williams	lois.j.williams@oregon.gov
Last Day (m/d/yyyy) and Time for public comment	Rules Coordinator Name	Email Address

\*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.

**FILED**  
10-13-16 11:07 AM  
ARCHIVES DIVISION  
SECRETARY OF STATE

Department of Revenue  
Agency and Division

150  
Administrative Rules Chapter Number

Personal Tax: Split Joint Liability, Information Returns, Composite Return, Agriculture Workforce Housing, Childcare tax credits.

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

In the Matter of:

AMEND: 150-316-0435, 150-314-0485, ~~150-314-0515~~, 150-315-0070

REPEAL: 150-315-0080, 150-315-0082, 150-315-0084, 150-315-0120

**Statutory Authority:**

ORS 305.100; 315.169

**Other Authority:**

**Statutes Implemented:**

ORS 316.368; 314.724, ~~314.776~~, 315.164; 315.169; 315.204; 315.262

**Need for the Rule(s):**

150-316-0435— references a publication number that no longer exist. Delete reference.

150-314-0485— remove the references to ORS 314.760 and "multiple nonresident income tax returns" (i.e. delete section 4) and remove the term "attach" and replace with "include."

~~150-314-0515— eliminate the verbiage that indicates the due date and extension periods for S corporation and partnership returns are different than the composite return.~~

150-315-0070— require the transfer statement for the Agricultural Workforce Housing credit to be submitted within 30 days of the transfer; specify that the transferor and transferee retain a copy of the transfer notice for their records; and eliminate the reference to the "BIN."

150-315-0080— Dependent Care Credit sunset. No carry forward. Repeal rule.

150-315-0082— Dependent Care Credit sunset. No carry forward. Repeal rule.

150-315-0084— Dependent Care Credit sunset. No carry forward. Repeal rule.

150-315-0120— Working Family Child-Care Credit sunset. No carry forward. Repeal rule.

**Documents Relied Upon, and where they are available:**

Oregon Revised Statutes available on line at <https://www.oregonlegislature.gov/>

**Fiscal and Economic Impact:**

There is no fiscal or economic impact due to these rule changes.

**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 number of small businesses with fewer than 50 employees who are subject to these rules. The specific types of business affected by the rule changes are anticipated to be farmers by the Agricultural Workforce Housing rule change and S corporations and partnerships by the information returns and composite returns rule changes. The other rule changes may apply to all other types of businesses.

**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, recordkeeping 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.

**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>11-22-2016 5:00 p.m.</u>	<u>Lois Williams</u>	<u>lois.j.williams@oregon.gov</u>
Last Day (m/d/yyyy) and Time for public comment	Printed Name	Email Address

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

<b>FILED</b> 10-13-16 11:08 AM ARCHIVES DIVISION SECRETARY OF STATE
------------------------------------------------------------------------------

Department of Revenue Agency and Division	150 Administrative Rules Chapter Number
Lois Williams Rules Coordinator	(503) 945-8029 Telephone
Department of Revenue, 955 Center St. NE, Salem, OR 97301 Address	

**RULE CAPTION**

Personal Tax: Repealed tax credits-- Long-term Care Insurance, Loss of Limbs, Elderly, Long-Term Care  
Not more than 15 words that reasonably identifies the subject matter of the agency's intended action.

Hearing Date	Time	Location	Hearings Officer
11-22-16	10:00 a.m.	Revenue Bldg; 955 Center St NE; Salem, OR 97301; Fishbowl	Joshua Lawson

**RULEMAKING ACTION**

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

**ADOPT:**

**AMEND:**

**REPEAL:**

150-315-0190, 150-316-0075, 150-316-0100, 150-316-0210, 150-316-0215, 150-316-0517

**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 315.610; 316.079; 316.087; 316.148; 316.149; 316.680

**RULE SUMMARY**

- 150-315-0190---long term insurance care premiums credit sunset. No carryforward. Repeal rule.
- 150-316-0075---Credit for Loss of Use of Limb(s) sunset. No carryforward. Repeal rule.
- 150-316-0100---Oregon Credit for the Elderly sunset. No carryforward. Repeal rule.
- 150-316-0210---Credit for Elderly care sunset. No carryforward. Repeal rule.
- 150-316-0517--- Long term insurance care premium credit expired, therefore addition no longer applicable. Repeal rule.

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.

11-22-2016 5:00 p.m. Last Day (m/d/yyyy) and Time for public comment	Lois Williams Rules Coordinator Name	lois.j.williams@oregon.gov Email Address
----------------------------------------------------------------------------	-----------------------------------------	---------------------------------------------

\*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**  
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Department of Revenue  
Agency and Division

150  
Administrative Rules Chapter Number

Personal Tax: Repealed tax credits-- Long-term Care Insurance, Loss of Limbs, Elderly, Long-Term Care

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

In the Matter of:

REPEAL: 150-315-0190, 150-316-0075, 150-316-0100, 150-316-0210, 150-316-0215, 150-316-0517

**Statutory Authority:**

ORS 305.100

**Other Authority:**

**Statutes Implemented:**

ORS 315.610; 316.079; 316.087; 316.148; 316.149; 316.680

**Need for the Rule(s):**

150-315-0190---long term insurance care premiums credit sunset. No carryforward. Repeal rule.

150-316-0075---Credit for Loss of Use of Limb(s) sunset. No carryforward. Repeal rule.

150-316-0100---Oregon Credit for the Elderly sunset. No carryforward. Repeal rule.

150-316-0210---Credit for Elderly care sunset. No carryforward. Repeal rule.

150-316-0517--- Long term insurance care premium credit expired, therefore addition no longer applicable. Repeal rule.

**Documents Relied Upon, and where they are available:**

Oregon Revised Statutes available online or from Agency upon request.

<https://www.oregonlegislature.gov/>

**Fiscal and Economic Impact:**

There is no fiscal or economic impact due to these rule changes.

**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 or 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 number of small businesses with fewer than 50 employees . However, the repeal of these rules will have no cost of compliance effect on these businesses.

**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, recordkeeping 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.

**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>11-22-2016 5:00 p.m.</u>	<u>Lois Williams</u>	<u>lois.j.williams@oregon.gov</u>
Last Day (m/d/yyyy) and Time for public comment	Printed Name	Email Address

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

<b>FILED</b> 10-13-16 11:09 AM ARCHIVES DIVISION SECRETARY OF STATE
------------------------------------------------------------------------------

Department of Revenue Agency and Division	150 Administrative Rules Chapter Number
Lois Williams Rules Coordinator	(503) 945-8029 Telephone
Department of Revenue, 955 Center St. NE, Salem, OR 97301 Address	

**RULE CAPTION**

Personal Tax: Penalty Waivers, 1099/W2 Deduction, Conference, Working Family Dependent Care and Taxes Paid Credits  
Not more than 15 words that reasonably identifies the subject matter of the agency's intended action.

Hearing Date	Time	Location	Hearings Officer
11-22-16	10:00 a.m.	Revenue Bldg; 955 Center St NE; Salem, OR 97301; Fishbowl conf. rm	Joshua Lawson

**RULEMAKING ACTION**

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

**ADOPT:**

150-315-0121, 150-315-0125

**AMEND:**

150-305-0068, 150-305-0130, 150-305-0202, 150-316-0086

**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, 305.145; 316.082; 315.264

**Other Authority:**

**Statutes Implemented:**

ORS 305.145; 305.217; 305.265; 316.082; 315.264

**RULE SUMMARY**

150-305-0068--- the Working Family Household and Dependent Care credit penalty will not be waived under the department's discretionary waiver process.

150-305-0130--- clarify the filing requirements which allow expenses in the form of wages or compensation paid to be deducted.

150-305-0202---expand the types of methods allowed to file appeals beyond regular mail.

150-316-0086--- specify that a taxpayer must keep the "proof" listed in the rule in their tax records and provide to the department on request and not attach it to their return.

150-315-0121 --- clearly identify the differences between the Oregon and federal credits and provide guidance for taxpayers to appropriately claim the new Working Family Household and Dependent Care credit.

150-315-0125 --- under ORS 315.264(6), the Director is able to assess a new penalty under the new Working Family Household and Dependent Care credit. The details of this new penalty are described for taxpayers and practitioners.

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.

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11-22-2016 5:00 p.m.	Lois Williams	lois.j.williams@oregon.gov
Last Day ( <i>m/d/yyyy</i> ) and Time for public comment	Rules Coordinator Name	Email Address

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Secretary of State  
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**FILED**  
10-13-16 11:09 AM  
ARCHIVES DIVISION  
SECRETARY OF STATE

Department of Revenue  
Agency and Division

150  
Administrative Rules Chapter Number

Personal Tax: Penalty Waivers, 1099/W2 Deduction, Conference, Working Family Dependent Care and Taxes Paid Credits

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

In the Matter of:

ADOPT: 150-315-0121, 150-315-0125

AMEND: 150-305-0068, 150-305-0130, 150-305-0202, 150-316-0086

**Statutory Authority:**

ORS 305.100, 305.145; 316.082; 315.264

**Other Authority:**

**Statutes Implemented:**

ORS 305.145; 305.217; 305.265; 316.082; 315.264

**Need for the Rule(s):**

150-305-0068--- the Working Family Household and Dependent Care credit penalty will not be waived under the department's discretionary waiver process.

150-305-0130--- clarify the filing requirements which allow expenses in the form of wages or compensation paid to be deducted.

150-305-0202---expand the types of methods allowed to file appeals beyond regular mail.

150-316-0086--- specify that a taxpayer must keep the "proof" listed in the rule in their tax records and provide to the department on request and not attach it to their return.

150-315-0121 --- clearly identify the differences between the Oregon and federal credits and provide guidance for taxpayers to appropriately claim the new Working Family Household and Dependent Care credit.

150-315-0125 --- under ORS 315.264(6), the Director is able to assess a new penalty under the new Working Family Household and Dependent Care credit. The details of this new penalty are described for taxpayers and practitioners.

**Documents Relied Upon, and where they are available:**

Internal Revenue Code, Treasury Regulations, Oregon Revised Statutes, HB 2171, available online or from Agency upon request.

<https://www.irs.gov/Tax-Professionals/Tax-Code,-Regulations-and-Official-Guidance>

<https://www.oregonlegislature.gov/>

**Fiscal and Economic Impact:**

There is no fiscal or economic impact due to these rule changes.

**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 or 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 number of small businesses with fewer than 50 employees who are subject to these rules. The rule changes may apply to all types of businesses.



**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, recordkeeping 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.

**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>11-22-2016 5:00 p.m.</u>	<u>Lois Williams</u>	<u>lois.j.williams@oregon.gov</u>
Last Day (m/d/yyyy) and Time for public comment	Printed Name	Email Address

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

<b>FILED</b> 10-13-16 11:42 AM ARCHIVES DIVISION SECRETARY OF STATE
------------------------------------------------------------------------------

Department of Revenue Agency and Division	150 Administrative Rules Chapter Number
Lois Williams Rules Coordinator	(503) 945-8029 Telephone
Department of Revenue, 955 Center St. NE, Salem, OR 97301 Address	

**RULE CAPTION**

Property Tax: Manufactured Property Rehabilitation, local budget, tax refunds, agricultural housing, timber tax, exemptions  
Not more than 15 words that reasonably identifies the subject matter of the agency's intended action.

Hearing Date	Time	Location	Hearings Officer
11-22-16	10:00 a.m.	Revenue Bldg; 955 Center St NE; Salem OR 97301; Fishbowl	Joshua Lawson

**RULEMAKING ACTION**

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

**ADOPT:**

150-090-0020

**AMEND:**

150-294-0430  
150-294-0840  
150-307-0510  
150-311-0760  
150-321-0340  
150-321-0810

**REPEAL:**

150-307-0470  
150-311-0120  
150-311-0130  
150-311-0510

**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, 321.207

**Other Authority:**

**Statutes Implemented:**

ORS 090.675, 294.311, 294.388, 294.920, 311.160, 311.508, 311.806, 321.354, 321.358, 321.839

**RULE SUMMARY**

150-090-0020 [Adopt]: To describe the process for obtaining cancelation of taxes on abandoned homes that manufactured dwelling park or marina owners acquire, rehabilitate, and sell in the park or marina. This is an option for landlords created under 2015 Oregon Laws c. 217 (HB 3016).

150-294-0430 [Amend]: ORS 294.388 states that budgets may include amounts for general operating contingencies. We have interpreted that to mean that a contingency may only be budgeted in an "operating fund," without defining "operating fund." In the current rule, Example 2 says that a reserve fund is not an operating fund, which is inconsistent with our training regarding reserve funds.

150-294-0840 [Amend]: To correct grammatical error in the rule title by adding the word "of" and adding a space between the words "as" and "approved" in line 4.

150-307-0470 [Repeal]: The 2009 amendment to ORS 307.397 to exempt such hoop houses or similar buildings, structures or improvements. The statute now provides exemption for such structures if they are primarily used to grow plants for agricultural or horticultural production, that are covered with translucent or transparent material, and that have no permanent heat source (other than the sun). This rule is more restrictive than the statute and prohibits exemption for hoop houses with permanent climate control systems, even though the 2009 statute amendments only prevent exemption where a permanent heat source is present.

150-307-0510 [Amend]: ORS 307.480 amended in the 2015 session to allow a property tax exemption for community based agricultural workforce housing. The existing rule only addresses the requirements for farm labor camps. One of the new statutory requirements is that agricultural workforce housing be owned and operated as a nonprofit "facility" and the rule will define that term in the context of this exemption. The term "facility" is also used as the basis for determining which income and expenses must be used to calculate the payment in lieu of taxes required by ORS 307.490.

150-311-0120 [Repeal]: This rule is obsolete as it relates to ORS 308.020, which applied to large value appeals from tax years prior to 1997-1998. There are no longer accounts being collected from appeals under 308.020.

150-311-0130 [Repeal]: This rule is obsolete as it relates to ORS 308.020, which applied to large value appeals from tax years prior to 1997-1998. There are no longer accounts being collected from appeals under 308.020.

150-311-0510 [Repeal]: This rule is obsolete as it relates to ORS 308.020, which applied to large value appeals from tax years prior to 1997-1998. There are no longer accounts being collected from appeals under 308.020.

150-311-0760 [Amend]: ORS 311.806 was amended by HB 2485 and SB 161 in the 2015 session. The bills added provisions that specified refunds paid because of a request for proration of taxes under ORS 308.425 are to be paid to the applicant for the refund, and that in some circumstances allows refunds to purchasers of personal property who have paid delinquent taxes on the property. Those provisions are not addressed in our current rule describing where refunds are to be paid.

150-321-0340 [Amend]: To replace the word "one" with "common" as it is used in the definition of "common ownership" in ORS 321.354(6)(b). To provide a definition for "contiguous acres" as it applies to meet minimum acreage requirements.

150-321-0810 [Amend]: To replace the word "one" with "common" as it is used in the definition of "common ownership" in ORS 321.354(6)(b). To provide a definition for "contiguous acres" as it applies to meet minimum acreage requirements.

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.

11-22-2016 5:00 p.m.	Lois Williams	lois.j.williams@oregon.gov
Last Day (m/d/yyyy) and Time for public comment	Rules Coordinator Name	Email Address

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10-13-16 11:42 AM  
ARCHIVES DIVISION  
SECRETARY OF STATE

Department of Revenue  
Agency and Division

150  
Administrative Rules Chapter Number

Property Tax: Manufactured Property Rehabilitation, local budget, tax refunds, agricultural housing, timber tax, 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:

150-090-0020

AMEND:

150-294-0430

150-294-0840

150-307-0510

150-311-0760

150-321-0340

150-321-0810

REPEAL:

150-307-0470

150-311-0120

150-311-0130

150-311-0510

**Statutory Authority:**

ORS 305.100, 321.207

**Other Authority:**

**Statutes Implemented:**

ORS 090.675, 294.311, 294.388, 294.920, 311.160, 311.508, 311.806, 321.354, 321.358, 321.839

**Need for the Rule(s):**

150-090-0020 [Adopt]: To describe the process for obtaining cancelation of taxes on abandoned homes that manufactured dwelling park or marina owners acquire, rehabilitate, and sell in the park or marina. This is an option for landlords created under 2015 Oregon Laws c. 217 (HB 3016).

150-294-0430 [Amend]: ORS 294.388 states that budgets may include amounts for general operating contingencies. We have interpreted that to mean that a contingency may only be budgeted in an "operating fund," without defining "operating fund." In the current rule, Example 2 says that a reserve fund is not an operating fund, which is inconsistent with our training regarding reserve funds.

150-294-0840 [Amend]: To correct grammatical error in the rule title by adding the word "of" and adding a space between the words "as" and "approved" in line 4.

150-307-0470 [Repeal]: The 2009 amendment to ORS 307.397 to exempt such hoop houses or similar buildings, structures or improvements. The statute now provides exemption for such structures if they are primarily used to grow plants for agricultural or horticultural production, that are covered with translucent or transparent material, and that have no permanent heat source (other than the sun). This rule is more restrictive than the statute and prohibits exemption for hoop houses with permanent climate control systems, even though the 2009 statute amendments only prevent exemption where a permanent heat source is present.

150-307-0510 [Amend]: ORS 307.480 amended in the 2015 session to allow a property tax exemption for community based agricultural workforce housing. The existing rule only addresses the requirements for farm labor camps. One of the new statutory requirements is that agricultural workforce housing be owned and operated as a nonprofit "facility" and the rule will define that term in the context of this

exemption. The term "facility" is also used as the basis for determining which income and expenses must be used to calculate the payment in lieu of taxes required by ORS 307.490.

150-311-0120 [Repeal]: This rule is obsolete as it relates to ORS 308.020, which applied to large value appeals from tax years prior to 1997-1998. There are no longer accounts being collected from appeals under 308.020.

150-311-0130 [Repeal]: This rule is obsolete as it relates to ORS 308.020, which applied to large value appeals from tax years prior to 1997-1998. There are no longer accounts being collected from appeals under 308.020.

150-311-0510 [Repeal]: This rule is obsolete as it relates to ORS 308.020, which applied to large value appeals from tax years prior to 1997-1998. There are no longer accounts being collected from appeals under 308.020.

150-311-0760 [Amend]: ORS 311.806 was amended by HB 2485 and SB 161 in the 2015 session. The bills added provisions that specified refunds paid because of a request for proration of taxes under ORS 308.425 are to be paid to the applicant for the refund, and that in some circumstances allows refunds to purchasers of personal property who have paid delinquent taxes on the property. Those provisions are not addressed in our current rule describing where refunds are to be paid.

150-321-0340 [Amend]: To replace the word "one" with "common" as it is used in the definition of "common ownership" in ORS 321.354(6)(b). To provide a definition for "contiguous acres" as it applies to meet minimum acreage requirements.

150-321-0810 [Amend]: To replace the word "one" with "common" as it is used in the definition of "common ownership" in ORS 321.354(6)(b). To provide a definition for "contiguous acres" as it applies to meet minimum acreage requirements.

#### **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 any 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 effect 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.

There are approximately 41,000 property owners receiving forestland designation statewide. Approximately 2,000 in eastern Oregon and approximately 39,000 in western Oregon.

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

There is a de minimis effect 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 to obtain their input into how this rule will affect their clients, some of whom are small businesses. We also reached out to the Small Woodlands Association, Oregon Forest and Industries Council, Manufactured Housing Communities of Oregon, Oregon Housing and Community Services, CASA of Oregon, Farmworker Housing Development Corp., Nonprofit Association of Oregon, Oregon Law Center, Bienestar, Hacienda CDC and developers of agricultural workforce housing for their input into how particular rules 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.

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11-22-2016 5:00 p.m.	Lois Williams	lois.j.williams@oregon.gov
Last Day (m/d/yyyy) and Time for public comment	Printed Name	Email Address

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

**FILED**  
10-13-16 11:07 AM  
ARCHIVES DIVISION  
SECRETARY OF STATE

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

150  
Administrative Rules Chapter Number  
(503) 945-8029  
Telephone

**RULE CAPTION**

State Lodging Tax: Fees subject to the tax and registration of providers.

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

Hearing Date	Time	Location	Hearings Officer
11-22-16	10:00 a.m.	Revenue Bldg; 955 Center St NE; Salem, OR 97301; Fishbowl	Joshua Lawson

**RULEMAKING ACTION**

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

**ADOPT:**

**AMEND:**

150-320-0040

**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 320.305

**RULE SUMMARY**

150-320-0040:

- Removes reference to "allocations made for local lodging taxes" and clarifies that exemptions are limited to those listed in the state lodging tax statutes and rules, regardless of the local lodging tax exemptions available in any particular city or county.
- Provides guidance as to what fees are subject to the state lodging tax.
- Removes the requirement for transient lodging providers to register with the department.

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.

11-22-2016 5:00 p.m.                      Lois Williams                      lois.j.williams@oregon.gov  
Last Day (m/d/yyyy) and Time              Rules Coordinator Name                      Email Address  
for public comment

\*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.

**FILED**  
10-13-16 11:07 AM  
ARCHIVES DIVISION  
SECRETARY OF STATE

Department of Revenue  
Agency and Division

150  
Administrative Rules Chapter Number

State Lodging Tax: Fees subject to the tax and registration of providers.

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

In the Matter of:

AMEND: 150-320-0040

**Statutory Authority:**

ORS 305.100

**Other Authority:**

**Statutes Implemented:**

ORS 320.305

**Need for the Rule(s):**

150-320-0040:

- Removes reference to "allocations made for local lodging taxes" and clarifies that exemptions are limited to those listed in the state lodging tax statutes and rules, regardless of the local lodging tax exemptions available in any particular city or county.
- Provides guidance as to what fees are subject to the state lodging tax.
- Removes the requirement for transient lodging providers to register with the department.

**Documents Relied Upon, and where they are available:**

Oregon Revised Statutes, available online at <https://www.oregonlegislature.gov/> or from the agency; and  
Oregon Administrative Rules, available online at [http://sos.oregon.gov/archives/Pages/oregon\\_administrative\\_rules.aspx](http://sos.oregon.gov/archives/Pages/oregon_administrative_rules.aspx) or from the agency

**Fiscal and Economic Impact:**

There is no fiscal or economic impact due to these rule changes.

**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 or the counties, and de minimis impact on the public. The rule changes are intended 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:**

The Oregon state travel and tourism industry employs approximately 101,100 employees. Roughly 3,000 entities are registered as lodging providers. Approximately 1,300 of those providers are individual vacation home owners. Small businesses make up roughly 98% of Oregon firms. Based on this information, we estimate that there are approximately 1,665 (1,700 \* 98%) 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 impact on those small businesses subject to the rules as these changes are intended to be clarifying or interpretive in nature and do 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, the Oregon Restaurant and Lodging Association, and Travel Oregon to obtain their input into how this rule will impact their clients; some of whom are small businesses.

**Administrative Rule Advisory Committee consulted?: No**

**If not, why?:**



The Oregon Department of Revenue did not use a formal Advisory Committee for these rules. However, we did seek input from groups of industry representatives. No Advisory Committee was consulted because the above groups were contacted, and they have the interest and expertise necessary to provide adequate feedback on these proposed rules. Therefore a committee is unlikely to provide further benefit.

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