

DOR Tax Professional Liaison Meeting

October 25, 2024
Hosted by:
Daron Prara, Policy Analyst

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How to participate

Your camera and microphone will **not** be on.

Audio Settings Click the carat to adjust the sound.




Use Q&A to ask questions for presenter to answer.

Click thumb to upvote questions. Lisa Robins 03:04 PM
Can I join a Zoom meeting by phone?


Use chat function to communicate with other attendees.

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Presenters

 Oregon Treasury John Blakeman	 Internal Controls Office Stefanie Lucas-Waverly	 Personal Income Tax Roy Suarez Kyle Knox Daron Prara Robert Oakes
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Voluntary Self-Identification

Tax Professional Liaison Meeting
Friday, October 25, 2024
Roy Suarez: Project Manager

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Agenda

- 1 VSI overview
- 2 VSI purpose
3. How will data be collected/used
- 4 Next steps
- 5 Form OR-VSI
- 6 How can our partners (you) help?

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Voluntary Self-Identification (VSI) overview

-  New form created to collect VSI information
-  Will start with 2024 returns
-  Oregon is the first state to ask for this information with the tax return

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VSI purpose

- To help determine the impact of state tax policies on all Oregonians
- Voluntary participation will give Oregon taxpayers and Oregonians a choice to be included
- The form mirrors race and ethnicity options in the Oregon Health Authority's (OHA) "REALD" program



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How will data be collected/used?

- Taxpayers will have the option to file the form with their return.
- People without a return filing requirement will have option to file the form on ROL.
- The bill has strict requirements for storing and using the data.
- Safeguards to separate and store race and ethnicity information.
- Only a limited number of authorized staff will have access.

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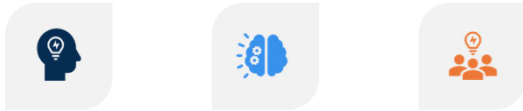
How will data be collected/used? (cont.)

- Limited use of data: Tax policy analysis by DOR's Research Section, the Legislative Revenue Office, and the Department of Administrative Service's Office of Economic Analysis
- DOR must report annually in September to the Legislature: 2024 Report available on DOR's website ([2024 VSI Legislative Report](#))

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Next steps



- Ensure participation in program is simple.
- We are finalizing the form and instructions.
- We have created a webpage with information about SB 1 and an email address: ORVoluntary.SelfID@DOR.oregon.gov.
- We are meeting with partners and doing public outreach throughout the year and next tax filing season.
- We are adopting new Oregon Administrative Rules.

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Form OR-VSI

2024 Form OR-VSI
Voluntary Self-Identification

Oregon Department of Revenue

Page 1 of 1 - 10/24/2024 10:00 AM - User: [redacted] - Print page | Download page | Email page

Include this form when you file your Oregon return. If you don't have to file an Oregon return but would like to provide this information, go to [Revenue Online at oregon.gov/oregon](#).

This form is used to gather data about the race and ethnicity of Oregon taxpayers. The data will help us write better forms and supply our personal services to you. It will be used for no other purpose. Supporting this form is voluntary. See Form OR-VSI instructions for more information.

If your filing status is married filing jointly, check this box if your name is listed second on your return. Attach a separate form for each spouse.

Enter the first four letters of your last name:

Instructions: Using the codes shown in the table, enter your primary race or ethnicity in box 1, and up to four additional races or ethnicities in boxes 2 and 3. If you don't have a primary race or ethnic identity, mark the box under line 1 and enter all races or ethnicities from the table.

Notes: If you have a primary race or ethnicity, mark the box under line 1 and enter all races or ethnicities from the table.

I don't have a primary race or ethnic identity.

Race or ethnicity		Race or ethnicity	
1. Primary race or ethnicity	2. Additional race or ethnicity	3. Additional race or ethnicity	4. Additional race or ethnicity
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Race or ethnicity		Race or ethnicity	
1. Primary race or ethnicity	2. Additional race or ethnicity	3. Additional race or ethnicity	4. Additional race or ethnicity
001	002	003	004
005	006	007	008
009	010	011	012
013	014	015	016
017	018	019	020
021	022	023	024
025	026	027	028
029	030	031	032
033	034	035	036
037	038	039	040
041	042	043	044
045	046	047	048
049	050	051	052
053	054	055	056
057	058	059	060
061	062	063	064
065	066	067	068
069	070	071	072
073	074	075	076
077	078	079	080
081	082	083	084
085	086	087	088
089	090	091	092
093	094	095	096
097	098	099	100

Include this form when you file your Oregon income tax return.

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How can our partners (you) help?

- Get informed about the program.
- Inform your clients of this form and DOR's website for more information.
- Respect your client's choice to fill out the form.
- Do not make decisions about participation on behalf of your clients.
- Ensure your clients understand that the law prohibits you from using the information on the form.
- We'd like to hear any concerns you might have with the project, form, etc.
- Webpage review/feedback: Voluntary Self-Identification of Race and Ethnicity (<https://www.oregon.gov/dor/programs/individuals/Pages/self-identification.aspx>)

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Questions?
Roy Suarez
roy.suarez@dor.oregon.gov
orvoluntary.selfid@dor.oregon.gov

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New Tax Authorization Forms


October 25, 2024
Stefanie Lucas-Waverly
Internal Controls Office

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New Forms



Authorization to Represent



Authorization to Receive Tax Information






Instructions

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New Forms

-  Live November 1, 2024
-  Accept old form until January 1, 2025
-  Current forms still valid

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Highlights: New Tax Authorization Forms



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New Forms

-  All tax years and all tax programs
-  All prior authorizations remain in effect
-  Complete form

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OR-AUTH-REP, Authorization to Represent

Part 2 – Authorization to represent, Representative's attestation and signature

I authorize the Department of Revenue to share my confidential tax information to the authorized representative named below. I authorize my representative to make decisions on my behalf. The authorized representative must meet the qualifications to represent me before the Oregon Department of Revenue. My authorized representative will represent me for **all tax years and all tax programs** unless the authorization is limited in Part 3.


Representative name		Phone number () - ()	
Firm, organization, or agency name			
Title (if applicable)	Email		
Address	City	State	ZIP code
Relationship	P/A, State Bar Number, or Oregon License Number (LLP, LLC, Agent)		
Signature of representative—By signing below as an authorized representative, I attest that I meet the qualifications to represent under Oregon law.			Date

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Do you have questions or need help?
www.oregon.gov/dor
 503-378-4988 or 800-356-4222
questions.dor@dor.oregon.gov
 Contact us for ADA accommodations or assistance in other languages.

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First-time Homebuyers Savings Account

October 25, 2024
 Presented by Kyle Knox

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First-time Home Buyer Savings Accounts – What are they?



- Financial vehicle to support first-time home buyers in saving for a house.
- Allows contributions and earnings to be subtracted from Oregon income when filing state income tax.
- Funds must be used within 10 years.
- Addition and penalty for nonqualified withdrawal.

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How is the subtraction changing?

- Beginning in 2024, subtraction limits are tied to inflation.
- Beginning January 1, 2025, Senate Bill 1527 expands the program.

If your filing status is:	and your federal AGI is:		then your maximum allowable FTBBSA subtraction is:
	at least—	but less than—	
Married filing jointly	0	\$149,000	\$11,866
	\$149,000	\$158,000	\$9,495
	\$158,000	\$167,000	\$7,120
	\$167,000	\$176,000	\$4,750
	\$176,000	\$187,000	\$2,375
	\$187,000 or more	0	
All others	0	\$104,000	\$5,925
	\$104,000	\$111,000	\$4,750
	\$111,000	\$117,000	\$3,580
	\$117,000	\$123,000	\$2,375
	\$123,000	\$131,000	\$1,190
	\$131,000 or more	0	

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Senate Bill 1527

- Accounts can be opened at any financial institution.
- Accounts can be opened to save for a beneficiary.
- Begins January 1, 2025.

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How is the subtraction claimed now?

- New Form OR-HOME for record keeping and beneficiary designation.
- Continue to claim with subtraction code 361 on Schedule OR-ASC or OR-ASC-NP.



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Questions about First-time Home Buyer Savings Accounts?

Visit our webpage:

<https://www.oregon.gov/dor/programs/individuals/pages/first-time-home-buyer.aspx>

(From our main page, click the Individuals section and follow the link under Before you file)



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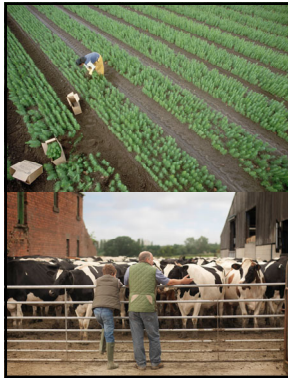
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Agricultural Employer Overtime Tax Credit

October 25, 2024
Presented by Daron Prara

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**HB 4002 (2022):
Mandatory overtime for
agricultural employees**

- Phased in over six years – hours worked over 55 per week in 2023 and 2024
- Tax credit to offset costs
- Farm net operating loss three-year carryback (SB 1524 - 2022)
- HB 2058: repayable award for qualifying ag employer (must qualify/apply for credit) – www.oregon4biz.com

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Agricultural Employer Overtime Tax Credit

- North American Industry Classification System (NAICS) code 111 or 112
- Percentage of overtime (OT) wages paid to qualifying employees
- Decreases over six-year phase-in period
- \$55 million total credit per year
- Apply through Revenue Online **in January only**
 - Set up account early (if don't already have one)

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Agricultural Employer Overtime Tax Credit

- Automatic filing extension for all applicants
 - Allows time to process applications
 - If more than \$55 million claimed, all credits must be reduced
 - A letter of Acknowledgment will be mailed out by June 1

Credit percentage based on industry sector and number of full-time equivalent (FTE) employees



Credit amount based on OT portion of wages paid for hours worked beyond threshold by qualified employees

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Agricultural Employer Overtime Tax Credit

Workers who don't qualify:

- Employer's parent, spouse, child, other immediate family
- Office, retail, other administrative employees
- Individuals described in ORS 653.020(1) (workers who aren't subject to state minimum wage standards)

Employers who don't qualify:

- Farm labor contractors (FLC) who don't have their own farming operation
- No OT wages paid in NAICS codes 111 or 112

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Agricultural Employer Overtime Tax Credit

Year	Overtime threshold	Tax credit as a percentage of overtime paid			
		More than 50 FTE*	26 to 50 FTE* & dairies with more than 25 FTE*	Not more than 25 FTE*	Dairies with not more than 25 FTE*
2023	55 hours	60%	75%	90%	100%
2024	55 hours	60%	60%	80%	100%
2025	48 hours	45%	60%	80%	100%
2026	48 hours	30%	50%	60%	100%
2027	40 hours	15%	50%	60%	100%
2028	40 hours	15%	50%	60%	100%

*FTE is full-time equivalent

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Tax credit application

Revenue Online – link available January 1 under **View More**


The screenshot shows the Revenue Online user interface. At the top, it says 'Revenue Online' and 'TEST TESTER'. Below that, there are navigation tabs: 'Summary', 'Action Center', 'Settings', and 'More Options'. An arrow points from the text 'Look for "More Options" or "View More"' to the 'More Options' tab. Below the navigation is an 'Account' section showing '009726279-68' and a balance of '\$0.00'. To the right, a 'View More' menu is open, listing several options, with an arrow pointing to 'Submit Application for Agriculture Employer Overtime Tax Credit'.

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What to have on hand

- Tax information
- Information about farming business
 - FEIN, NAICS code, license number
- Employee information
 - Number of employees
 - Regular and overtime hours worked
 - Wages paid for overtime worked
 - Over 55 hours per week



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Filing statistics

Applications filed


- Total applications submitted – 369
- Total dairy – 32

Entity types filed

- Corporations (including S-Corps) – 52 percent
- Partnerships – 25 percent
- Personal income tax – 23 percent

Total credit requested


- \$7,811,685



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First season challenges

- Base wages vs. overtime wages
- Farm labor contractor wages included in eligible wages
- Pass-through entities (PTE) account access
- PTE named PTE as recipient of pass-through credit



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First season challenges

Base wages vs. overtime wages

- ☞ Many applications filed with base wages included in eligible overtime
- ☞ Overtime portion is the .5 of the 1.5 wages
- ☞ Example:

The regular rate paid to an employee is \$15 an hour. Collectively, employees worked 1,000 regular hours and 100 overtime hours. Overtime is calculated as \$15 (regular rate) times 1.5, which equals \$22.50. The overtime portion is calculated as \$22.50 minus \$15 = \$7.50. The overtime portion is \$7.50 times 100 overtime hours, which equals \$750. For this question you will enter \$750.

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First season challenges

Farm labor contractor (FLC) wages included in eligible wages

- Employers that **also** do business as an FLC included all overtime wages.
- Hours and overtime wages need to be separated if work is not performed in their farm.
- Employers using the FLC will claim the hours and overtime wages paid in their application.

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First season challenges

Pass-through entities (PTE) account access

- ☒ Must have a prior year tax return, or letter issued to entity
- ☒ PTEs do not have prior year income tax return
- ☒ PTEs need to request an introduction letter
- ☒ Mailing time can take a week or more

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First season challenges

- ⌘ PTE named PTE as recipient of pass-through credit
- ⌘ PTEs completed Section F, PTE members and shareholders with the filing entity's name.
- ⌘ Complete Section F with member or shareholder information only
- ⌘ If member or shareholder information not available, file OR-TFR

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Application processing

- ⌘ Most applications were processed without additional department contact.
- ⌘ Adjusted applications
 - ⌘ Most adjusted applications a result of adding base wages to eligible overtime
 - ⌘ Majority of cases resolved with phone call to application contact
- ⌘ Denied applications
 - ⌘ Most denied for amounts claimed outside of industry norms
 - ⌘ Not necessarily wrong, just requires more detailed review of records
 - ⌘ Appeal process allows for additional time to review records

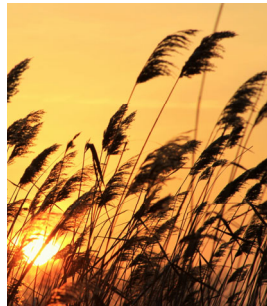


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Upcoming

- ⌘ June 1, mailing of acknowledgement letter
- ⌘ Continued outreach



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For more information

- Webpage
- Email updates
- Social media
- Conferences, county fairs, Oregon State Fair

The collage includes: 1) A screenshot of the Oregon Department of Revenue website's 'Businesses' section. 2) A photograph of a trade show booth with staff members. 3) A graphic titled 'SIGN UP FOR EMAIL UPDATES' listing topics like 'Ag Overtime Update', 'SUI-22 Property Issues', and 'Pass-Through Entry Elective Tax'.

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Communicating with the agricultural OT Team

Tax credit questions can be sent to: Ag.Overtime@dor.oregon.gov

External Webpage: www.oregon.gov/dor/programs/businesses/Pages/ag-overtime
 (From our main page, click the Businesses section and follow the link under Resources)

Subscribe to Agricultural Overtime Update emails: www.oregon.gov/dor
 (Under Contact and Follow Us at the bottom of the page)

Wage and hour questions can be sent to: Ag.Overtime@boli.oregon.gov

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DOR Update

October 25, 2024
 Robert Oakes, Operations and Policy Analyst

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DOR Updates

- Estate tax exemption
- Email lists
- YouTube channel
- Oregon Administrative Rules
- DOR contacts for tax professionals
- Business Resources
- Doug the chatbot
- 1099 Gs

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Estate Tax Exemption for Natural Resource Property



SB 498 (2023) created an estate tax exemption for natural resource property.



The exemption applies to estates of decedents who pass away on or after July 1, 2023.



Oregon Administrative Rule (OAR 150-118-0115) is intended to provide guidance

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Estate Tax Exemption for Natural Resource Property

The Rule provides guidance on:

- What property qualifies for the exemption
- Who qualifies for the exemption
- The effect of transfer of property
- When the material participation requirement for the exemption are met
- Acknowledgement required to claim the exemption
- estate.help.dor@dor.oregon.gov for questions.

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Do you have questions or need help?
www.oregon.gov/dor
503-378-4988 or 800-356-4222
prac.revenue@dor.oregon.gov
Contact us for ADA accommodations or
assistance in other languages.

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