

Oregon Combined Payroll Tax Report

2001

Oregon Department of Revenue
Oregon Employment Department
Oregon Department of Consumer & Business Services

Forms and Instructions For Oregon Employers

FORMS ORDER REQUEST

**FORM 013
CHANGE IN STATUS REPORT**

**FORM WR
OREGON ANNUAL WITHHOLDING
TAX RECONCILIATION REPORT**

2001 Oregon Combined Tax Payment Coupons (Form OTC) are not in this booklet. They are sent separately to employers.

How to assure your report is processed timely

- ✓ Do you use a tax preparer?
If so, the preparer may need this booklet to file your reports.
- ✓ Double-check your math.
- ✓ You must include an OTC with Form OQ if you are sending a payment.
- ✓ Even if you have no payroll or subject hours worked, enter -0- for each program you are subject to.
- ✓ **File electronically.** See page 6 for details.



Oregon Department of Revenue
955 Center Street NE
Salem OR 97301-2555

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Use the numbers below if you need help or more information.

State withholding, Tri-Met, LTD taxes

OREGON DEPARTMENT OF REVENUE

Salem: 503-945-8091 or 503-378-4988

TTY users: 503-945-8617

Internet: www.dor.state.or.us

Reporting forms:

Oregon Quarterly Tax Report—Form OQ

Oregon Schedule B

Oregon Annual Withholding Tax Reconciliation
Report—Form WR

Change in Status Report—Form 013

State unemployment insurance tax

OREGON EMPLOYMENT DEPARTMENT

Salem: 503-947-1488

TTY users: 503-947-1495

Internet: www.emp.state.or.us/tax

Reporting forms:

Oregon Quarterly Tax Report—Form OQ

Employee Detail Report—Form 132

Change in Status Report—Form 013

Order Request form

Payments for all tax programs

Payment coupons (Form OTC) are mailed separately to employers. You must include one with each payment.

To order OTCs call:

Salem: 503-945-8091 or 503-378-4988

Workers' Benefit Fund assessment

OREGON DEPARTMENT OF CONSUMER & BUSINESS SERVICES (DCBS)

Assessment questions:

Salem: 503-378-2372

TTY users: 503-378-2372

Internet: www.cbs.state.or.us/external/bad/badrec4.html

Subjectivity questions:

Salem: 503-947-7815

Internet: www.cbs.state.or.us/external/wcd/docs/whotocontact.htm

Reporting form:

Oregon Quarterly Tax Report—Form OQ

Other internet addresses

Oregon Business Guide is available at: www.sos.state.or.us/corporation/bic/bizguide/contents.htm

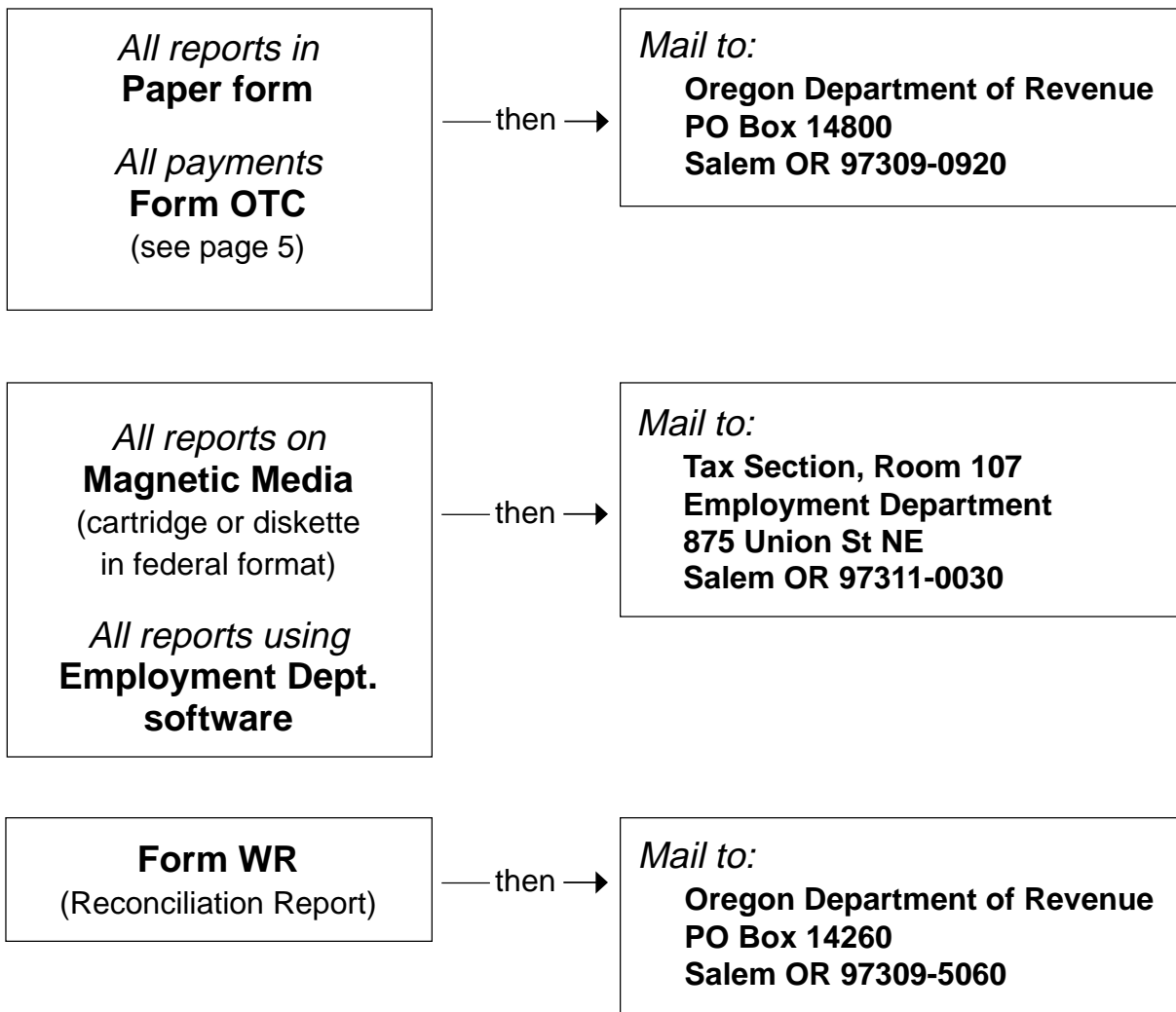
Federal payroll tax and FUTA forms are available at: www.irs.ustreas.gov

Filing Due Dates for Quarterly Reports

	Quarter	Quarter Ending Date	Report Due Date
1st	Jan–Feb–Mar	March 31, 2001	April 30, 2001
2nd	Apr–May–Jun	June 30, 2001	July 31, 2001
3rd	Jul–Aug–Sep	September 30, 2001	October 31, 2001
4th	Oct–Nov–Dec	December 31, 2001	January 31, 2002

If the due date is on a weekend or holiday, the report is due the next working day.

WHERE TO FILE AND PAY



In compliance with the Americans with Disabilities Act (ADA), this information is available in alternative formats by calling: **Oregon Department of Revenue at 503-378-4988**
Oregon Employment Department at 503-947-1488

New Information

- Now you can file your combined quarterly payroll tax reports on the Web. The Secure Employer Tax Reporting On-line program (SETRON) is on the Employment Department's Web site at www.emp.state.or.us/tax. You can send reports over the Web and print copies for your own records. You can report up to fifty employees using this Web-based report.
- You can now file "no payroll" quarterly reports by telephone, any time day or night. If you have no payroll or subject hours for any quarter, dial 503-378-3981 and phone in your quarterly report.

Tax rates

- Tri-County Metropolitan Transportation District (Tri-Met) tax rate is .006195.
- The Lane Transit District (LTD) tax rate is .006.
- The Workers' Benefit Fund (WBF) assessment rate has changed to .036.
- The taxable wage base for unemployment insurance has changed to \$25,000

Important Reminders

- **Oregon Department of Revenue, Employment Department, and Workers' Compensation Division rules differ. Please read all instructions carefully. If you have questions, please contact the appropriate agency. (See page 2.)**
- When reporting hours, employers are required to **round up** to the nearest hour for unemployment insurance (UI) tax. However, **do not** round an individual workers' hours when calculating the WBF assessment deductions. **Round down** to the nearest hour only when adding the total of **all** workers' hours for entry on Form OQ, Box 9. Do not report partial hours on Form OQ, box 9, or on Form 132, column 4.
- The number of hours reported for UI tax on the Wage Detail Report (Form 132) will not necessarily equal the number of hours reported for the WBF assessment in box 9 on Form OQ. See pages 10 and 12 for more information.

No payroll or subject hours worked

Even if you have no payroll or subject hours worked, enter -0- on tax line of Form OQ for each

program you are subject to. You can also file by calling 503-378-3981. See instructions for details.

Multistate employers

Follow the same rules as other Oregon employers for withholding, unless the Department of Revenue says you can do otherwise. Make your Oregon withholding tax payments when your federal tax deposits are due.

Filing for bankruptcy

If you file for bankruptcy, you need to notify **separately** each state agency that administers the payroll taxes and/or assessments that you are subject to. Despite combined reporting, each agency manages its own tax program.

Keep your records

All payroll records must be kept at least five years after filing the required reports.

Required Forms

Using the forms in this booklet ensures faster and more accurate processing. Failure to use the correct forms or format may result in a penalty. Forms may also be ordered over the Internet at: www.emp.state.or.us/tax

If you use a tax preparer, please check to see if the preparer needs this booklet to file your reports. Your forms can be sent directly to your tax preparer. Fill out the Change in Status Report to change your forms' mailing address to your tax preparer's address for future mailings.

Use the Order Request at the back of this booklet to order additional forms, reporting software, and specifications for plain paper. This information is also available on the Internet at: www.emp.state.or.us/tax under "Reporting Options for Oregon Quarterly Employer Taxes."

Forms needed for reporting

- **Form OQ—Oregon Quarterly Tax Report.** Use this form to report state UI tax, state withholding tax, WBF assessment, and Tri-Met and LTD taxes.
- **Oregon Schedule B—State Withholding Tax.** Use this form if state income tax withholding deposits are required to be submitted semi-weekly or on a one-day banking basis. File Oregon Schedule B with Form OQ.
- **Form 132—Employee Detail Report.** If your business is subject to Oregon UI tax, use this form to report employee detail. File this form with Form OQ. **If you have more than 20 employees, order additional Form 132s using the Order Request at the back of this booklet.**

Forms that are incorrectly formatted or photocopied may be returned, and a penalty may be assessed.

- **Form OTC—Oregon Combined Tax Payment Coupon.** Form OTCs are mailed separately, by December 31 of each year. If you need to order additional coupons, write the Oregon Department of Revenue, PO Box 14800, Salem, OR 97309-0920, or call 503-945-8091 or 503-378-4988. When ordering, tell us how many coupons you need for the remainder of the year.

NOTE:

Forms OQ, Oregon Schedule B, and Form 132 are processed by automated equipment by the Employment Department. Form OTC is processed with payments by the Department of Revenue. To correctly apply payments, we must receive a Form OTC with every payment, including payments made with your report.

Other forms

- **Form 013—Change in Status Report.** Use this form to report changes in your business. Do not use Form OTC or Form OQ to make changes. See the Change in Status Report at the back of this booklet for detailed instructions. The Change in Status Report is also available on the Internet at: www.dor.state.or.us
- **Form WR—Oregon Annual Withholding Tax Reconciliation Report.** Use this form to reconcile your state withholding account. Form WR is due February 28 of each year.

Filing the Oregon Combined Quarterly Tax Report

Who must file

You must file a Form OQ each quarter:

- As long as you are registered as an employer with Oregon Department of Revenue, Oregon Employment Department, or have a workers' compensation insurance policy in Oregon, **even if you had no payroll during the quarter**. Reimbursing employers and Local Government Employers Benefit Trust Fund employers must also file Form OQ.

You must file Form 132:

- If you are an employer subject to UI law. Reimbursing employers and Local Government Employers Benefit Trust Fund employers must also file Form 132.

You must file Oregon Schedule B:

- If you are required to deposit withholding taxes on a semi-weekly or a one-banking day basis.

Annual filing

- If you file federal Form 943, you may file your Oregon withholding reports once a year using Form WA. Agricultural employers subject to unemployment tax, WBF assessment, and/or transit tax must file Form OQ in addition to Form WA. Call the Oregon Department of Revenue at 503-945-8091 for more information.
- The Oregon Legislature passed a statute that requires employers with exclusively domestic employment to file the Combined Payroll Tax Reports annually, not quarterly. The annual forms are sent out in November of each year. Call the Oregon Employment Department at 503-947-1488 for more information.

When to file

See page 3 for the report due dates.

Amended reports or adjustments

To amend data on Form OQ or Form 132, copy the original report, make the necessary changes on the copy, clearly write "Amended" at the top of the

form, and mail to: Oregon Department of Revenue, PO Box 14800, Salem OR 97309-0920.

To amend data if you file using OTTER, print a paper copy of the corrected report, clearly write "Amended" at the top, and mail the paper copy to: Tax Section, Room 107, Employment Department, 875 Union St NE, Salem OR 97311-0030. **Do not send it electronically.**

Failure to file

If you don't file a quarterly report, you may receive an assessment(s) based on available information. Penalty and interest will be charged on the amount assessed (see page 8).

Electronic filing

Free filing software, called "OTTER" (Oregon Tax Employer Reporting software) is available.

Use OTTER to file the quarterly report by computer. Instructions are included with the software.

To obtain the OTTER reporting system, call 503-947-1544, use the order form in the booklet, or download the program from the Internet. The address is: www.emp.state.or.us/tax. From the "Tax Index," click on the picture of the otter.

Plain paper

- You may print the data on **plain, white 20# paper** in the same format as the current year's forms. Use 12 point Courier font. If you cannot use this font, contact the Employment Department at **503-947-1488** for other options. If you use a dot matrix printer, be sure the print is solid black, and readable. **Do not use a faded ribbon.**

Option specifications

For reporting-option specifications, call the Employment Department at **503-947-1488** (option 3). Options are also available on the Internet at: www.emp.state.or.us/tax under: "Reporting Options for Oregon Quarterly Employer Taxes." You may also use the order form at the back of this booklet.

Payment Instructions

Oregon combined payments

Unemployment insurance (UI) tax, Workers' Benefit Fund (WBF) assessment, and transit tax payments are due quarterly. Oregon withholding tax due dates are the same as the dates for depositing federal tax. **Use current year OTC coupons.**

Making your Oregon combined payments

To make sure your payments are correctly applied, complete and send in a Form OTC with every payment, when due. Indicate the amount paid to each tax program in the appropriate box. Enter the quarter in the box to indicate when the payroll was paid to employees. If making payment for two or more quarters, submit one coupon for each quarter.

Send payments with Form OTC coupons to the Oregon Department of Revenue, PO Box 14800, Salem, OR 97309-0920. Do not staple or tape your payment to Form OTC.

Payment record

Retain records of payments made to all programs for each quarter for use when you file Form OQ.

Electronic Funds Transfer (EFT)

Payments for combined payroll taxes can be made electronically using the Department of Revenue's Electronic Funds Transfer (EFT) program. A business must register with the department and indicate the payment type (ACH Debit or ACH Credit) it plans to use before initiating payments.

Even though many businesses are required to make payments this way, any employer may voluntarily participate in the EFT program. Additional information and registration materials are available on the Internet at: www.dor.state.or.us, or you may call the EFT help message line at 503-947-2017 to receive a program guide.

Guidelines for Oregon withholding payment due dates

If your federal tax liability is:	Oregon withholding tax payments are due:	
• Less than \$2,500 for the quarter →	by the quarterly report due date	
• \$50,000 or less in the lookback period* →	by the 15th of the month following payroll	
• More than \$50,000 in the lookback period* →	Semiweekly Deposit Schedule	
	If the day falls on a:	Then pay taxes by:
	Wednesday, Thursday, and/or Friday	the following Wednesday
	Saturday, Sunday, Monday, and/or Tuesday	the following Friday
• \$100,000 in a single pay period* →	within one banking day	

Payrolls paid in:

Quarter 1
Jan–Feb–Mar

Quarter 2
Apr–May–Jun

Quarter 3
Jul–Aug–Sep

Quarter 4
Oct–Nov–Dec

* The lookback period is the twelve-month period that ended the preceding June 30. The lookback period for agricultural employers is the calendar year prior to the calendar year just ended.

Penalties

Unemployment insurance tax

A late filing penalty may be assessed if Form OQ or the Employee Detail Report (Form 132) is filed more than 10 calendar days after the due date, and you have received a previous warning. **This is in addition to interest due.** The late filing penalty is \$5 for each employee reported, with \$65 minimum and \$1,300 maximum penalty amounts. Incomplete reports may also be assessed a similar penalty. If no subject wages are reportable but the report is filed late, a \$5 late filing penalty may be assessed.

In addition, if Form 132 is not correctly formatted or is incomplete, it may be returned. If it is not resubmitted before the tenth day following the due date, a penalty may be assessed. To prevent this, send the reports electronically using the OTTER software the Employment Department provides (see page 6).

An additional penalty may be charged to employers who have failed as of September 1 to:

- File all unemployment insurance tax reports:
—Form OQ—Oregon Quarterly Tax Report,
and/or

—Form 132—Employee Detail Report,
and/or

- Pay all unemployment insurance taxes due.

The penalty is 1 percent of the employer's previous year's taxable payroll.

State withholding and transit taxes

- You will be charged a 5 percent late payment penalty on any unpaid tax after the due date of the payment.
- You will be charged an additional 20 percent penalty on any tax due as of the due date and if Form OQ is filed more than three months late.
- You will be charged a 100 percent penalty on any tax due if Form OQs are not filed for three years in a row.

Workers' Benefit Fund assessment

You are subject to a late filing penalty if the Form OQ is filed or payment is received more than 10 calendar days after the due date. A civil penalty of up to \$2,000 may be assessed for each violation if the payment or Form OQ is not filed timely. Penalties will be assessed at 10 percent of the outstanding balance, with a minimum of \$50 for each violation.

Interest

Unemployment insurance tax

Interest is assessed on unpaid or late paid unemployment insurance tax. The rate is 1.5 percent per month or fraction of a month after the payment is due. Payments are due the last day of the month following the quarter. Interest is assessed if the payment is one day late. Use only unpaid tax when calculating interest. Do not calculate interest on previously assessed interest or penalties.

Use this same calculation for Local Government Employers Benefit Trust Fund participants. Reim-

bursing employers should not calculate interest. Interest due on unpaid balances is billed.

State withholding and transit taxes

You will be charged interest on any remaining tax left unpaid after the due date. Employers should not calculate interest due. You will be billed for interest due on unpaid balances.

Workers' Benefit Fund assessment

Interest on unpaid or late paid Workers' Benefit Fund assessments is 9 percent per year, charged on all overdue balances.

Oregon Quarterly Tax Report (Form OQ)

Line-by-Line Instructions

Before you complete Form OQ, review the business name, mailing address, Oregon Business Identification Number (**BIN**), and Federal Employer Identification Number (**EIN**) to be sure they are all correct. Make corrections on the Change in Status Report included at the end of this booklet.

The Standard Industrial Classification (SIC) code is assigned by the Employment Department. Coding determination is based on information supplied by the employer and reflects the primary activity for your company in Oregon. If you have questions regarding these codes, call 1-800-237-3710, ext. 7-1248 (toll-free within Oregon) or 503-947-1248 .

Line-by-line instructions

Number of covered workers for state unemployment insurance. Complete this section if you are subject to unemployment insurance (UI). If you have questions on how to count workers, call 1-800-237-3710, ext. 7-1248 (toll-free within Oregon) or 503-947-1248.

The “monthly number of covered workers” you report on Form OQ should include all full-time and part-time workers who worked or received pay subject to unemployment insurance law during the payroll period which includes the 12th of the month. Some examples include:

- Daily pay period. Enter the number of workers on the daily payroll for the workday nearest the 12th of the month.
- Weekly, bi-weekly, or semi-monthly pay period. Enter the number of workers on the payroll for the period which includes the 12th of the month.
- Monthly pay period. Enter the number of workers on your monthly payroll.
- If there were no covered workers during any pay period, enter zero in the appropriate boxes. Do not leave these boxes blank.

Add the numbers for the three months and place the sum in the **Total** (M1 + M2 + M3) box. This total is used to verify that the scanner has correctly read the monthly entries.

OQ columns

In each column, enter the total subject wages paid for each tax program this quarter. If you have questions, refer to the specific program information in this booklet.

In each column, enter the total tax owed to each state program. If any of the amounts are less than zero, enter -0-. Do not enter any credit items. **Any credit in one tax program may be used in that same program as a credit in the next quarter.**

Column A. Unemployment Insurance (UI)

Box 1. Subject wages. This amount must be the same as line 1 (total subject wages) on Form 132. Include wages exceeding the taxable wage base for UI reporting purposes.

Box 2. Excess wages. Enter “*Excess wages.*” Excess wages are wages above the taxable wage base for the year *per person*. The taxable wage base **for 2001 is \$25,000** per employee per year. Reimbursing employers and Local Government Employers Benefit Trust Fund participants leave this box blank.

Box 3. Taxable wages. Enter box 1A minus box 2A. Reimbursing employers leave this box blank.

Box 4. Tax rate. Use your current year’s UI tax rate. If you are subject to UI tax and no rate is printed, call the Employment Department at 503-947-1488. Reimbursing employers leave this box blank.

Box 5. Total tax. Multiply box 3A by box 4A. Round off to the nearest cent and enter the tax amount. Enter -0- if you had no UI tax this quarter.

Box 6. Tax prepaid this quarter. Enter the amount of UI tax prepaid or credits used this quarter. Include any credit amount that may have been overpaid in previous quarters where no refund was requested or issued.

UI tax payments are due once per quarter on the same day as the tax reports.

Box 7. UI penalty and interest owed. Enter the amount of penalty and interest owed if the report

is late. Figure the penalty amount by multiplying the number of employees by \$5. The minimum penalty is \$65. The maximum penalty is \$1,300. If there were no employees, the penalty is \$5. Late reports are those submitted more than 10 days after the due date.

To calculate interest owed, multiply the unpaid tax owed by .015 for each month or fraction of a month after the date the payment is due. Interest is assessed even if the payment is one day late.

When calculating interest, use only the amount of unpaid tax. Do not calculate interest on previously assessed interest or penalties.

Box 8. Total due. Enter box 5A **minus** box 6A **plus** box 7A. If the amount is less than zero, enter -0-.

Column B. State withholding

Box 1. Subject wages. Enter total *wages subject to income tax* (salaries, commissions, and bonuses), paid to Oregon employees this quarter.

- If you are reporting withholding on pension or annuity distributions, enter the amount of distributions with Oregon withholding.
- This amount need not match box 1A.
- Enter -0- if you had no payroll this quarter.

Box 5. Total tax. Enter total Oregon tax withheld this quarter. Enter -0- if you had no withholding tax this quarter. If you deposit:

- **Quarterly** – complete only box 5B.
- **Monthly** – complete boxes on line 17 (M1, M2, and M3) on Form OQ. Add boxes and enter the total into box 5B.
- **Semi-weekly or one-banking day depositors** – do not use line 17. Complete and file Oregon Schedule B. Enter the total in box 5B.

Box 6. Tax prepaid this quarter. Enter the amount of withholding tax prepaid this quarter. Include any credits used.

Box 8. Total due. Enter box 5B minus box 6B. If the amount is less than zero, enter -0-.

Column C. Tri-County Metropolitan Transportation District (Tri-Met)

Box 1. Subject wages. Enter wages paid for work done in the Tri-Met district. Enter -0- if there was

no payroll in the district this quarter. Leave blank if not subject.

Box 4. Tax rate. The current Tri-Met tax rate is .006195.

Box 5. Total tax. Multiply box 1C by box 4C. Round off to the nearest cent and enter the tax amount. If you are subject to Tri-Met, but had no tax this quarter, enter -0-.

Box 6. Tax prepaid this quarter. Enter the amount of Tri-Met tax prepaid this quarter. Include any credits used.

Box 8. Total due. Enter box 5C minus box 6C. If the amount is less than zero, enter -0-.

Column D. Lane Transit District (LTD)

Box 1. Subject wages. Enter wages paid for work done in the Lane Transit district. Enter -0- if there was no payroll in the district this quarter. Leave blank if not subject.

Box 4. Tax rate. The current LTD tax rate is .006.

Box 5. Total tax. Multiply box 1D by box 4D. Round off to the nearest cent and enter the tax amount. If you are subject to LTD, but had no tax this quarter, enter -0-.

Box 6. Tax prepaid this quarter. Enter the amount of LTD tax prepaid this quarter. Include any credits used.

Box 8. Total due. Enter box 5D minus box 6D. If the amount is less than zero, enter -0-.

Workers' Benefit Fund (WBF) assessment

Box 9. Enter the sum of all hours worked by all workers who are subject to WBF assessment. Do not include volunteers. Round the sum of hours down to the nearest whole. If you do not track actual hours worked, you may use a flat rate of 40 hours per week or 173.33 hours per month (prorated for part-time workers). If you have other information showing hours worked (such as a contract), you may use this information to determine hours worked. Include overtime hours. Do not include standby time. (You must document how calculations are made in case of an audit.) If you have no hours or only volunteer workers' hours to report for the quarter, enter -0-.

Box 10. Assessment rate. This is the current worker and employer rate combined. Employers contribute one-half of the hourly assessment amount and deduct one-half from workers' wages. If you are subject to the WBF assessment and this box is blank, please call DCBS at 503-378-2372.

Box 11. Multiply box 9 times box 10. Round down to the nearest cent. This is the total WBF assessment due for the quarter. If no assessment is due for the quarter, enter -0-.

Box 12. Enter the amount of prepaid WBF assessment or WBF assessment credits used this quarter.

Box 13. Subtract box 12 from box 11. This is the net WBF assessment amount due for the quarter. This amount should match the amount you enter in the "Workers' Benefit Fund Assessment" box on Form OTC. If the amount is less than zero, enter -0-.

Box 14. Total payment due

Enter total payment due. Add boxes 8A, 8B, 8C, 8D, and 13. **Do not include any credits.** You must complete and include Form OTC, even if you are mailing the payment along with Form OQ. Do not staple or tape your payment to the coupon.

Note: You cannot use Form OQ to transfer credits between programs.

- **Credit applied to another program:**
Send a written request along with a copy of Form OQ to the agency that handles the program that has the credit.

Include your account name, BIN, tax program, quarter, and year where the credit exists. Give the same information for where you want the credit applied. Also include any notices or memos you've received regarding the credit.

- **Credit refunded:**
Send a written request to the agency that handles the program that has the credit. Include your account name, BIN, the word "**Refund,**" and the amount to refund. Also include any notices or memos you have received regarding the credit.

Box 15. Special payroll tax

A special payroll tax is due for the first quarter of 2001. Employers subject to both state and federal

unemployment insurance tax must figure their special payroll tax and deduct it from the total tax to determine the amount reported as "contributions paid to the state unemployment fund" on Federal Unemployment (FUTA) Forms 940 and 940EZ).

Do not add or subtract this amount from boxes 5A or 14.

Reimbursing and Local Government Employers Benefit Trust Fund (LGEBTF) employers do not complete this section. Employers not required to pay FUTA are not required to complete this section.

Multiply box 3A by the special payroll tax (.0003) for the first quarter of 2001 only.

See page 13 for more information on the special payroll tax.

Box 16. Amount applied to UI trust fund

Subtract line 15 from box 3A. Use this amount on federal Form 940 or 940EZ as the tax actually paid to the state for the first quarter of 2001. Do not add or subtract this figure from taxes owed in box 5A or 14.

Box 17. State withholding tax

This line is for those who are required to deposit withholding taxes on a monthly basis. Show the amount withheld in each month of the quarter then total the amount withheld during the quarter. The total should equal the total withholding tax reported in box 5B.

Do not include payments made for UI tax, WBF assessment, or transit taxes in these boxes.

If you deposit only once a quarter, enter the total amount withheld in box 5B.

If you must deposit withholding on a daily or semi-weekly basis, do not complete this line. Report withholding on Oregon Schedule B. (For determining how often withholding must be deposited, see page 7 of this booklet.)

Signature

Sign Form OQ on the signature line and include a phone number and the date the form was prepared. A signature is required even if you file a -0- report.

Employee Detail Report (Form 132) Instructions

Complete only if you pay unemployment insurance tax or reimburse the Employment Department for benefits paid.

Line 1. Total subject wages. Enter the total subject wages for all employees for the quarter. If you use multiple pages of Form 132, enter the total amount on page 1 only. This figure (total for all pages) must equal the amount in box 1A on Form OQ.

Column 2. Social Security number. Enter the Social Security number for each employee reported.

Column 3. Employee name. Enter the first initial and last name of each employee reported.

Column 4. Hours worked during this quarter. Enter the number of hours the employee worked in the quarter.

Report the actual number of hours worked. This is straight time and overtime. Do not report hours paid for sick leave, vacation leave, or any other hours paid where no work was performed. Even though these hours are not reported in column 4, wages paid are still reported as subject wages in column 5.

Report hours in the quarter worked and wages in the quarter received.

Do not report fractions or portions of an hour worked by an individual. Round up any portion of an hour to the nearest whole hour.

The number of hours worked subject to unemployment insurance does not need to equal the number of hours reported for Workers' Benefit Fund assessment.

Enter -0- for an employee who did not work during the quarter, but received wages (do not leave blank).

If you need to adjust hours worked in a previous quarter, file an amended Form 132 for that quarter (see page 6).

Column 5. Total subject wages paid this quarter. Wages are reported in the quarter paid to the employee regardless of when earned. Enter the total subject wages paid to each employee during the quarter regardless of whether the employee's wages exceeded the taxable wage base.

Do not use this report to correct wages for another quarter. File an amended Form 132 for that quarter (see page 6).

Box 6. Page total. Enter the total subject wages for all employees reported on the page. Do not include the totals from other pages of this form.

Oregon Schedule B Instructions

Example: How to complete Oregon Schedule B

A. Daily Oregon Withholding Tax Liability—First Month of Quarter													
1			8			15	1600	00	22			29	
2	2500	00	9			16			23	300	00	30	
3			10			17			24			31	
4			11			18			25				
5			12	1450	00	19			26				
6			13			20			27				
7	450	00	14			21			28				
A. Total Withholding Tax Liability for the First Month of the Quarter											A	6300	00

Line instructions—Oregon Schedule B

Complete Oregon Schedule B if you must deposit on a semi-weekly or one-banking day basis. This form includes a box for every day of the quarter. Locate the boxes that match your payroll dates.

Enter the amount of Oregon tax withheld from your employees during each payroll period. Enter the total tax withheld for each month in boxes A, B, and C. Enter the total of all the amounts in box D. The total should equal the total withholding tax reported in box 5B on Form OQ. **DO NOT ENTER CREDITS.**

Oregon Unemployment Insurance Tax Information

Subject wages

Generally, wages reportable for Federal Unemployment Tax Act (FUTA) purposes are reportable for Oregon unemployment insurance (UI) tax. All wages, including draws, are reportable when paid to the employee. For example, wages paid April 1, for work performed in March are reportable in the second quarter (April–June).

An employee is any person (including aliens and minors) employed for pay by any employer subject to Employment Department law (ORS 657.015).

“Wages” means all compensation for service, unless specifically excluded by law. Payments other than cash are reportable at their cash value in the quarter in which they are available to the employee.

The following are examples of subject wages:

- Payments for services to individuals in the employ of any type of corporation, except those exempt under the family corporation provision (see excluded wages).
- Payments for agricultural and domestic labor by qualified employers.
- Payments for services to individuals in the employ of nonprofit organizations or political subdivisions.
- Payments for services performed in the employ of a church or other religious organization.
- Special payment for services, such as commissions, fees, bonuses, prizes, separation allowances, guaranteed wage payments, vacation, and holiday pay.
- Employee tips reported by the employer pursuant to Section 3306 of the Internal Revenue Code.
- The actual value of lodging (room, apartment, or house rental) and meals provided to employees as part of their pay. When the actual cash value is not available, the following minimum amounts have been established: room and board—\$150 per month, meals—\$1.50 per meal. **Note:** noncash payments for agricultural and domestic services are not subject.

Excluded wages

Examples of payments that are not subject under unemployment insurance law are:

- Payments to a proprietor or the proprietor’s spouse, parent, or child under 18.
- Payments to a legally responsible and registered general partner or partners of a Limited Liability Partnership (LLP) or to members of a Limited Liability Company (LLC).
- Noncash payments to workers in agricultural or domestic employment.
- Sick pay under workers’ compensation law.
- Closely held family corporations may elect to exclude payments for services to corporate officers who:
 - Are directors,
 - Have a substantial ownership interest in the corporation, **and**
 - Are members of the same family, such as parents, daughters, sons, daughters-in-law, sons-in-law, or grandchildren.

However, those excluded may be subject to higher FUTA tax.

An election to exclude corporate officers must be in writing and will be effective the first day of the calendar quarter in which it is submitted.

Unemployment insurance tax payments

UI tax payments are due quarterly. All payments must be sent with a payment coupon (Form OTC). Enter the amount paid in the “State Unemployment Insurance Tax” box. When there is more owed than taxes, payments are applied first to legal fees, penalties, and interest. The remainder is applied to tax owed.

Special payroll tax

The Oregon Legislature has authorized the unemployment insurance tax system to collect revenues on the first quarter of 2001 for the Wage Security Fund. The fund pays final wages when a business closes and does not have sufficient reserves to make final payroll.

You may not use this amount to calculate a credit when reporting on federal Form 940 and 940EZ. To calculate “contributions paid to the state,” use two lines in item 3 on Form 940 (computation of tentative credit), one for the first quarter and one for the remaining three quarters.

The “state experience rating” for the first quarter is the unemployment insurance tax rate less .0003. “Contributions actually paid to the state” should equal the amounts found on line 16 on Form OQ for the first quarter, plus the total in line 5A for the second, third, and fourth quarters. This assumes payments for each quarter. If the amounts paid were less than what is owed, report the amount **actually** paid.

To obtain Forms 940 and 940EZ, contact the IRS at **1-800-829-3676**. You may also download the forms from the Internet at: **www.irs.ustreas.gov**

Equal opportunity employer

The Employment Department is an equal opportunity agency and does not discriminate in providing services on the basis of race, color, religion, sex, nation of origin, age, disability, political affiliation or belief, citizenship, or marital status. Auxiliary aids and services are available upon request to disabled individuals. Contact the nearest Employment Department office for assistance.

Employment offices listed below

Information on unemployment insurance tax laws is available by calling these numbers. Call 503-947-1488 for the Central Office in Salem. The TTY number is 503-947-1495. Written inquiries may be sent to: Tax Section, Employment Department, 875 Union St NE, Salem OR 97311-0030. The e-mail address is: **taxinfo@emp.state.or.us**

STATE EMPLOYMENT TAX OFFICES

Office	Phone	Office	Phone
Albany	541-967-2171	Newport	541-574-2303
Astoria	503-325-4821	Ontario	541-889-2710
Beaverton	503-526-2734	Oregon City	503-657-2002
Bend	541-388-6086	Pendleton	541-276-9056
Coos Bay area	541-756-8469	Portland–Downtown	503-731-4256
Corvallis	541-757-4261	Portland–North	503-280-6013
Eugene	541-686-7797	Redmond	541-548-8196
Grants Pass	541-474-3151	Roseburg	541-440-3344
Gresham	503-666-1985	Salem–Field Office	503-378-3352
Hillsboro	503-681-0226	Salem–Central Office	503-947-1488
Klamath Falls	541-883-5628	Springfield	541-686-7601
McMinnville	503-434-7574	The Dalles	541-296-5435
Medford	541-776-6247	Woodburn	503-982-2817

Oregon Withholding Tax Information

Subject wages

Some examples of taxable wages are:

- Wages subject to Oregon withholding tax include salaries, commissions, bonuses, wages, fees, prizes, separation allowances, guaranteed wage payments, and vacation or holiday pay.
- Payments by a corporation, including S corporations and professional corporations, to a corporate officer for services, including guaranteed wage payments for services.
- Wages paid when an employer-employee relationship exists between a husband and wife or a parent and child.

Exempt wages

Oregon withholding law exempts wages paid for certain kinds of services, labor, employee allowances for the benefit of employer, and reimbursed employee business expenses. A list of exempt wages is in the Oregon Business Guide. Call the Oregon Business Information Center at 503-986-2200 to order a copy.

Withholding on IRAs, annuities, and compensation plans

The withholding of taxes from commercial annuities, employer-deferred compensation plans, and retirement plans is mandatory for the payer. However, an individual may choose to have no withholding. The payer must present the federal Form W-4P or a similar form to the payee. The payee uses Form W-4P to show the exemptions for state withholding. Withhold as if the payments were wages, using the tax tables furnished by the Oregon Department of Revenue. The amount of withholding per payee must be \$10 or more.

- Withholding on pensions and annuities requires a separate Business Identification Number (BIN) from your payroll account as these are not actually payroll wages.

Oregon does not follow the federal backup withholding rules for pensions and annuities distributions.

The payer issues 1099s to the payees at the end of the year and files Form WR with the Oregon Department of Revenue.

For more information, call 503-945-8091.

Figuring exemptions

Use the number of exemptions claimed by an employee on Internal Revenue Service Form W-4. If an employee didn't file a Form W-4, use "single -0-" exemptions. Don't allow the exemptions on W-4 if:

- The employee claims exempt status for state withholding tax only, **or**
- The Oregon Department of Revenue or the Internal Revenue Service tells you not to allow the exemptions.

You must send a copy of Form W-4 to the Department of Revenue within 20 days after receiving it if the employee claims:

- More than 10 exemptions.
- Exemption from federal or state tax, and the employee's income is expected to exceed \$200 per week.
- Exemption from state withholding tax but not from federal withholding tax.

Send copies to: W-4 Project Manager, PO Box 14560, Salem, OR 97309-5011. Make sure that Form W-4 has complete information on both employer and employee.

Figuring withholding tax

To figure the amount of tax to withhold from an employee's wages:

- Use the "wage bracket" tables in the Oregon Withholding Tax Tables, effective January 1, 1988, **or**
- Use the percentage formula for computer payroll systems in the Oregon Withholding Tax Tables.

Note: If you need a copy of the Oregon Withholding Tax Tables, call 503-945-8091 or 503-378-4988. This information is also available on the Internet at: www.dor.state.or.us

All Oregon employers must withhold tax from employee wages (including draws) at the time employees are paid. Taxes are reported and withheld in the quarter the employee is paid.

Employees who need additional state withholding can request **Circular 150-206-843 from the Department of Revenue**. Some employers must withhold and report state withholding tax even though they don't have to withhold federal tax.

Revenue field offices listed below

Forms and assistance are available at the offices shown below. Don't send your reports or payments to these addresses. You also may call 1-800-356-4222 (toll-free within Oregon) or 503-378-4988 in Salem. The TTY number is 1-800-886-7204 (toll-

free within Oregon) or 503-945-8617 in Salem. A message line is available all year for those who need assistance in Spanish. The number in Salem is 503-945-8618. Written inquiries may be sent to: Oregon Department of Revenue, 955 Center Street NE, Salem OR 97301-2555. The Internet address is: www.dor.state.or.us

REVENUE FIELD OFFICES

Office	Address	Office	Address
Bend	951 SW Simpson, Suite 100	Portland	800 NE Oregon St, 5th floor
Eugene	1600 Valley River Dr, Suite 310	Salem	955 Center St, Room 135
Medford	24 West 6th Street	Salem	4275 Commercial St SE Building 2, Suite 180
Pendleton	700 SE Emigrant Ave, Suite 310	Tualatin	6405 SW Rosewood Street

Transit District Excise Tax Information

These tax programs are administered by the Oregon Department of Revenue for the Tri-County Metropolitan Transportation District (Tri-Met) and the Lane Transit District (LTD). They provide revenue for mass transit (ORS Chapter 267). Transit payroll (excise) tax is imposed on most employers who pay wages for services performed in the Tri-Met or LTD districts.

Tri-Met and LTD service areas

The Tri-Met area includes parts of Multnomah, Washington, and Clackamas counties. For information on Tri-Met boundaries, call 503-962-6466 or the Department of Revenue at 503-945-8091 or 503-378-4988.

LTD serves the entire Eugene-Springfield urban area as well as several rural areas. For information on LTD boundaries, call 541-682-6100 or the Department of Revenue at 503-945-8091 or 503-378-4988.

Who must file a report?

All employers who have employees working in the Tri-Met or LTD districts and who aren't exempt (see "Exempt payroll" to the right) must register and file with the Oregon Department of Revenue. If an employer doesn't have employees working within the transit district boundaries, the payroll isn't subject to the transit tax.

Wages subject to transit districts

Wages means all salaries, commissions, bonuses, fees, or other items of value paid to a person for services performed within a transit district. See ORS 267.380 for further details. Transit district wages also include:

- Payments to a Simplified Employee Pension (SEP) made at the election of the employee.
- Payments made for the purchase of IRC section 403(b) annuities under salary reductions plans made at the election of the employee.
- Contributions to 401(k) retirement plans made at the election of the employee.
- Pick-up payments to governmental retirement plans under salary reduction agreements.

- Amount deferred under governmental deferred compensation plans.
- Any amount deferred under a nonqualified deferred compensation plan.

Exempt payroll

The following are exempt from Tri-Met and LTD excise taxes:

- Federal and state governmental units.
- Federal credit unions.
- Public school districts.
- Organizations, except hospitals, that have qualified for exemption under ORS 267.380(1)(b).
- Insurance companies (except motor service clubs, health care contractors, and domestic insurers).
- Domestic service in a private home.
- Casual labor.
- Services performed outside the district.
- Seamen who are exempt from garnishment.
- Employee trusts that are exempt from taxation.
- Tips paid by the customer to the employee.
- Wages paid to employees whose labor is solely connected to planting, cultivating, or harvesting seasonal agricultural crops.

The following are exempt from LTD but subject to Tri-Met:

- Public education districts.
- Public special service and utility districts.
- Port authorities.
- Firefighters.
- City, county, and other local government units.

How to figure the transit tax

The transit tax is imposed directly on the employer. It is imposed only for the amount of gross payroll paid for services performed within the Tri-Met or LTD district.

The current transit tax rates are:

- Tri-Met— .006195
- LTD— .006

Oregon Workers' Benefit Fund Assessment Information

Workers subject to Workers' Benefit Fund (WBF) assessment

WBF assessment applies to all employers and paid workers who are required by law or choose to maintain workers' compensation insurance coverage. Every calendar quarter that you have a workers' compensation insurance policy that covers yourself (personal election) or Oregon workers, you must file a Form OQ.

Report -0- hours worked and -0- assessment due if you have no workers or only volunteer workers during a quarter. If Form OQ is left blank or not filed during the time you have workers' compensation insurance coverage, you may be assessed a penalty.

For information on subject workers, contact the Department of Consumer and Business Services at 503-947-7815, or write: Compliance Unit, DCBS/WCD, 350 Winter St NE, Rm 21, Salem, OR 97301-3879.

Hourly assessment

The assessment is based on the total number of hours or parts of hours worked by all subject workers in the same pay period as is used to compute

the employee's withholding. The hourly assessment rate is printed on Form OQ in box 10, and may change annually.

How to update or close your Workers' Benefit Fund assessment account

If you change ownership, discontinue business, or cease to employ workers, contact your workers' compensation insurer with the corrected information. When your insurer terminates or files an endorsement to the guaranty contract with the Workers' Compensation Division, your WBF assessment account also will be corrected or closed. You also may use the Change in Status Report to expedite updating or closing your WBF assessment account for reporting purposes, but your insurance coverage and claims liability remain unchanged and in effect until your insurer notifies the Workers' Compensation Division directly.

Send notices or requests regarding the Workers' Benefit Fund assessment to:

Workers' Benefit Fund Assessment Unit
DCBS/BAD
350 Winter St NE, Rm 300
Salem OR 97301-3878

Beginning in 2000, the Workers' Compensation Assessment changed its name to the Workers' Benefit Fund (WBF) assessment. This change more accurately reflects its purpose and distinguishes it from other workers' compensation-related premiums and assessments.