



Oregon

Kate Brown, Governor

Department of Revenue
955 Center St NE
Salem, OR 97301-2555
www.oregon.gov/dor

DATE: October 31, 2017
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:

- Corporation Tax
- Marijuana Tax
- Personal Income Tax
- Property Tax
- Telephone Excise Tax
- Withholding
- And other miscellaneous provisions

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 from 9:00 am to 11:00 am on Tuesday, November 28, 2017 in Salem at:
Fishbowl Conference Room
Revenue Building
955 Center St NE
Salem, OR 97301

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 28, 2017 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 28, 2017 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.

Shannon Ball
Administrative Rules Coordinator
Director's Office
Direct telephone: 503-945-7938
E-mail: Rulescoordinator.dor@oregon.gov
FAX: 503-945-8290



Oregon

Kate Brown, Governor

Department of Revenue

955 Center St NE
Salem, OR 97301-2555
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Enclosures: Notices of Proposed Rulemaking Including Statement of Need and Fiscal Impact

Note: Revenue renumbered all of its administrative rules effective 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.

For questions about Secretary of State Archives Division, email Colleen Needham at colleen.a.needham@oregon.gov or Mary Beth Herkert at mary.e.herkert@oregon.gov.

OFFICE OF THE SECRETARY OF STATE
DENNIS RICHARDSON
SECRETARY OF STATE

LESLIE CUMMINGS
DEPUTY SECRETARY OF STATE



ARCHIVES DIVISION
MARY BETH HERKERT
DIRECTOR

800 SUMMER STREET NE
SALEM, OR 97310
503-373-0701

TEMPORARY ADMINISTRATIVE ORDER
INCLUDING STATEMENT OF NEED & JUSTIFICATION
REV 64-2017
CHAPTER 150
DEPARTMENT OF REVENUE

FILED
10/30/2017 5:01 PM
ARCHIVES DIVISION
SECRETARY OF STATE

FILING CAPTION: Criminal records checks and fitness determination rules for work with or for DOR.

EFFECTIVE DATE: 10/30/2017 THROUGH 04/27/2018

AGENCY APPROVED DATE: 10/30/2017

CONTACT: Shannon Ball
503-945-7938
rulescoordinator.dor@oregon.gov

955 Center St NE
Salem, OR 97301

Filed By:
Shannon Ball
Rules Coordinator

NEED FOR THE RULE(S):

150-181-1010 Statement of Purpose and Statutory Authority -- This rule is needed to update agency rules on criminal records checks and fitness determinations for employment with the Department of Revenue.

150-181-1020 Definitions -- This rule is needed to provide definitions for other administrative rules related to criminal records checks and fitness determinations for employment with the Department of Revenue.

150-181-1130 Authorized Designees-- This rule is needed to determine when a person may be an authorized designee for purposes of criminal records checks and fitness determinations for employment with the Department of Revenue.

150-181-1030 Subject individual -- Not needed because subject individual is defined in statute.

150-181-1040 Criminal Records Check Process -- Not needed because covered by OAR 125-007-0270.

150-181-1060 Hiring or Appointing on a Preliminary Basis -- Not needed because covered by OAR 125-007-0250.

150-181-1070 Final Fitness Determination -- Not needed because covered by OAR 125-007-0260.

150-181-1080 Crimes Relevant to a Fitness Determination -- Not needed because covered by OAR 125-007-0270.

150-181-1090 Incomplete Fitness Determination -- Not needed because covered by OAR 125-007-0260.

150-181-1100 Notice to Subject Individual of Fitness Determination -- Not needed because covered by OAR 125-007-0260.

150-181-1110 Appealing a Fitness Determination -- Not needed because covered by OAR 125-007-0300.

150-181-1120 Recordkeeping and Confidentiality -- Not needed because covered by OAR 125-007-0310.

JUSTIFICATION OF TEMPORARY FILING:

Criminal records checks and fitness determinations for applicants, employees, volunteers, contractors and vendors are needed to ensure access to federal tax return information. These rules are intended to conform to statewide rules and policies as well as federal policies to ensure the state continues to receive the federal information it needs to perform its duties as the tax administrator for the State of Oregon.

DOCUMENTS RELIED UPON, AND WHERE THEY ARE AVAILABLE:

Federal Publication 1075, available online at <https://www.irs.gov/pub/irs-pdf/p1075.pdf>

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MARY BETH HERKERT
DIRECTOR

800 SUMMER STREET NE
SALEM, OR 97310
503-373-0701

TEMPORARY ADMINISTRATIVE ORDER
INCLUDING STATEMENT OF NEED & JUSTIFICATION
REV 65-2017
CHAPTER 150
DEPARTMENT OF REVENUE

FILED
10/31/2017 9:06 AM
ARCHIVES DIVISION
SECRETARY OF STATE

FILING CAPTION: Criminal records checks and fitness determination rules for work with or for DOR.

EFFECTIVE DATE: 10/31/2017 THROUGH 04/27/2018

AGENCY APPROVED DATE: 10/30/2017

CONTACT: Shannon Ball
503-945-7938
rulescoordinator.dor@oregon.gov

955 Center St NE
Salem, OR 97301

Filed By:
Shannon Ball
Rules Coordinator

NEED FOR THE RULE(S):

150-181-1100 - Correction from temporary filing on October 30, 2017. Rule should be suspended and not amended as the rule is not needed because covered by OAR 125-007-0260.

JUSTIFICATION OF TEMPORARY FILING:

Criminal records checks and fitness determinations for applicants, employees, volunteers, contractors and vendors are needed to ensure access to federal tax return information. These rules are intended to conform to statewide rules and policies as well as federal policies to ensure the state continues to receive the federal information it needs to perform its duties as the tax administrator for the State of Oregon.

DOCUMENTS RELIED UPON, AND WHERE THEY ARE AVAILABLE:

Federal Publication 1075, available online at <https://www.irs.gov/pub/irs-pdf/p1075.pdf>

OFFICE OF THE SECRETARY OF STATE

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ARCHIVES DIVISION

MARY BETH HERKERT
DIRECTOR

800 SUMMER STREET NE
SALEM, OR 97310
503-373-0701

TEMPORARY ADMINISTRATIVE ORDER
INCLUDING STATEMENT OF NEED & JUSTIFICATION

REV 66-2017
CHAPTER 150
DEPARTMENT OF REVENUE

FILED

10/31/2017 2:56 PM
ARCHIVES DIVISION
SECRETARY OF STATE

FILING CAPTION: Criminal records checks and fitness determination rules for work with or for DOR.

EFFECTIVE DATE: 10/31/2017 THROUGH 04/27/2018

AGENCY APPROVED DATE: 10/31/2017

CONTACT: Shannon Ball

955 Center St NE

Filed By:

503-945-7938

Salem, OR 97301

Shannon Ball

rulescoordinator.dor@oregon.gov

Rules Coordinator

NEED FOR THE RULE(S):

150-181-1050 Preliminary Fitness Determination -- .Not needed because covered by OAR 125-007-0250.

150-181-1140 Fees -- This rule addresses when a person may be required to pay fees for criminal records checks and fitness determinations. The change to the rule addresses areas to be covered by Department policy pursuant to OAR 125-007-0330.

JUSTIFICATION OF TEMPORARY FILING:

Criminal records checks and fitness determinations for applicants, employees, volunteers, contractors and vendors are needed to ensure access to federal tax return information. These rules are intended to conform to statewide rules and policies as well as federal policies to ensure the state continues to receive the federal information it needs to perform its duties as the tax administrator for the State of Oregon.

DOCUMENTS RELIED UPON, AND WHERE THEY ARE AVAILABLE:

Federal Publication 1075, available online at <https://www.irs.gov/pub/irs-pdf/p1075.pdf>

OFFICE OF THE SECRETARY OF STATE
DENNIS RICHARDSON
SECRETARY OF STATE

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DEPUTY SECRETARY OF STATE



ARCHIVES DIVISION
MARY BETH HERKERT
DIRECTOR

800 SUMMER STREET NE
SALEM, OR 97310
503-373-0701

NOTICE OF PROPOSED RULEMAKING
INCLUDING STATEMENT OF NEED & FISCAL IMPACT

CHAPTER 150
DEPARTMENT OF REVENUE

FILED

10/23/2017 9:06 AM
ARCHIVES DIVISION
SECRETARY OF STATE

FILING CAPTION: Revise corporate tax terms in accordance with 2017 legislation (HB 2275); repeal an outdated rule

LAST DAY AND TIME TO OFFER COMMENT TO AGENCY: 11/28/2017 5:00 PM

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.

CONTACT: Shannon Ball
503-945-7938
rulescoordinator.dor@oregon.gov

955 Center St NE
Salem, OR 97301

Filed By:
Shannon Ball
Rules Coordinator

HEARING(S)

Auxiliary aids for persons with disabilities are available upon advance request. Notify the contact listed above.

DATE: 11/28/2017

TIME: 9:00 AM - 11:00 AM

OFFICER: Staff

ADDRESS: Oregon Department of
Revenue

955 Center St NE
Salem, OR 97301

NEED FOR THE RULE(S):

150-314-0047 - Change reference of "business income" to "apportionable income" due to 2017 legislation (HB 2275).

150-314-0064 – Change reference of "business income" to "apportionable income" and "nonbusiness income" to "nonapportionable income" due to 2017 legislation (HB 2275).

150-314-0070 – Change reference from "business income" to "apportionable income" due to 2017 legislation (HB 2275).

150-314-0074 – Change reference from "business income" to "apportionable income" due to 2017 legislation (HB 2275). Make grammatical changes.

150-314-0076 – Change reference from "business income" to "apportionable income" and "nonbusiness income" to "nonapportionable income" due to 2017 legislation (HB 2275). Make grammatical changes.

150-314-0078 – Change reference from “business income” to “apportionable income” due to 2017 legislation (HB 2275). Make grammatical changes.

150-314-0080 – Change reference from “business income” to “apportionable income” and “nonbusiness income” to “nonapportionable income” due to 2017 legislation (HB 2275). Make grammatical changes.

150-314-0082 – Change reference from “business income” to “apportionable income” due to 2017 legislation (HB 2275).

150-314-0084 – Change reference from “business income” to “apportionable income” due to 2017 legislation (HB 2275).

150-314-0100 – Change reference from “business income” to “apportionable income” due to 2017 legislation (HB 2275).

150-314-0115 – Change reference from “business income” to “apportionable income” and “nonbusiness income” to “nonapportionable income” due to 2017 legislation (HB 2275). Make grammatical changes.

150-314-0335 – Remove most content in the current rule and adopt the Multistate Tax Commission model regulation for apportionable and nonapportionable income due to 2017 legislation (HB 2275). Renumber to conform to the rule standards.

150-314-0337 – Adopt the Multistate Tax Commission model regulation to provide clarification of the application of apportionable and nonapportionable income due to 2017 legislation (HB 2275). Reformat to conform to rule standards.

150-314-0339 – Change reference from “business income” to “apportionable income” and “nonbusiness income” to “nonapportionable income” due to 2017 legislation (HB 2275). Reformat to conform to rule standards.

150-314-0345 – Change reference from “business income” to “apportionable income” and “nonbusiness income” to “nonapportionable income” due to 2017 legislation (HB 2275). Make grammatical changes.

150-314-0347 – Change reference from “nonbusiness income” to “nonapportionable income” due to 2017 legislation (HB 2275).

150-314-0349 – Change reference from “business income” to “apportionable income” due to 2017 legislation (HB 2275).

150-314-0351 – Change reference from “business income” to “apportionable income” due to 2017 legislation (HB 2275). Renumber within the rule to conform to the rule standards.

150-314-0353 – Change reference from “business income” to “apportionable income” and “nonbusiness income” to “nonapportionable income” due to 2017 legislation (HB 2275). Update the tax years in the examples. Reformat to conform to rule standards.

150-314-0357 – Change reference from “business income” to “apportionable income” due to 2017 legislation (HB 2275). Make grammatical changes.

150-314-0365 – Change reference from “nonbusiness income” to “nonapportionable income” due to 2017 legislation (HB 2275).

150-314-0380 – Change reference from “business income” to “apportionable income” and “nonbusiness income” to “nonapportionable income” due to 2017 legislation (HB 2275). Make grammatical changes.

150-314-0385 – Change reference from “business income” to “apportionable income” due to 2017 legislation (HB 2275).

150-314-0390 – Change reference from “nonbusiness income” to “nonapportionable income” due to 2017 legislation (HB 2275). Make grammatical changes.

150-314-0392 – Change reference from “business income” to “apportionable income” and “nonbusiness income” to “nonapportionable income” due to 2017 legislation (HB 2275). Make grammatical changes.

150-314-0400 – Change reference from “business income” to “apportionable income” and “nonbusiness income” to “nonapportionable income” due to 2017 legislation (HB 2275). Reformat to conform to rule standards.

150-314-0415 – Change reference of “nonbusiness income” to “nonapportionable income” due to 2017 legislation (HB 2275). Make grammatical changes.

150-314-0431 – Change reference from “business income” to “apportionable income” due to 2017 legislation (HB 2275).

150-314-0437 – Change reference from “business income” to “apportionable income” due to 2017 legislation (HB 2275). Update tax years in the examples.

150-314-0455 – Change reference from “business income” to “apportionable income” due to 2017 legislation (HB 2275). Reformat to conform to rule standards.

150-314-0510 – Change reference from “business income” to “apportionable income” due to 2017 Legislation (HB 2275).

150-317-0170 – Change reference from “business income” to “apportionable income” due to 2017 legislation (HB 2275). Make grammatical changes.

150-317-0180 – Repeal outdated rule that was applicable for tax year 2007.

150-317-0510 – Change reference from “business income” to “apportionable income” and “nonbusiness income” to “nonapportionable income” due to 2017 legislation (HB 2275). Make grammatical changes.

150-317-0540 – Change reference from “nonbusiness income” to “nonapportionable income” due to 2017 legislation (HB 2275). Make grammatical changes.

DOCUMENTS RELIED UPON, AND WHERE THEY ARE AVAILABLE:

2017 Oregon legislation (HB 2275): <https://olis.leg.state.or.us/liz/2017R1/2017-01-09>;

ORS available online: <https://www.oregonlegislature.gov/>; and

Multistate Tax Commission model regulation for apportionable and nonapportionable income:

<http://www.mtc.gov/The-Commission>

FISCAL AND ECONOMIC IMPACT:

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

COST OF COMPLIANCE:

(1) Identify any state agencies, units of local government, and members of the public likely to be economically affected by the rule(s). (2) Effect on Small Businesses: (a) Estimate the number and type of small businesses subject to the rule(s); (b) Describe the expected reporting, recordkeeping and administrative activities and cost required to comply with the rule(s); (c) Estimate the cost of professional services, equipment supplies, labor and increased administration required to comply with the rule(s).

(1) 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)(a) Oregon has approximately 120,500 small businesses with fewer than 250 employees* that employ 64%** of the state's workforce. Oregon has approximately 99,300 small businesses with fewer than 100 employees. Based on this information, we estimate Oregon has approximately 97,000 small businesses with fewer than 50 employees who are subject to these rules***.

(2)(b) 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.

(2)(c) No equipment, supplies, labor, or increased administration are known for the compliance of these rules.

*Oregon Employment Department https://www.qualityinfo.org/-/most-oregon-employers-have-fewer-than-10-employees?utm_campaign=November2016&utm_medium=email&utm_source=newsletter&utm_content=Oregon%20Statewide%20Businesses%20by%20Size%20of%20Firm%2050%20or%20Fewer%20Employees
**(1,515,708-405,702-138,712)/1,515,708

***Oregon Employment Department <https://www.qualityinfo.org/documents/10182/79531/111616%20-%20Businesses%20by%20Size%20of%20Firm%2050%20or%20Fewer%20Employees>

DESCRIBE HOW SMALL BUSINESSES WERE INVOLVED IN THE DEVELOPMENT OF THESE RULE(S):

The Department of Revenue communicated 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.

WAS AN ADMINISTRATIVE RULE ADVISORY COMMITTEE CONSULTED? NO IF NOT, WHY NOT?

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.

OFFICE OF THE SECRETARY OF STATE

DENNIS RICHARDSON
SECRETARY OF STATE

LESLIE CUMMINGS
DEPUTY SECRETARY OF STATE



ARCHIVES DIVISION

MARY BETH HERKERT
DIRECTOR

800 SUMMER STREET NE
SALEM, OR 97310
503-373-0701

NOTICE OF PROPOSED RULEMAKING
INCLUDING STATEMENT OF NEED & FISCAL IMPACT

CHAPTER 150
DEPARTMENT OF REVENUE

FILED

10/23/2017 9:32 AM
ARCHIVES DIVISION
SECRETARY OF STATE

FILING CAPTION: Corporate Tax: financial institutions, bankruptcy, overpayments, sales factor, unitary determinations, insurance corporations, market-based sourcing

LAST DAY AND TIME TO OFFER COMMENT TO AGENCY: 11/28/2017 5:00 PM

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.

CONTACT: Shannon Ball
503-945-7938
rulescoordinator.dor@oregon.gov

955 Center St NE
Salem, OR 97301

Filed By:
Shannon Ball
Rules Coordinator

HEARING(S)

Auxiliary aids for persons with disabilities are available upon advance request. Notify the contact listed above.

DATE: 11/28/2017

TIME: 9:00 AM - 11:00 AM

OFFICER: Staff

ADDRESS: Oregon Department of
Revenue

955 Center St NE

Salem, OR 97301

NEED FOR THE RULE(S):

150-314-0088 – Change reference of “business income” to “apportionable income” and “nonbusiness income” to “nonapportionable income” due to 2017 legislation (HB 2275). Also modifies sourcing for real property, services and all other receipts, as well as conforms rule to 2015 amendments to the Multistate Tax Commission’s model financial institution regulation.

150-314-0120 – To clarify that the applicable version of the USC bankruptcy code is determined by when the taxpayer filed their bankruptcy petition, resulting from 2017 legislation (SB 29). Explain apportionment of tax attribute reductions and make grammatical changes.

150-314-0302 – To clarify when an application to apply a refund as an estimated tax payment will apply beginning with tax years on or after January 1, 2016.

150-314-0425 – Replace rule with the model Multistate Tax Commission model rule language relating to income

apportionment for multistate corporations. Incorporate modifications from 2017 legislation (HB 2273) related to the exclusion of amounts received by fiduciaries or held in trust from the definition of sales.

150-314-0433 – Rule no longer needed as the method of sourcing sales of computer software is now included in OAR 150-314-0435 due to 2017 legislation (SB 28).

150-314-0435 – Implementing 2017 legislation (SB 28), providing a market-based sourcing methodology for taxpayers to use when sourcing receipts other than receipts from the sale of tangible personal property for tax years beginning on or after January 1, 2018.

150-314-0439 – ORS 314.665(6) was repealed during the 2017 Legislative Session (HB 2273). Repeal the related rule.

150-314-0441 – ORS 314.665(6) was repealed during the 2017 Legislative Session (HB 2273). Repeal the related rule.

150-314-0443 – ORS 314.665(6) was repealed during the 2017 Legislative Session (HB 2273). Repeal the related rule.

150-314-0445 – ORS 314.665(6) was repealed during the 2017 Legislative Session (HB 2273). Repeal the related rule.

150-317-0330 – Implementing 2017 legislation (SB 153), clarifying that the dividend received deduction is 100% for the consolidated group that excludes an alien, domestic, or foreign insurer that would be included in the consolidated Oregon return, but for the separate filing requirement imposed by ORS 317.710. Remove outdated information applicable to tax years 1986 and 1987.

150-317-0520 – Implementing 2017 legislation (SB 30), relating to unitary determinations.

150-317-0550 – Implementing 2017 legislation (SB 153), clarifying that insurance corporations included in a federal consolidated group but excluded from the Oregon consolidated group must file a separate return from the consolidated group. Make grammatical changes and removed outdated reference to the treatment that applies to tax years beginning before January 1, 1986.

150-317-0610 – Implementing 2017 legislation (SB 153), clarifying the income of an insurance corporation excluded from the consolidated group must be subtracted from the consolidated group in the same manner as a non-unitary affiliate. Make grammatical changes.

DOCUMENTS RELIED UPON, AND WHERE THEY ARE AVAILABLE:

ORS available online: <https://www.oregonlegislature.gov/>;

Multistate Tax Commission model regulation for apportionable and nonapportionable income:

<http://www.mtc.gov/The-Commission>; and

2017 Oregon legislation (SB 28), (SB 29), (SB 30), (SB 153), (HB 2273): <https://olis.leg.state.or.us/liz/2017R1/2017-01-09>

FISCAL AND ECONOMIC IMPACT:

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

COST OF COMPLIANCE:

(1) Identify any state agencies, units of local government, and members of the public likely to be economically affected by the rule(s). (2) Effect on Small Businesses: (a) Estimate the number and type of small businesses subject to the rule(s); (b) Describe the expected reporting, recordkeeping and administrative activities and cost required to comply with the rule(s); (c) Estimate the cost of professional services, equipment supplies, labor and increased administration required to comply with the rule(s).

(1) 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)(a) Oregon has approximately 120,500 small businesses with fewer than 250 employees* that employ 64%** of the state's workforce. Oregon has approximately 99,300 small businesses with fewer than 100 employees. Based on this information, we estimate Oregon has approximately 97,000 small businesses with fewer than 50 employees who are subject to these rules***.

(2)(b) There should be 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 significantly affect projected reporting, record-keeping or other administrative activities or costs. For small businesses that apportion income using market-based sourcing, projected reporting, record-keeping and other administrative activities or costs should not be significantly different from their current practice under costs of performance sourcing.

(2)(c) No equipment, supplies, labor, or increased administration has been identified for compliance of these rules.

*Oregon Employment Department https://www.qualityinfo.org/-/most-oregon-employers-have-fewer-than-10-employees?utm_campaign=November2016&utm_medium=email&utm_source=newsletter&utm_content=Oregon%20Statewide

**[1,515,708-405,702-138,712](https://www.qualityinfo.org/-/most-oregon-employers-have-fewer-than-10-employees?utm_campaign=November2016&utm_medium=email&utm_source=newsletter&utm_content=Oregon%20Statewide)/1,515,708

***Oregon Employment Department <https://www.qualityinfo.org/documents/10182/79531/111616%20-%20Businesses%20by%20Size%20of%20Firm%2050%20or%20Fewer%20Employees>

DESCRIBE HOW SMALL BUSINESSES WERE INVOLVED IN THE DEVELOPMENT OF THESE RULE(S):

The Department of Revenue communicated 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.

WAS AN ADMINISTRATIVE RULE ADVISORY COMMITTEE CONSULTED? NO IF NOT, WHY NOT?

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.

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SALEM, OR 97310
503-373-0701

NOTICE OF PROPOSED RULEMAKING
INCLUDING STATEMENT OF NEED & FISCAL IMPACT

CHAPTER 150
DEPARTMENT OF REVENUE

FILED

10/19/2017 7:16 AM
ARCHIVES DIVISION
SECRETARY OF STATE

FILING CAPTION: Marijuana Tax: product categories and taxpayer identification number

LAST DAY AND TIME TO OFFER COMMENT TO AGENCY: 11/28/2017 5:00 PM

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.

CONTACT: Shannon Ball
503-945-7938
rulescoordinator.dor@oregon.gov

955 Center St NE
Salem, OR 97301

Filed By:
Shannon Ball
Rules Coordinator

HEARING(S)

Auxiliary aids for persons with disabilities are available upon advance request. Notify the contact listed above.

DATE: 11/28/2017

TIME: 9:00 AM - 11:00 AM

OFFICER: Staff

ADDRESS: Oregon Department of
Revenue

955 Center St NE
Salem, OR 97301

NEED FOR THE RULE(S):

150-475-2030 – Remove the requirement for the department to issue a business identification number to each marijuana retailer. Instead, require marijuana retailers to use department assigned identification number or Oregon Liquor Control commission number.

150-475-2100 – To codify the tax categorization of various products sold by marijuana retailers.

DOCUMENTS RELIED UPON, AND WHERE THEY ARE AVAILABLE:

ORS 475B: https://www.oregonlegislature.gov/bills_laws/ors/ors475B.html

OLCC categorization guide: <http://www.oregon.gov/olcc/marijuana/Documents/CTS/TaxCategorizationGuide.pdf>

FISCAL AND ECONOMIC IMPACT:

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

COST OF COMPLIANCE:

(1) Identify any state agencies, units of local government, and members of the public likely to be economically affected by the

rule(s). (2) Effect on Small Businesses: (a) Estimate the number and type of small businesses subject to the rule(s); (b) Describe the expected reporting, recordkeeping and administrative activities and cost required to comply with the rule(s); (c) Estimate the cost of professional services, equipment supplies, labor and increased administration required to comply with the rule(s).

(1) There is no impact to state agencies and a de minimis impact to units of local government and the public. The rule changes are intended to be clarifying or interpretive in nature and do not affect the cost to comply.

(2)(a) Approximately 500 marijuana businesses will be subject to the proposed rules.

(2)(b) 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, recordkeeping, or other administrative costs.

(2)(c) No equipment, supplies, labor, or increased administration is required for compliance with these rules.

DESCRIBE HOW SMALL BUSINESSES WERE INVOLVED IN THE DEVELOPMENT OF THESE RULE(S):

The department contacted industry representatives through its marijuana tax list serve; which includes small marijuana businesses, to obtain their input into how these rules will impact them. No comments were received.

WAS AN ADMINISTRATIVE RULE ADVISORY COMMITTEE CONSULTED? NO IF NOT, WHY NOT?

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 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 rules; therefore, a committee is unlikely to provide further benefit.

OFFICE OF THE SECRETARY OF STATE
DENNIS RICHARDSON
SECRETARY OF STATE

LESLIE CUMMINGS
DEPUTY SECRETARY OF STATE



ARCHIVES DIVISION
MARY BETH HERKERT
DIRECTOR

800 SUMMER STREET NE
SALEM, OR 97310
503-373-0701

NOTICE OF PROPOSED RULEMAKING
INCLUDING STATEMENT OF NEED & FISCAL IMPACT

CHAPTER 150
DEPARTMENT OF REVENUE

FILED

10/19/2017 9:30 AM
ARCHIVES DIVISION
SECRETARY OF STATE

FILING CAPTION: Personal Tax: Repeal Elderly Rental Assistance (ERA) program rules; amend rules that reference ERA.

LAST DAY AND TIME TO OFFER COMMENT TO AGENCY: 11/28/2017 5:00 PM

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.

CONTACT: Shannon Ball
503-945-7938
rulescoordinator.dor@oregon.gov

955 Center St NE
Salem, OR 97301

Filed By:
Shannon Ball
Rules Coordinator

HEARING(S)

Auxiliary aids for persons with disabilities are available upon advance request. Notify the contact listed above.

DATE: 11/28/2017

TIME: 9:00 AM - 11:00 AM

OFFICER: Staff

ADDRESS: Oregon Department of
Revenue

955 Center St NE

Salem, OR 97301

NEED FOR THE RULE(S):

150-305-0274 - Remove statutory references and examples related to the Elderly Rental Assistance program that was repealed during the 2015 Legislative Session (SB 296).

150-305-0302 - Remove the reference to the homeowners and renters property tax relief program and statutes and rules that have been repealed. Replace state inheritance tax with estate tax. Delete repealed emergency contracts reference.

150-305-0304 - Remove the reference to the Elderly Rental Assistance program that was repealed during the 2015 Legislative Session (SB 296). Replace state inheritance tax with estate tax.

150-308-0470 - Remove statute references to the Elderly Rental Assistance program that was repealed during the 2015 Legislative Session (SB 296). Make grammatical changes.

150-310-0500 - Elderly Rental Assistance (ERA) statutes were repealed during the 2015 Legislative Session (SB 296).
Repeal the related ERA rule.

150-310-0510 - Elderly Rental Assistance (ERA) statutes were repealed during the 2015 Legislative Session (SB 296).
Repeal the related ERA rule.

150-310-0520 - Elderly Rental Assistance (ERA) statutes were repealed during the 2015 Legislative Session (SB 296).
Repeal the related ERA rule.

150-310-0530 - Elderly Rental Assistance (ERA) statutes were repealed during the 2015 Legislative Session (SB 296).
Repeal the related ERA rule.

150-310-0540 - Elderly Rental Assistance (ERA) statutes were repealed during the 2015 Legislative Session (SB 296).
Repeal the related ERA rule.

150-310-0550 - Elderly Rental Assistance (ERA) statutes were repealed during the 2015 Legislative Session (SB 296).
Repeal the related ERA rule.

150-310-0560 - Elderly Rental Assistance (ERA) statutes were repealed during the 2015 Legislative Session (SB 296).
Repeal the related ERA rule.

150-310-0570 - Elderly Rental Assistance (ERA) statutes were repealed during the 2015 Legislative Session (SB 296).
Repeal the related ERA rule.

150-310-0580 - Elderly Rental Assistance (ERA) statutes were repealed during the 2015 Legislative Session (SB 296).
Repeal the related ERA rule.

150-310-0590 - Elderly Rental Assistance (ERA) statutes were repealed during the 2015 Legislative Session (SB 296).
Repeal the related ERA rule.

150-310-0600 - Elderly Rental Assistance (ERA) statutes were repealed during the 2015 Legislative Session (SB 296).
Repeal the related ERA rule.

150-310-0610 - Elderly Rental Assistance (ERA) statutes were repealed during the 2015 Legislative Session (SB 296).
Repeal the related ERA rule.

150-314-0246 - Remove reference to the Elderly Rental Assistance statutes that were repealed during the 2015 Legislative Session (SB 296). Also remove examples to the Homeowner and Renters Refund program that were repealed and remove other obsolete information.

150-316-0225 - Remove references to the Elderly Rental Assistance (ERA) statutes that were repealed during the 2015 Legislative Session (SB 296) and grammatical and miscellaneous formatting clarifications.

DOCUMENTS RELIED UPON, AND WHERE THEY ARE AVAILABLE:

ORS available on line at <https://www.oregonlegislature.gov/>

FISCAL AND ECONOMIC IMPACT:

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

COST OF COMPLIANCE:

(1) Identify any state agencies, units of local government, and members of the public likely to be economically affected by the rule(s). (2) Effect on Small Businesses: (a) Estimate the number and type of small businesses subject to the rule(s); (b) Describe the expected reporting, recordkeeping and administrative activities and cost required to comply with the rule(s); (c) Estimate the cost of professional services, equipment supplies, labor and increased administration required to comply with the rule(s).

(1) 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)(a) The Elderly Rental Assistance program provided cash assistance for certain low-income elderly Oregonians (age 58 or older with \$10,000 or less of household income). The changes and repeal of the rules will have no impact to small businesses.

(2)(b) 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.

(2)(c) No equipment, supplies, labor, or increased administration is known to comply with these rule changes.

DESCRIBE HOW SMALL BUSINESSES WERE INVOLVED IN THE DEVELOPMENT OF THESE RULE(S):

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 the rules will impact their clients, however the changes and repeal of the rules above have no impact to small businesses.

WAS AN ADMINISTRATIVE RULE ADVISORY COMMITTEE CONSULTED? NO IF NOT, WHY NOT?

The Department of Revenue did not use a formal Advisory Committee for these rules, however we did seek and receive input from industry representatives 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.

OFFICE OF THE SECRETARY OF STATE
DENNIS RICHARDSON
SECRETARY OF STATE

LESLIE CUMMINGS
DEPUTY SECRETARY OF STATE



ARCHIVES DIVISION
MARY BETH HERKERT
DIRECTOR

800 SUMMER STREET NE
SALEM, OR 97310
503-373-0701

NOTICE OF PROPOSED RULEMAKING
INCLUDING STATEMENT OF NEED & FISCAL IMPACT

CHAPTER 150
DEPARTMENT OF REVENUE

FILED

10/19/2017 7:14 AM
ARCHIVES DIVISION
SECRETARY OF STATE

FILING CAPTION: Public Records Requests; Personal Tax: Amend rules related to interest rates and refunds.

LAST DAY AND TIME TO OFFER COMMENT TO AGENCY: 11/28/2017 5:00 PM

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.

CONTACT: Shannon Ball
503-945-7938
rulescoordinator.dor@oregon.gov

955 Center St NE
Salem, OR 97301

Filed By:
Shannon Ball
Rules Coordinator

HEARING(S)

Auxiliary aids for persons with disabilities are available upon advance request. Notify the contact listed above.

DATE: 11/28/2017

TIME: 9:00 AM - 11:00 AM

OFFICER: Staff

ADDRESS: Oregon Department of
Revenue

955 Center St NE
Salem, OR 97301

NEED FOR THE RULE(S):

150-192-0400 - Changes the request process for public record requests to not require a signature and changes the language to make it clearer where the per-page fee applies.

150-293-0020 - To add a section in the rule clarifying that overpayment of money received for miscellaneous purposes of less than \$5 will not be refunded unless a written request is received. An offset to delinquent accounts will occur before the written request is refunded.

150-305-0140 - Update language to reflect the 2017 legislation (SB 33) which changed the calculation of interest on tax deficiencies owing on or after January 1, 2018 to be calculated on a daily basis based on an annual rate.

150-305-0142 - Update language to reflect 2017 legislation (SB 33) which changed the calculation of interest on refunds owing on or after January 1, 2018 to be calculated on a daily basis based on an annual rate.

150-305-0150 - The 2017 Legislative Session (SB 33) changed the calculation of interest on tax deficiencies and refunds owing on or after January 1, 2018 to be calculated on a daily basis based on an annual rate. Amendments also made to clarify interest paid on Oregon Tax Court Magistrate Division Final Decisions.

150-314-0244 - ORS 314.415 only addresses tax overpayments; therefore, the provision for non-tax related overpayments is moved to OAR 150-293-0020.

150-316-0480 - Conform to changes made during the 2017 Legislative Session (HB 2283) to include the date of the payment as a possible application date for prior year overpayments (refunds).

DOCUMENTS RELIED UPON, AND WHERE THEY ARE AVAILABLE:

ORS available on line: <https://www.oregonlegislature.gov/>

FISCAL AND ECONOMIC IMPACT:

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

COST OF COMPLIANCE:

(1) Identify any state agencies, units of local government, and members of the public likely to be economically affected by the rule(s). (2) Effect on Small Businesses: (a) Estimate the number and type of small businesses subject to the rule(s); (b) Describe the expected reporting, recordkeeping and administrative activities and cost required to comply with the rule(s); (c) Estimate the cost of professional services, equipment supplies, labor and increased administration required to comply with the rule(s).

(1) 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)(a) Oregon has approximately 120,500 small businesses with fewer than 250 employees* that employ 64%** of the state's workforce. Oregon has approximately 99,300 small businesses with fewer than 100 employees***. Based on this information, we estimate Oregon has approximately 97,000 small businesses with fewer than 50 employees who are subject to these rules.

(2)(b) 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.

(2)(c) No equipment, supplies, labor, or increased administration is known for compliance of the rules.

* Oregon Employment Department https://www.qualityinfo.org/-/most-oregon-employers-have-fewer-than-10-employees?utm_campaign=November2016&utm_medium=email&utm_source=newsletter&utm_content=Oregon%20Statewide

** (1,515,708-405,702-138,712)/1,515,708

*** Oregon Employment Department <https://www.qualityinfo.org/documents/10182/79531/111616%20-%20Businesses%20by%20Size%20of%20Firm%2050%20or%20Fewer%20Employees>

DESCRIBE HOW SMALL BUSINESSES WERE INVOLVED IN THE DEVELOPMENT OF THESE RULE(S):

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 the rules will impact their clients some of whom are small businesses.

WAS AN ADMINISTRATIVE RULE ADVISORY COMMITTEE CONSULTED? NO IF NOT, WHY NOT?

The Department of Revenue did not use a formal Advisory Committee for these rules, however we did seek and receive input from industry representatives 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 rules; therefore a committee is unlikely to provide further benefit.

OFFICE OF THE SECRETARY OF STATE
DENNIS RICHARDSON
SECRETARY OF STATE

LESLIE CUMMINGS
DEPUTY SECRETARY OF STATE



ARCHIVES DIVISION
MARY BETH HERKERT
DIRECTOR

800 SUMMER STREET NE
SALEM, OR 97310
503-373-0701

NOTICE OF PROPOSED RULEMAKING
INCLUDING STATEMENT OF NEED & FISCAL IMPACT

CHAPTER 150
DEPARTMENT OF REVENUE

FILED

10/23/2017 9:42 AM
ARCHIVES DIVISION
SECRETARY OF STATE

FILING CAPTION: Personal Tax: Tax Calculation; Credits; and Capital Losses

LAST DAY AND TIME TO OFFER COMMENT TO AGENCY: 11/28/2017 5:00 PM

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.

CONTACT: Shannon Ball
503-945-7938
rulescoordinator.dor@oregon.gov

955 Center St NE
Salem, OR 97301

Filed By:
Shannon Ball
Rules Coordinator

HEARING(S)

Auxiliary aids for persons with disabilities are available upon advance request. Notify the contact listed above.

DATE: 11/28/2017

TIME: 9:00 AM - 11:00 AM

OFFICER: Staff

ADDRESS: Oregon Department of
Revenue

955 Center St NE
Salem, OR 97301

NEED FOR THE RULE(S):

150-314-0105 - Add sections 2 through 5 which were inadvertently removed during the 2015 rule amendment.

150-314-0505 - The 2017 Legislative Session (SB 162) removed the department's rule-writing authority to prescribe which credits are available to shareholders of an S corporation.

150-315-0030 - Repeal rule due to the sunset of the riparian land credit on December 31, 2011.

150-315-0090 - Repeal the rule due to the sunset of the dependent care facility credit on December 31, 2011.

150-315-0121 - To implement changes made to ORS 315.264 by SB 162 (2017).

150-315-0160 - The credit allowed for contributions to the Renewable Energy Development Fund will sunset on

December 31, 2017, and all credit auctions completed.

150-316-0006 - Create a rule to clarify the deductibility of non-Oregon source capital losses and carryforwards on the Oregon tax return.

DOCUMENTS RELIED UPON, AND WHERE THEY ARE AVAILABLE:

ORS available on line: <https://www.oregonlegislature.gov/>

FISCAL AND ECONOMIC IMPACT:

For the Capital Loss and Carryforward rule (OAR 150-316-0006), the fiscal impact is de minimis; however, there may be an economic impact for some taxpayers that is more than de minimis. The rule clarifies the proper treatment of capital loss deductions based on residency and source. Resident taxpayers who incurred the capital loss when they were a non-resident from non-Oregon sources will no longer be able to take a capital loss carryover deduction attributable to that loss after the effective date of the rule. The economic impact on taxpayers can't be quantified since we are not able to determine how many taxpayers fall under this situation until the tax return has been filed without the capital loss deduction.

For all the other rules listed above, there is no fiscal or economic impact as the statutes implemented or repealed are what cause the impact.

COST OF COMPLIANCE:

(1) Identify any state agencies, units of local government, and members of the public likely to be economically affected by the rule(s). (2) Effect on Small Businesses: (a) Estimate the number and type of small businesses subject to the rule(s); (b) Describe the expected reporting, recordkeeping and administrative activities and cost required to comply with the rule(s); (c) Estimate the cost of professional services, equipment supplies, labor and increased administration required to comply with the rule(s).

(1) For all of the rules listed above, there may be a de minimis impact on state agencies, local government and the public. These changes tend to be clarifying or interpretive in nature resulting in a de minimis cost to comply.

(2)(a) Oregon has approximately 120,500 small businesses with fewer than 250 employees* that employ 64%** of the state's workforce. Oregon has approximately 99,300 small businesses with fewer than 100 employees. Based on this information, we estimate Oregon has approximately 97,000 small businesses with fewer than 50 employees who are subject to the rules***.

(2)(b) For OAR 150-316-0006, there may be de minimus cost relating to recordkeeping of an Oregon modification, but as explained above we are not able to quantify the number of small businesses affected.

For all of the other rules listed above, there may be a de minimis impact on small businesses with respect to projected reporting, recordkeeping or other administrative activities or costs.

(2)(c) No equipment, supplies, labor, or increased administration has been identified for compliance of these rules.

* Oregon Employment Department <https://www.qualityinfo.org/-/most-oregon-employers-have-fewer-than-10->

employees?utm_campaign=November2016&utm_medium=email&utm_source=newsletter&utm_content=Oregon%20Statewide

** (1,515,708-405,702-138,712)/1,515,708

*** Oregon Employment Department <https://www.qualityinfo.org/documents/10182/79531/111616%20-%20Businesses%20by%20Size%20of%20Firm%2050%20or%20Fewer%20Employees>

DESCRIBE HOW SMALL BUSINESSES WERE INVOLVED IN THE DEVELOPMENT OF THESE RULE(S):

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 the rules will impact their clients some of whom are small businesses.

WAS AN ADMINISTRATIVE RULE ADVISORY COMMITTEE CONSULTED? NO IF NOT, WHY NOT?

The Department of Revenue did not use a formal Advisory Committee for these rules, however we did seek and receive input from industry representatives 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.

OFFICE OF THE SECRETARY OF STATE
DENNIS RICHARDSON
SECRETARY OF STATE

LESLIE CUMMINGS
DEPUTY SECRETARY OF STATE



ARCHIVES DIVISION
MARY BETH HERKERT
DIRECTOR

800 SUMMER STREET NE
SALEM, OR 97310
503-373-0701

NOTICE OF PROPOSED RULEMAKING
INCLUDING STATEMENT OF NEED & FISCAL IMPACT

CHAPTER 150
DEPARTMENT OF REVENUE

FILED

10/23/2017 9:37 AM
ARCHIVES DIVISION
SECRETARY OF STATE

FILING CAPTION: Exclusive Farm Use, Appraiser Education, Timber Returns, Leased Property, Special Assessment, Gas/Oil, Assessment Review

LAST DAY AND TIME TO OFFER COMMENT TO AGENCY: 11/28/2017 5:00 PM

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.

CONTACT: Shannon Ball
503-945-7938
rulescoordinator.dor@oregon.gov

955 Center St NE
Salem, OR 97301

Filed By:
Shannon Ball
Rules Coordinator

HEARING(S)

Auxiliary aids for persons with disabilities are available upon advance request. Notify the contact listed above.

DATE: 11/28/2017

TIME: 9:00 AM - 11:00 AM

OFFICER: Staff

ADDRESS: Oregon Department of
Revenue

955 Center St NE
Salem, OR 97301

NEED FOR THE RULE(S):

150-294-0100: Remove outdated references to ORS 308.027 and OAR 150-208.027(10) that were repealed in 2003.

150-307-0060: 2017 Legislative Session (HB 3453) removed the language in ORS 307.112 that required "below market rent" for property leased from an exempt entity to an exempt entity. Amend the rule to be consistent with the new law.

150-307-0200: 2017 Legislative Session (HB 3453) removed language in ORS 307.112 that required "below market rent" for property leased from an exempt entity by an exempt entity. Amend the rule to be consistent with the new law.

150-307-0720: Update the agency responsible for certification. The word "valorem" is misspelled in section (1)(b) and remove the words "of the year" from section (2).

150-308-0010: Reflect changes to the administration of the Appraiser Continuing Education Program made during the

2017 Legislative Session (HB 2279). Changes include: move registration and testing of appraisers to the Department of Revenue (department), eliminate designation of property appraiser I, II, and III, and remove the term "employment" from the definition of a registered appraiser. Additionally, the department will remove certain waiver conditions and requirements, and modify the award of technical credits.

150-308-1010: Clarify rule does not apply to exclusive farm use zones and change the processing facility language to read "processing facilities described by".

150-308-1500: To clarify the method and year to begin the calculation of the potential additional tax for the disqualification of special assessment in ORS 308A.703.

150-321-0040: Repeal rule because it repeats language already contained in statute.

150-321-0320: Change rule title to better define to which type of common ownership this rule applies.

150-321-0530: Remove section (2) allowing owners to file returns using "their own form" or magnetic tape and allow for the use of Revenue Online (ROL) to file returns. Make other grammatical corrections.

150-321-0730: Change rule title to better define to which type of common ownership this rule applies.

150-321-0740: Repeal rule because it repeats language already contained in statute.

150-321-0780: Change rule title to better define to which type of common ownership this rule applies.

150-324-0035: Make clarifying changes to determine who may claim the tax credit and other grammatical corrections.

150-324-0300: This rule is being repealed because ORS 324.340 (Note), which it implements, was repealed.

DOCUMENTS RELIED UPON, AND WHERE THEY ARE AVAILABLE:

Wehde v. Dept. of Revenue, 21 OTR 506 (2014);

Simmons v. Dept. of Revenue, 19 OTR 413 (2008); and

2017 legislation (HB 3453 and HB 2279): <https://olis.leg.state.or.us/liz/2017R1/2017-01-09>

FISCAL AND ECONOMIC IMPACT:

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

COST OF COMPLIANCE:

(1) Identify any state agencies, units of local government, and members of the public likely to be economically affected by the rule(s). (2) Effect on Small Businesses: (a) Estimate the number and type of small businesses subject to the rule(s); (b) Describe the expected reporting, recordkeeping and administrative activities and cost required to comply with the rule(s); (c) Estimate the cost of professional services, equipment supplies, labor and increased administration required to comply with the rule(s).

(1) 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)(a) Oregon has approximately 120,500 small businesses with fewer than 250 employees* that employ 64%** of the state's workforce. Oregon has approximately 99,300 small businesses with fewer than 100 employees. Based on this information, we estimate Oregon has approximately 97,000 number of small businesses with fewer than 50 employees who are subject to the 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.

In 2016, there were approximately 104,000 property tax accounts zoned as exclusive farm use (EFU) and the property owner could be a small business. We recognize that these are estimates and not all accounts represent a small business. The rule changes may affect the assessment of each property.

(2)(b) 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.

(2)(c) No equipment, supplies, labor, or increased administration has been identified for compliance of these rules.

* Oregon Employment Department: https://www.qualityinfo.org/-/most-oregon-employers-have-fewer-than-10-employees?utm_campaign=November2016&utm_medium=email&utm_source=newsletter&utm_content=Oregon%20Statewide

** (1,515,708-405,702-138,712)/1,515,708

*** Oregon Employment Department: <https://www.qualityinfo.org/documents/10182/79531/111616%20-%20Businesses%20by%20Size%20of%20Firm%2050%20or%20Fewer%20Employees>

DESCRIBE HOW SMALL BUSINESSES WERE INVOLVED IN THE DEVELOPMENT OF THESE RULE(S):

We communicated and worked with small business liaison groups such as the Oregon State Bar Tax Section, Oregon State Association of County Assessors, and the Nonprofits Association of Oregon to obtain their input into how the rules will affect 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, Oregon public universities, Oregon tribes, Building Owners and Managers Association, fraternal organizations (Elks, Eagles, Kiwanis, etc.), the Oregon Farm Bureau, Small Woodlands Association, Oregon Forest and Industries Council, and Business Oregon for their input into

how the rules would affect the small businesses community.

WAS AN ADMINISTRATIVE RULE ADVISORY COMMITTEE CONSULTED? NO IF NOT, WHY NOT?

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 rules; therefore a committee is unlikely to provide further benefit.

OFFICE OF THE SECRETARY OF STATE
DENNIS RICHARDSON
SECRETARY OF STATE

LESLIE CUMMINGS
DEPUTY SECRETARY OF STATE



ARCHIVES DIVISION
MARY BETH HERKERT
DIRECTOR

800 SUMMER STREET NE
SALEM, OR 97310
503-373-0701

NOTICE OF PROPOSED RULEMAKING
INCLUDING STATEMENT OF NEED & FISCAL IMPACT

CHAPTER 150
DEPARTMENT OF REVENUE

FILED
10/16/2017 10:20 AM
ARCHIVES DIVISION
SECRETARY OF STATE

FILING CAPTION: Telephone Excise Tax – Definitions and Administrative Provisions

LAST DAY AND TIME TO OFFER COMMENT TO AGENCY: 11/28/2017 5:00 PM

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.

CONTACT: Shannon Ball
503-945-7938
rulescoordinator.dor@oregon.gov

955 Center St NE
Salem, OR 97301

Filed By:
Shannon Ball
Rules Coordinator

HEARING(S)

Auxiliary aids for persons with disabilities are available upon advance request. Notify the contact listed above.

DATE: 11/28/2017

TIME: 9:00 AM - 11:00 AM

OFFICER: Staff

ADDRESS: Oregon Department of
Revenue

955 Center St NE
Salem, OR 97301

NEED FOR THE RULE(S):

OAR 150-403-0010 - Provides guidance for taxpayers to correctly classify services as either "prepaid wireless telecommunications services" or subscription-based services.

DOCUMENTS RELIED UPON, AND WHERE THEY ARE AVAILABLE:

ORS available online: <https://www.oregonlegislature.gov/>

FISCAL AND ECONOMIC IMPACT:

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

COST OF COMPLIANCE:

(1) Identify any state agencies, units of local government, and members of the public likely to be economically affected by the rule(s). (2) Effect on Small Businesses: (a) Estimate the number and type of small businesses subject to the rule(s); (b) Describe the expected reporting, recordkeeping and administrative activities and cost required to comply with the rule(s); (c) Estimate the cost of professional services, equipment supplies, labor and increased administration required to comply with the rule(s).

(1) There is no impact to state agencies, units of local government, or the public. The rule changes are intended to be clarifying or interpretive in nature and do not affect the cost to comply.

(2)(a) Emergency Communications taxpayers include local, regional, national, and international telecommunications service providers and retail sellers. Roughly 320 entities regularly file and pay the state emergency communications tax (approximately 170 service providers and 150 retail sellers)*. Small businesses make up roughly 98% of Oregon businesses**. Based on this information, we estimate that there are approximately 315 businesses with fewer than 50 employees who are subject to these rules.

(2)(b) Telecommunication service providers could potentially incur one-time costs to update accounting and reporting systems as a result of the changes being proposed to provisions of the rule concerning partial payments and the treatment of taxpayers refusing to pay the tax. However, we believe that the impact of these changes, if any, will be de minimis. We are not aware of any service providers whose tax accounting or reporting methods are based on the provisions we are proposing be removed.

(2)(c) No equipment, supplies, labor, or increased administration is known for compliance with this rule.

* 2017 Oregon Department of Revenue, Emergency Communications (9-1-1) Tax: Implementation of HB 4055 (2014 Regular Session); available at: <http://www.oregon.gov/DOR/about/Documents/2017%20DOR%20HB%204055%20E-911.pdf>

** Oregon Secretary of State, Office of Small Business Assistance: Fostering Collaboration for Better Business; available at: <http://sos.oregon.gov/business/Pages/office-small-business-assistance.aspx>.

DESCRIBE HOW SMALL BUSINESSES WERE INVOLVED IN THE DEVELOPMENT OF THESE RULE(S):

We communicated with small business liaison groups such as the Oregon State Bar Tax Section, the Oregon Society of Tax Consultants, and the Oregon Association of Tax Consultants, as well as several tax preparation companies known to work with businesses in the telecommunications industry to obtain their input into how this rule will impact their clients, some of whom are small businesses.

WAS AN ADMINISTRATIVE RULE ADVISORY COMMITTEE CONSULTED? NO IF NOT, WHY NOT?

The Oregon Department of Revenue did not use a formal Advisory Committee for this rule. 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 this proposed rule. Therefore a committee is unlikely to provide further benefit.

OFFICE OF THE SECRETARY OF STATE
DENNIS RICHARDSON
SECRETARY OF STATE

LESLIE CUMMINGS
DEPUTY SECRETARY OF STATE



ARCHIVES DIVISION
MARY BETH HERKERT
DIRECTOR

800 SUMMER STREET NE
SALEM, OR 97310
503-373-0701

NOTICE OF PROPOSED RULEMAKING
INCLUDING STATEMENT OF NEED & FISCAL IMPACT

CHAPTER 150
DEPARTMENT OF REVENUE

FILED

10/19/2017 7:20 AM
ARCHIVES DIVISION
SECRETARY OF STATE

FILING CAPTION: Implementation of Statewide Transit Tax program under Oregon Laws 2017, chapter 750, section 122a

LAST DAY AND TIME TO OFFER COMMENT TO AGENCY: 11/28/2017 5:00 PM

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.

CONTACT: Shannon Ball
503-945-7938
rulescoordinator.dor@oregon.gov

955 Center St NE
Salem, OR 97301

Filed By:
Shannon Ball
Rules Coordinator

HEARING(S)

Auxiliary aids for persons with disabilities are available upon advance request. Notify the contact listed above.

DATE: 11/28/2017

TIME: 9:00 AM - 11:00 AM

OFFICER: Staff

ADDRESS: Oregon Department of
Revenue

955 Center St NE

Salem, OR 97301

NEED FOR THE RULE(S):

150-305-0068 – Implementing 2017 legislation (HB 2017) to clarify that statewide transit tax is as a closely related program to either income tax withholding or transit payroll tax for purposes of considering a waiver of penalty.

150-305-0208 – Implementing 2017 legislation (HB 2017) to include statewide transit tax in situations where the department must use other information to determine tax liability if an employer fails to file a statewide transit tax report. Make grammatical changes.

150-305-0480 – Implementing 2017 legislation (HB 2017), clarifying that the 100% failure-to-file penalty for three consecutive years applies to statewide transit tax reports. Make grammatical corrections, update examples, and remove repealed statutes.

150-316-0235 – Implementing 2017 legislation (HB 2017), establishing basis for withholding of statewide transit tax in the same manner as income tax withholding.

150-316-0243 – Implementing 2017 legislation (HB 2017) clarifying that an officer, member, or employee of an employer can be held responsible for unpaid statewide transit tax.

150-316-0250 – Implement 2017 legislation (HB 2017) to clarify that an employer must post a bond or irrevocable letter of credit with the department if an employer becomes delinquent for payment of statewide transit tax. Make grammatical changes.

150-316-0305 – Implementing 2017 legislation (HB 2017) to clarify a payer must withhold and remit statewide transit tax from any periodic payment made under ORS 316.189 to the department. Also, provide statewide transit tax exemption for nonresidents who receive retirement income from an Oregon source and make grammatical changes.

150-316-0307 – Clarify the rule only applies to withholding of income taxes for IRAs, annuities, and deferred compensation plans for purposes of being consistent with IRC section 3405.

150-316-0355 – Implementing 2017 legislation (HB 2017), clarifying employer registration for use in filing reports and remitting payments for the statewide transit tax and make grammatical changes.

150-316-0359 – Implementing 2017 legislation (HB 2017), clarifying the filing of a statewide transit tax annual reconciliation report to the department. The annual report must be filed electronically unless the employer can show undue hardship.

150-316-0361 – Implementing 2017 legislation (HB 2017), requiring an agricultural employer to file a Statewide Transit Tax Report on an annual basis regardless of subjectivity to any other tax program.

150-316-0370 – Implementing 2017 legislation (HB 2017), clarifying that an employer is to hold in trust any amount of statewide transit tax withheld from employee wages and to assume custodial liability for amount to be paid to the department. Also clarify that any resulting entity of a statutory merger or consolidation is regarded as the same employer as the absorbed entity and the department may issue a warrant against any officer, member, or employee to enforce collection of delinquent statewide transit taxes.

150-316-0372 – Implementing 2017 legislation (HB 2017), establishing a joint conference if one or more persons appeals an assessment of unpaid statewide transit taxes.

150-316-0380 – Implementing 2017 legislation (HB 2017), clarify that penalties, misdemeanors, and jeopardy assessments apply to statewide transit tax and reports.

150-316-0700 – Implementing 2017 legislation (HB 2017), provide due dates for filing a statewide transit tax report and paying statewide transit tax to the department. Also, the statewide transit tax report and any associated schedules must be filed electronically with the department.

150-316-0710 – Implementing 2017 legislation (HB 2017), criteria for assessing employer penalty for knowingly failing to deduct and withhold statewide transit tax. Penalties assessed are not eligible for discretionary waiver consideration.

DOCUMENTS RELIED UPON, AND WHERE THEY ARE AVAILABLE:

2017 Oregon legislation (HB 2017): <https://olis.leg.state.or.us/liz/2017R1/2017-01-09>

ORS available online: <https://www.oregonlegislature.gov/>

FISCAL AND ECONOMIC IMPACT:

Employers and payers subject to the statewide transit tax will be required to file quarterly returns (agricultural employers will file an annual return) and an annual reconciliation return. The fiscal and economic impact will vary depending on the size of the organization.

COST OF COMPLIANCE:

(1) Identify any state agencies, units of local government, and members of the public likely to be economically affected by the rule(s). (2) Effect on Small Businesses: (a) Estimate the number and type of small businesses subject to the rule(s); (b) Describe the expected reporting, recordkeeping and administrative activities and cost required to comply with the rule(s); (c) Estimate the cost of professional services, equipment supplies, labor and increased administration required to comply with the rule(s).

(1) Oregon Laws 2017, chapter 750, section 122a(5) provides broad authority for the department to determine the time and manner in which statewide transit tax returns are to be filed. Employers and payers subject to the statewide transit tax will be required to file quarterly returns (agricultural employers will file an annual return) and an annual reconciliation return under OAR 150-316-0700 and 150-316-0359. Costs on state agencies, units of local government, and the public may vary depending on the size of the organization.

(2)(a) Oregon has approximately 120,500 small businesses with fewer than 250 employees* that employ 64%** of the state's workforce. Oregon has approximately 99,300 small businesses with fewer than 100 employees***. Based on this information, we estimate Oregon has approximately 97,000 small businesses with fewer than 50 employees who are subject to these rules.

(2)(b) Oregon Laws 2017, chapter 750, section 122a(5) provides broad authority for the department to determine the time and manner in which statewide transit tax returns are to be filed. Employers and payers subject to the statewide transit tax will be required to file quarterly returns (agricultural employers will file an annual return) and an annual reconciliation return under OAR 150-316-0700 and 150-316-0359. Costs for professional services will vary depending on the size of the business and number of employees.

(2)(c) No equipment, supplies, labor, or increased administration are known for the compliance of these rules.

* Oregon Employment Department: <https://www.qualityinfo.org/-/most-oregon-employers-have-fewer-than-10->

employees?utm_campaign=November2016&utm_medium=email&utm_source=newsletter&utm_content=Oregon%20Statewide

** (1,515,708-405,702-138,712)/1,515,708

*** Oregon Employment Department: <https://www.qualityinfo.org/documents/10182/79531/111616%20-%20Businesses%20by%20Size%20of%20Firm%2050%20or%20Fewer%20Employees>

DESCRIBE HOW SMALL BUSINESSES WERE INVOLVED IN THE DEVELOPMENT OF THESE RULE(S):

We communicated 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. We also reached out to the Oregon Farm Bureau for their input into how the rules would affect their small businesses clients.

WAS AN ADMINISTRATIVE RULE ADVISORY COMMITTEE CONSULTED? NO IF NOT, WHY NOT?

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 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 rules; therefore, a committee is unlikely to provide further benefit.

OFFICE OF THE SECRETARY OF STATE
DENNIS RICHARDSON
SECRETARY OF STATE

LESLIE CUMMINGS
DEPUTY SECRETARY OF STATE



ARCHIVES DIVISION
MARY BETH HERKERT
DIRECTOR

800 SUMMER STREET NE
SALEM, OR 97310
503-373-0701

NOTICE OF PROPOSED RULEMAKING
INCLUDING STATEMENT OF NEED & FISCAL IMPACT

CHAPTER 150
DEPARTMENT OF REVENUE

FILED

10/16/2017 9:53 AM
ARCHIVES DIVISION
SECRETARY OF STATE

FILING CAPTION: Conditions under which penalty for late filing and late payment will not be imposed.

LAST DAY AND TIME TO OFFER COMMENT TO AGENCY: 11/28/2017 5:00 PM

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.

CONTACT: Shannon Ball
503-945-7938
rulescoordinator.dor@oregon.gov

955 Center St NE
Salem ,OR 97301

Filed By:
Shannon Ball
Rules Coordinator

HEARING(S)

Auxiliary aids for persons with disabilities are available upon advance request. Notify the contact listed above.

DATE: 11/28/2017

TIME: 9:00 AM - 11:00 AM

OFFICER: Staff

ADDRESS: Oregon Department of
Revenue
955 Center St NE
Salem, OR 97301

NEED FOR THE RULE(S):

150-305-0165: Clarify a penalty is not imposed when, by agreement, a state agency assists the department with collection of tax and that agency lacks capability to calculate and account for penalty.

DOCUMENTS RELIED UPON, AND WHERE THEY ARE AVAILABLE:

ORS 305.229 is available online or from the agency.

FISCAL AND ECONOMIC IMPACT:

The Oregon Department of Revenue (DOR) estimates an overall positive fiscal impact as a result of this rule, as Oregon Department of Motor Vehicles (DMV) and DOR work to implement collection of the recently adopted car use tax in HB 2017 (2017). DOR estimates that the range of penalty foregone attributable to that tax would be between \$8,400 and \$33,600 per year (depending on how late the return is). If DMV were to refer all late-filed use tax returns to DOR for processing, the cost would exceed \$300,000 in the first year. If the penalty were imposed, taxpayers could request a one-time penalty waiver that would be manually processed by agency staff. The estimated cost to process waivers for the same number of penalties included in the first estimate would be \$267,048 per year, in addition to the cost to process returns and bill for penalty and interest. Accordingly, the rule is estimated to have an overall positive fiscal impact by saving DMV and DOR from incurring processing costs, which will exceed the estimated penalty that would be

collected before DMV can implement a new system to collect the penalty.

COST OF COMPLIANCE:

(1) Identify any state agencies, units of local government, and members of the public likely to be economically affected by the rule(s). (2) Effect on Small Businesses: (a) Estimate the number and type of small businesses subject to the rule(s); (b) Describe the expected reporting, recordkeeping and administrative activities and cost required to comply with the rule(s); (c) Estimate the cost of professional services, equipment supplies, labor and increased administration required to comply with the rule(s).

(1) There is no impact to state agencies, the counties, and the public. The rule specifies when penalty that would otherwise be imposed for late filing or late payment, is not imposed. There is no cost to comply with the rule.

(2)(a) Oregon has approximately 120,500 small businesses with fewer than 250 employees* that employ 64%** of the state's workforce. Oregon has approximately 99,300 small businesses with fewer than 100 employees***. Based on this information, we estimate Oregon has approximately 97,000 small businesses with fewer than 50 employees who are subject to this rule***.

(2)(b) No additional costs for reporting, recordkeeping, or other administrative activities.

(2)(c) No additional costs for equipment, supplies, labor or increased administration for compliance of this rule.

* Oregon Employment Department: https://www.qualityinfo.org/-/most-oregon-employers-have-fewer-than-10-employees?utm_campaign=November2016&utm_medium=email&utm_source=newsletter&utm_content=Oregon%20Statewide

** (1,515,708-405,702-138,712)/1,515,708

*** Oregon Employment Department: <https://www.qualityinfo.org/documents/10182/79531/111616%20-%20Businesses%20by%20Size%20of%20Firm%2050%20or%20Fewer%20Employees>

DESCRIBE HOW SMALL BUSINESSES WERE INVOLVED IN THE DEVELOPMENT OF THESE RULE(S):

Small businesses were not involved in the development of this rule. The rule specifies when penalty that would otherwise be imposed for late filing or late payment, is not imposed. There is no effect on small businesses to comply with the rule.

WAS AN ADMINISTRATIVE RULE ADVISORY COMMITTEE CONSULTED? NO IF NOT, WHY NOT?

Revenue did not use a formal Advisory Committee for this rule. Consultation with an Administrative Rules Advisory Committee is unnecessary because industry representatives have the opportunity to provide input during the rule's public comment period, 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.

OFFICE OF THE SECRETARY OF STATE
DENNIS RICHARDSON
SECRETARY OF STATE

LESLIE CUMMINGS
DEPUTY SECRETARY OF STATE



ARCHIVES DIVISION
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SALEM, OR 97310
503-373-0701

NOTICE OF PROPOSED RULEMAKING
INCLUDING STATEMENT OF NEED & FISCAL IMPACT

CHAPTER 150
DEPARTMENT OF REVENUE

FILED

10/31/2017 9:35 AM
ARCHIVES DIVISION
SECRETARY OF STATE

FILING CAPTION: Criminal records checks and fitness determination rules for work with or for DOR.

LAST DAY AND TIME TO OFFER COMMENT TO AGENCY: 11/28/2017 5:00 PM

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.

CONTACT: Shannon Ball
503-945-7938
rulescoordinator.dor@oregon.gov

955 Center St NE
Salem, OR 97351

Filed By:
Shannon Ball
Rules Coordinator

HEARING(S)

Auxiliary aids for persons with disabilities are available upon advance request. Notify the contact listed above.

DATE: 11/28/2017

TIME: 9:00 AM

OFFICER: Staff

ADDRESS: Oregon Department of
Revenue

955 Center St NE

Salem, OR 97301

SPECIAL INSTRUCTIONS:

Hearing end time is 11:00am on
November 28, 2017

NEED FOR THE RULE(S):

150-181-1010 Statement of Purpose and Statutory Authority -- This rule is needed to update agency rules on criminal records checks and fitness determinations for employment with the Department of Revenue.

150-181-1020 Definitions -- This rule is needed to provide definitions for other administrative rules related to criminal records checks and fitness determinations for employment with the Department of Revenue.

150-181-1130 Authorized Designees-- This rule is needed to determine when a person may be an authorized designee for purposes of criminal records checks and fitness determinations for employment with the Department of Revenue.

150-181-1030 Subject Individual -- Not needed because subject individual is defined in statute.

150-181-1040 Criminal Records Check Process -- Not needed because covered by OAR 125-007-0270.

150-181-1060 Hiring or Appointing on a Preliminary Basis -- Not needed because covered by OAR 125-007-0250.

150-181-1070 Final Fitness Determination -- Not needed because covered by OAR 125-007-0260.

150-181-1080 Crimes Relevant to a Fitness Determination -- Not needed because covered by OAR 125-007-0270.

150-181-1090 Incomplete Fitness Determination -- Not needed because covered by OAR 125-007-0260.

150-181-1100 Notice to Subject Individual of Fitness Determination -- Not needed because covered by OAR 125-007-0260.

150-181-1110 Appealing a Fitness Determination -- Not needed because covered by OAR 125-007-0300.

150-181-1120 Recordkeeping and Confidentiality -- Not needed because covered by OAR 125-007-0310.

DOCUMENTS RELIED UPON, AND WHERE THEY ARE AVAILABLE:

Federal Publication 1075, available online at <https://www.irs.gov/pub/irs-pdf/p1075.pdf>

FISCAL AND ECONOMIC IMPACT:

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

COST OF COMPLIANCE:

(1) Identify any state agencies, units of local government, and members of the public likely to be economically affected by the rule(s). (2) Effect on Small Businesses: (a) Estimate the number and type of small businesses subject to the rule(s); (b) Describe the expected reporting, recordkeeping and administrative activities and cost required to comply with the rule(s); (c) Estimate the cost of professional services, equipment supplies, labor and increased administration required to comply with the rule(s).

(1) There is no impact to state agencies or the counties, and a de minimis impact on the public. The rule changes are intended to conform to existing Department of Administrative Services rules and do not affect the cost to comply.

(2)(a) Oregon has approximately 120,500 small businesses with fewer than 250 employees* that employ 64%** of the state's workforce. Oregon has approximately 99,300 small businesses with fewer than 100 employees. Based on this information, we estimate Oregon has approximately 97,000 small businesses with fewer than 50 employees who are subject to these rules***.

(2)(b) 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.

(2)(c) No equipment, supplies, labor, or increased administration are known for the compliance of these rules.

*Oregon Employment Department https://www.qualityinfo.org/-/most-oregon-employers-have-fewer-than-10-employees?utm_campaign=November2016&utm_medium=email&utm_source=newsletter&utm_content=Oregon%20Statewide
**(1,515,708-405,702-138,712)/1,515,708

***Oregon Employment Department <https://www.qualityinfo.org/documents/10182/79531/111616%20-%20Businesses%20by%20Size%20of%20Firm%2050%20or%20Fewer%20Employees>

DESCRIBE HOW SMALL BUSINESSES WERE INVOLVED IN THE DEVELOPMENT OF THESE RULE(S):

The Department of Administrative Services (DAS) policy is already in place and affects small businesses. The Department of Revenue is conforming to the DAS policy.

WAS AN ADMINISTRATIVE RULE ADVISORY COMMITTEE CONSULTED? NO IF NOT, WHY NOT?

The Department of Revenue did not use a formal Advisory Committee for these rules. No Administrative Rule Advisory Committee was consulted because the above groups have already been implemented by Department of Administrative Services and have the interest and expertise necessary to provide adequate feedback on the proposed rules; therefore a committee is unlikely to provide further benefit.

OFFICE OF THE SECRETARY OF STATE
DENNIS RICHARDSON
SECRETARY OF STATE

LESLIE CUMMINGS
DEPUTY SECRETARY OF STATE



ARCHIVES DIVISION
MARY BETH HERKERT
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SALEM, OR 97310
503-373-0701

NOTICE OF PROPOSED RULEMAKING
INCLUDING STATEMENT OF NEED & FISCAL IMPACT

CHAPTER 150
DEPARTMENT OF REVENUE

FILED

10/31/2017 3:14 PM
ARCHIVES DIVISION
SECRETARY OF STATE

FILING CAPTION: Criminal records checks and fitness determination rules to work with or for DOR.

LAST DAY AND TIME TO OFFER COMMENT TO AGENCY: 11/28/2017 5:00 PM

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.

CONTACT: Shannon Ball
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955 Center St NE
Salem, OR 97301

Filed By:
Shannon Ball
Rules Coordinator

HEARING(S)

Auxiliary aids for persons with disabilities are available upon advance request. Notify the contact listed above.

DATE: 11/28/2017

TIME: 9:00 AM

OFFICER: Staff

ADDRESS: Oregon Department of
Revenue

955 Center St NE

Salem, OR 97301

SPECIAL INSTRUCTIONS:

The public hearing will be held from
9:00am - 11:00am on November 28,
2017.

NEED FOR THE RULE(S):

150-181-1050 Preliminary Fitness Determination -- Not needed because covered by OAR 125-007-0250.

150-181-1140 Fees -- This rule addresses when a person may be required to pay fees for criminal records checks and fitness determinations. The change to the rule addresses areas to be covered by Department policy pursuant to OAR 125-007-0330.

DOCUMENTS RELIED UPON, AND WHERE THEY ARE AVAILABLE:

Federal Publication 1075, available online at <https://www.irs.gov/pub/irs-pdf/p1075.pdf>

FISCAL AND ECONOMIC IMPACT:

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

COST OF COMPLIANCE:

(1) Identify any state agencies, units of local government, and members of the public likely to be economically affected by the rule(s). (2) Effect on Small Businesses: (a) Estimate the number and type of small businesses subject to the rule(s); (b) Describe the expected reporting, recordkeeping and administrative activities and cost required to comply with the rule(s); (c) Estimate the cost of professional services, equipment supplies, labor and increased administration required to comply with the rule(s).

(1) There is no impact to state agencies or the counties, and a de minimis impact on the public. The rule changes are intended to conform to existing Department of Administrative Services rules and do not affect the cost to comply.

(2)(a) Oregon has approximately 120,500 small businesses with fewer than 250 employees* that employ 64%** of the state's workforce. Oregon has approximately 99,300 small businesses with fewer than 100 employees. Based on this information, we estimate Oregon has approximately 97,000 small businesses with fewer than 50 employees who are subject to these rules and any of them could become a vendor or contractor or otherwise work for the State of Oregon through the Department of Revenue***.

(2)(b) There is a de minimis effect on those small businesses subject to the rules as these changes are intended to be conforming in nature and do not affect projected reporting, record-keeping or other administrative activities or costs.

(2)(c) No equipment, supplies, labor, or increased administration are known for the compliance of these rules.

* Oregon Employment Department https://www.qualityinfo.org/-/most-oregon-employers-have-fewer-than-10-employees?utm_campaign=November2016&utm_medium=email&utm_source=newsletter&utm_content=Oregon%20Statewide
** (1,515,708-405,702-138,712)/1,515,708

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DESCRIBE HOW SMALL BUSINESSES WERE INVOLVED IN THE DEVELOPMENT OF THESE RULE(S):

The Department of Administrative Services (DAS) policy is already in place and affects small businesses. The Department of Revenue is conforming to the DAS policy.

WAS AN ADMINISTRATIVE RULE ADVISORY COMMITTEE CONSULTED? NO IF NOT, WHY NOT?

The Department of Revenue did not use a formal Advisory Committee for these rules. No Administrative Rule Advisory Committee was consulted because the above groups have already been implemented by Department of Administrative Services and have the interest and expertise necessary to provide adequate feedback on the proposed rules; therefore a committee is unlikely to provide further benefit.
