

Oregon Combined Payroll Tax Report

2009

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

Forms and Instructions For Oregon Employers

- FORM OQ
OREGON QUARTERLY TAX REPORT
- OREGON SCHEDULE B
- FORM 132
EMPLOYEE DETAIL REPORT
- FORMS ORDER REQUEST
- FORM 013
CHANGE IN STATUS REPORT
- FORM WR
OREGON ANNUAL WITHHOLDING
TAX RECONCILIATION REPORT

2009 Oregon Combined Tax Payment Coupons
(Form OTC) are mailed separately.

How to ensure that your report is processed on time

- ✓ Do you use a tax preparer?
If so, they may need this
booklet to file your reports.
- ✓ Double-check your math.
- ✓ When sending a payment
by check, you must include
Form OTC.
- ✓ If you have no payroll
or subject hours worked
during a quarter, enter a
"0" in the boxes on lines
1, 5, 9, and 11 for each tax
program to which you are
subject.
- ✓ **File electronically.** See
page 8 for details.

150-211-155 (Rev. 12-08)



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

Table of Contents

Filing Due Dates for Quarterly Reports; Where to File and Pay	3
New Information	4
Tips for Successful Reporting.....	4
Important Information.....	5
Required Forms.....	6
Filing the Combined Quarterly Tax Report	7
Payment Instructions	9
Guidelines for Oregon Withholding Payment Due Dates.....	10
Penalties; Interest.....	11
Credits	12
Quarterly Tax Report (Form OQ) Instructions	12
Employee Detail Report (Form 132) Instructions	15
Schedule B Instructions.....	15
Unemployment Insurance (UI) Tax Information	16
Withholding Tax Information	18
Transit District Excise Tax Information	20
Workers' Benefit Fund (WBF) Assessment Information	22

Use the numbers below if you need assistance.

State withholding, TriMet, LTD taxes

OREGON DEPARTMENT OF REVENUE (DOR)

Salem: 503-945-8091 or 1-800-356-4222
TTY users: 503-945-8617
Internet: www.oregon.gov/DOR
E-mail: payroll.help.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

Workers' Benefit Fund assessment

OREGON DEPARTMENT OF CONSUMER & BUSINESS SERVICES (DCBS)

Assessment questions:

Salem: 503-378-2372
Internet: www.oregon.gov/DCBS/FABS/wbf.shtml
E-mail: wbfassess.fabs@state.or.us

Subjectivity questions:

Salem: 503-947-7815 or 1-888-877-5670
E-mail: workcomp.questions@state.or.us

Reporting form:

Oregon Quarterly Tax Report—Form OQ

State unemployment insurance tax

OREGON EMPLOYMENT DEPARTMENT (OED)

Salem: 503-947-1488
TTY users: 711
Internet: www.oregon.gov/EMPLOY/TAX
E-mail: taxinfo@emp.state.or.us

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

Electronic funds transfer (EFT)

EFT Help Line: 503-947-2017

Other internet addresses

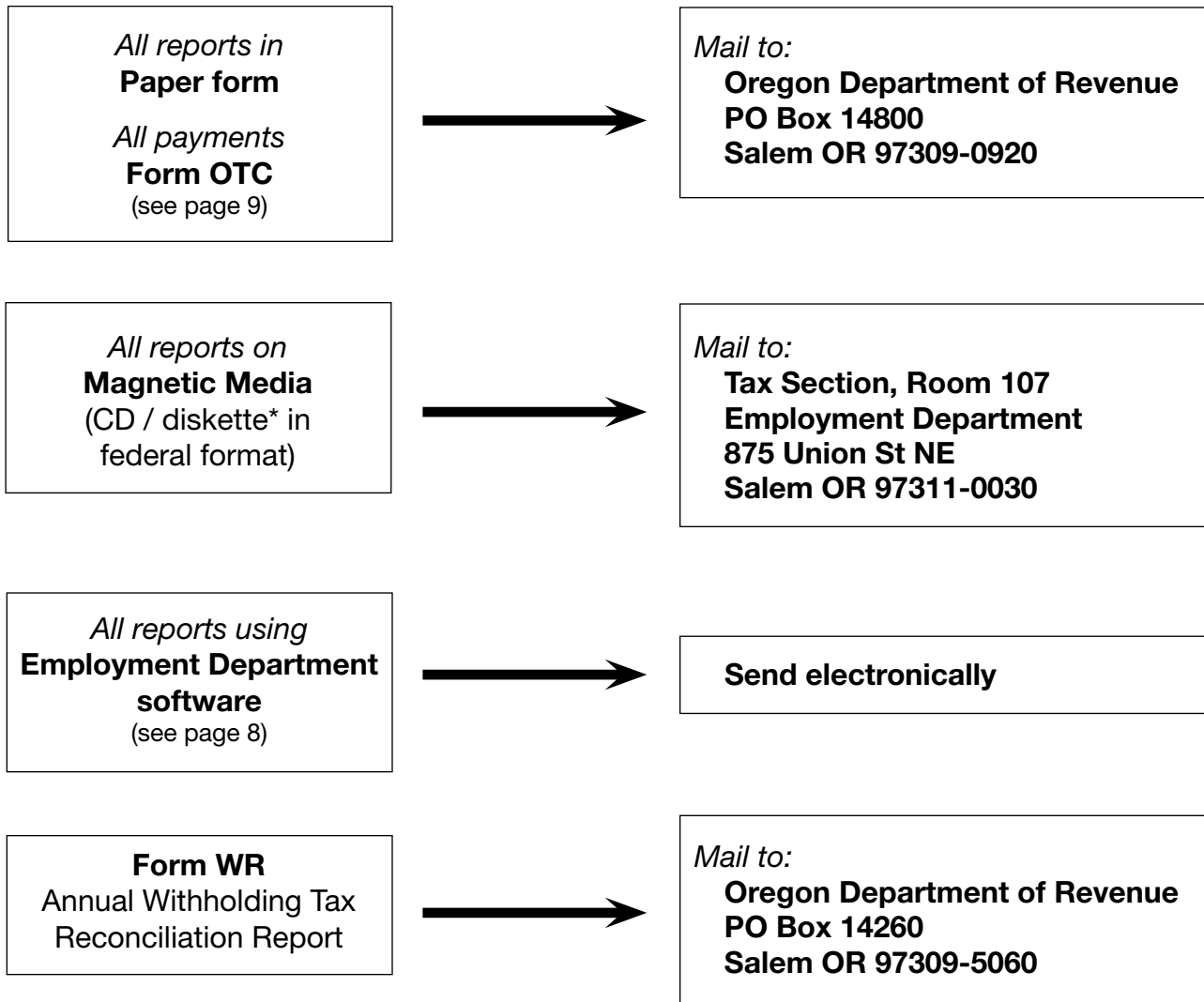
How to Start a Business in Oregon and *Employer's Guide for Doing Business in Oregon* are available at www.filinginoregon.com.

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

Filing Due Dates for Quarterly Reports

Quarter	Quarter Ending Date	Report Due Date
1st — Jan–Feb–Mar	March 31, 2009	April 30, 2009
2nd — Apr–May–Jun	June 30, 2009	July 31, 2009
3rd — Jul–Aug–Sep	September 30, 2009	October 31, 2009
4th — Oct–Nov–Dec	December 31, 2009	January 31, 2010
If the due date is on a weekend or holiday, the report is due the next working day.		

Where to File and Pay



*After January 31, 2010, we will no longer accept diskettes. We will continue to accept CDs.



In compliance with the Americans with Disabilities Act (ADA), this information is available in alternative formats by calling the **Oregon Department of Revenue**, 503-378-4988, or 1-800-356-4222 (toll free from an Oregon prefix) or the **Oregon Employment Department**, 503-947-1488.

New Information

Tax rates

- The Workers' Benefit Fund (WBF) assessment rate is **0.028**.
- The taxable wage base for unemployment insurance (UI) is **\$31,300**.
- Tri-County Metropolitan Transportation District (TriMet) tax rate is **0.006718**.
- Lane Transit District (LTD) tax rate is **0.0065**.

Oregon income tax withholding— Information circular

Information about Oregon income tax withholding is available at www.oregon.gov/DOR/BUS/withholding.shtml.

Magnetic media

After January 31, 2010, we will no longer accept diskettes. We will continue to accept CDs.

Employers of Oregon nonresidents

You must withhold Oregon income tax from all wages earned by nonresident employees for their services performed in Oregon, unless their Oregon earnings for the year will be less than the standard deduction amount for their filing status. The Oregon standard deduction amounts for tax year 2009 are:

Single, married or RDP* filing separately	\$1,945
Head of household.....	\$3,135
Married/RDP filing jointly.....	\$3,895
Qualifying widow(er).....	\$3,895

Nonresident employees with wages more than their standard deduction amount must file an Oregon nonresident income tax return.

Nonresident employees with Oregon wages less than their standard deduction still may ask you to withhold tax. Usually, this is because they have additional Oregon income from other sources.

**Registered domestic partner*

Tips for Successful Reporting

When you report all required information correctly, you can avoid delays in the processing of your forms. Delays may result in penalties, interest charges, and other fees that you may be required to pay if you don't report accurately and on time.

How to avoid common errors

- Use the correct Oregon business identification number (BIN).
- Put the BIN and quarter/year on each report form in the appropriate box.
- Use the correct tax rates.
- If filling out the forms by hand, use only blue or black ink.
- If using nonprefilled forms, make sure to include name and address.
- Keep copies of Form OQ, Schedule B, Form 132, and Form OTC for your records.
- Report whole hours on Form OQ (WBF assessment) and on Form 132.

Helpful websites

- Payroll tax basics: www.oregon.gov/DOR/BUS/payroll_basics.shtml.
- Oregon transit payroll taxes for employers; includes transit rates: www.oregon.gov/DOR/BUS/IC-211-503.shtml.
- Most common questions: www.oregon.gov/DOR/BUS/faq-withhold.shtml.
- Contracting payroll service: www.irs.gov/businesses/small/article/0,,id=176943,00.html.
- Acquiring an FEIN: www.irs.gov/businesses/small/article/0,,id=102767,00.html.

Important Information

Oregon Department of Revenue (DOR), Oregon Employment Department (OED), and Department of Consumer and Business Services (DCBS) rules differ. *Please read all instructions carefully. If you have questions, please contact the appropriate agency* (see page 2).

What is a filed return?

While there are multiple tax and assessment programs represented on the Oregon Quarterly Tax Report, the following are filing requirements for state withholding, Tri-County Metropolitan Transportation District (TriMet), and Lane Transit District (LTD) tax programs administered by DOR.

- Only columns filled in with numerical information will be considered a filed return for that program.
- If you have no payroll or hours worked during a quarter, enter a “0” in the boxes on lines 1, 5, 9, and 11 for each tax program to which you are subject.

Employer new hire reporting program

All Oregon employers must report new and rehired employees to the Oregon Department of Justice’s Division of Child Support within 20 days from their hire date. For information on the law and reporting procedures, contact:

**Department of Justice
Employer New Hire Reporting Program
4600 25th Ave NE, Suite 180
Salem OR 97301**

503-378-2868

Fax: 503-378-2863 or 877-877-7415

E-mail: emplnewhire.help@doj.state.or.us

www.oregon.gov/DOJ

Use capital letters

Our electronic processing equipment can read your reports **more accurately** if you fill them out using all capital letters.

Please help us avoid processing errors and sending you unnecessary notices by using **CAPITAL LETTERS ONLY** on your reports.

Withholding tax tables

The Oregon withholding tax tables were updated January 1, 2007. The tables are available at

www.oregon.gov/DOR. If you don’t have internet access, call 503-945-8091.

Reporting hours may differ

The number of subject hours reported for UI tax on the Wage Detail Report (Form 132) may not equal the number of subject hours reported for the WBF assessment in box 9 on Form OQ (see page 14, DCBS; page 15, OED).

Reporting subject wages

Total wages reported for UI and for withholding may differ depending on the subjectivity requirements for each program (see page 16, OED; page 18, DOR).

Easy, free electronic filing

You may file your quarterly Oregon payroll tax report electronically on the internet, by e-mail, or on CD/diskette. If you have no payroll or subject hours to report, you have another option: file by telephone (see page 8).

Filing for bankruptcy

If you file for bankruptcy, you need to notify **separately** each state agency that administers the payroll taxes and/or assessments to which you are subject.

“Common pay agent”

Oregon law doesn’t allow Oregon combined payroll taxes to be reported by a “common pay agent” as defined in IRS Section 3504.

Oregon identification numbers

Your Oregon business identification number (BIN) is not the same as your registry number issued by the Oregon Secretary of State’s Corporation Division. **If you don’t know your BIN, call DOR, 503-945-8091 or 503-378-4988.**

The correct format for a BIN is NNNNNNNN-N (for example, 1234567-8).

You must include your BIN at the top of all correspondence, returns, and payments that you file with DOR, OED, and DCBS.

Important: If the structure of your business has changed, call DOR, 503-945-8091 or 503-378-4988.

Updating a business address or telephone number

To update your business address or telephone number, please e-mail the information to payroll.help.dor@state.or.us, or complete and mail the *Change in Status Report* (150-211-157).

Latest payroll tax information

Sign up for “Payroll Tax—News,” an e-mail list that allows subscribers to get the latest payroll tax information, such as interest rates, legislative issues, and return processing questions. Subscribe to the list at www.oregon.gov/DOR/BUS/payrolltaxnews.shtml.

Keep your records

You must keep WBF assessment-related payroll records for at least four years.

You must keep all other payroll records for at least six years after filing the required reports.

Penalties for illegal tax rate manipulation

Under Oregon law, an employer may not engage in or advise another employer to engage in activity to transfer or acquire, or attempt to transfer or acquire, a trade or business or any part of a trade or business solely or primarily for the purpose of getting a lower UI tax rate.

If an employer knowingly engages in such activity, the highest UI tax rate (currently 5.4 percent) will be assigned to that trade or business for the tax year in which the activity occurred and for the next three years. However, if the employer is already subject to the highest tax rate for the year, or if the amount of increase in the tax rate is less than 2 percent,

an additional penalty tax rate of 2 percent will be added to the calculated tax rate.

Also, if an employer advises another employer to engage in this activity, the advising employer may be charged a civil penalty of up to \$10,000. Criminal penalties for engaging in tax avoidance schemes also may be imposed.

For more information, visit www.oregon.gov/EMPLOY/TAX.

Independent contractors

To be an independent contractor, workers must meet the statutory definition in ORS 670.600. This law covers DOR, OED, Construction Contractors Board, and Landscape Contractors Board.

The laws covering the Workers’ Compensation Division of DCBS and the Bureau of Labor and Industries (BOLI) are a little different. Contact these agencies for more information.

Misclassifying employees as independent contractors can be costly to an employer. For more information about independent contractors, visit www.OregonIndependentContractors.com.

Small employers and withholding

Small employers, unless they qualify as an agricultural or domestic household employer under Oregon law, must file quarterly with DOR using Form OQ.

For more information about small employer filing requirements, visit www.oregon.gov/DOR, select Business Taxes > Filing and Paying > Small Employer Q & A.

Required Forms

If you file paper forms, using the forms in this booklet ensures faster and more accurate processing. If you don’t use the correct forms or format, you may be charged a penalty (see page 11).

We process paper forms electronically. It is critical to successful reporting to use the correct format and color. We may return forms that are incorrectly formatted or photocopied, which may result in a penalty.

To avoid these problems, please:

- Use only blue or black ink.

- Use only white paper.
- Use only original forms. Don’t photocopy or fax your reports. Copied and faxed reports are considered out-of-format and you may be charged penalties if you use them.

If you use a tax preparer, please check with them to see if they need this booklet to file your reports. Your forms can be sent to your tax preparer. Fill out the *Change in Status Report* to change the mailing address to your tax preparer’s address.

Use the Order Request at the back of this booklet to order more reporting forms or reporting software.

NOTE:

Form OQ, Oregon Schedule B, and Form 132 are processed by OED using automated equipment. Form OTC and payments are processed by DOR. To correctly apply payments, send a Form OTC with every payment, including payments made with your Form OQ. Form OTC is not required for payments made by EFT.

You may also order forms or software at **www.oregon.gov/EMPLOY/TAX** under Reporting Methods.

Forms needed for reporting

Form OQ—Oregon Quarterly Tax Report. File these each quarter to document how you calculate the amounts of withholding tax, UI tax, TriMet and Lane Transit District taxes, and the WBF assessment you owe.

Also use it to report withholding on pension/annuity payments.

Oregon Schedule B—State Withholding Tax. For withholding tax only. Use this form only if you must make semi-weekly or daily state income tax withholding deposits. File Schedule B with Form OQ to document withholding tax deposit amounts by deposit date.

Form 132—Employee Detail Report. For UI tax only. File quarterly with Form OQ to detail, by employee, the subject wages and hours each employee worked to calculate the amount of UI tax you owe.

Form OTC—Oregon Combined Tax Payment Coupon. File with each payroll tax payment to show how the amount paid is to be distributed among withholding tax, UI tax, TriMet and Lane Transit District taxes, and the WBF assessment.

Other forms

Form 013 – Change in Status Report. Use this form to notify DOR and OED about changes to your business, such as:

- Changing business address and/or name,
- Correcting a federal employer ID number (FEIN),
- Selling or closing the business,
- No longer working in a transit district,
- Starting in a transit district.

If the structure of your business changes, you may need to complete the Combined Employers Registration. Please call 503-945-8091 for more information.

Because we process reports and payments electronically, our computers may not see and process changes you write on Form OQ or Form OTC.

Form WR—Oregon Annual Withholding Tax Reconciliation Report. Form WR is required by all employers who withhold state income tax from their employees. It is filed annually by employers to reconcile the Oregon state withholding taxes reported to DOR with all Oregon W2s and 1099s issued to your employees. If you stop doing business or no longer have employees, Form WR is due 45 days after your final payroll.

Filing the Combined Quarterly Tax Report

Who must file

You must file a Form OQ each quarter if you:

- Are registered as an active employer with DOR or OED, **even if you had no payroll during the quarter.** Reimbursing employers and Local Government Employers Benefit Trust Fund employers also must file Form OQ.
- Pay workers subject to Oregon's workers' compensation law, or owners or officers who are covered by workers' compensation insurance through personal election.

- Withhold on a distribution of pensions or annuities.

You must file Oregon Schedule B if you:

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

You must file Form 132 if you:

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

When to file

See page 3 for report due dates.

Filing options

Instead of filing by paper, consider filing electronically. **Electronic filing** is faster and more efficient and accurate than paper filing. You can file electronically through the internet, or by e-mail or telephone.

- **OTTER.** You can file through the internet, e-mail, or on CD/diskette using the computer-based “OTTER” (Oregon Tax Employer Reporting) software program. The software is free, user friendly, and popular with large and small employers. Your data can be imported from separate payroll programs directly into the electronic reporting format or copied from one quarter to the next.

You may order OTTER by downloading the program from www.oregon.gov/EMPLOY/TAX, by calling 503-947-1488, or by using the order form at the back of this booklet.

- **SETRON.** Web-based SETRON (Secure Employer Tax Reporting On-line) reporting allows any employer to report over the internet regardless of their operating system. SETRON is at www.oregon.gov/EMPLOY/TAX. Remember to print a paper copy of your report to keep for your records.
- **Telephone (IVR).** If you are an employer who has no payroll or subject hours to report for all programs for a particular quarter, you can file a “no payroll/no hours worked” report by telephone. IVR is available 24 hours a day, seven days a week. Call 503-378-3981. Confirmation numbers aren’t issued. Stay on the line until you are notified at the end of the call that your report was accepted.

Option specifications

For reporting-option specifications, call OED, 503-947-1488, option 3. Options also are available at www.oregon.gov/EMPLOY/TAX under “Reporting Methods.” You also may use the order form at the back of this booklet.

Oregon 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 UI tax, WBF assessment, or transit tax must file

Form OQ in addition to Form WA. Visit www.oregon.gov/DOR/BUS/IC-206-628.shtml, or call 503-945-8091 for more information.

- Domestic household employers with employees doing only in-home services may file the Combined Payroll Tax Reports annually using Form OA. The forms are sent by November 15 of each year. Call OED, 503-947-1488 for more information, or e-mail questions to taxinfo@emp.state.or.us.

Amended reports or adjustments

To amend a report you filed using paper or SETRON:

- Fillable amended report forms are at www.oregon.gov/EMPLOY/TAX/TaxDocs.shtml. These forms can also be ordered by calling 503-947-1548, option 3.
- Complete the Form OQ/OA–AMENDED, Schedule B–AMENDED, or Form 132–AMENDED.

To amend a report you filed using OTTER:

- Make the corrections in OTTER.
- Print a paper copy of the amended report.
- Write “Amended” in large letters at the top of the amended report.
- Circle the boxes that have been changed from the original report. **Don’t use a highlighter.**
- Write a brief explanation on the back of the form that tells why you are amending your report.

Mail the amended report(s) to:

**Oregon Department of Revenue
PO Box 14800
Salem OR 97309-0920**

Or fax to 503-947-1700.

If you send a check for payment due with your amended report, please include Form OTC with your payment.

Don’t send your corrected report electronically. Use only blue or black ink. Don’t highlight.

Time limits for changes

DOR: If you need to make a change to the withholding or transit tax portions of a report you filed (or file a claim for refund), you have three years from the date the return was filed or the due date of the return, whichever is later, to make the change or file a claim.

OED: Employers may make changes to the UI tax portion of the report for the current quarter and the previous three years.

DCBS will only make and accept adjustments to the WBF assessment portion of the report for quarters during the current calendar year and the previous three years.

Failure to file

If you don't file a correct, complete quarterly report, you may receive an assessment from each agency based on available information. Each agency may charge penalties and interest on the amount assessed (see page 11).

Payment Instructions

To make sure your payment is correctly applied:

- Complete and send in Form OTC with every payment when due, including payments made with your OQ.
- Show the amount paid to each tax program in the appropriate boxes on Form OTC. Enter **only** the amount shown on your check. Don't include credits (see page 12).
- Enter the quarter for which you are making payment.
- If amending or paying more than one quarter, use a separate coupon for each quarter.
- Use current-year personalized coupons. Changes to the coupons or using the wrong coupon could result in misapplied payments.
- Payments for UI tax, WBF assessment, and transit taxes are due when reports are due.
- Payments for withholding tax are based on federal depositing liability (see page 10).
- Make checks payable to Oregon Department of Revenue.
- Please don't staple or tape check to Form OTC.

Send Form OTC and your check to:

Oregon Department of Revenue
PO Box 14800
Salem OR 97309-0920

Payment record

Keep all payment records (see page 6).

Electronic funds transfer (EFT)

EFT is a convenient, safe, and accurate way to make your combined payroll tax payments. EFT allows you to make payments using a secure internet site, a touch-tone telephone, or through your financial institution.

If you are required to pay your federal tax liability electronically, you must also pay your Oregon Combined Payroll taxes electronically.

We encourage you to take part in the EFT program even if you aren't required to because of its accuracy and convenience.

You must file an authorization agreement with DOR before starting EFT payments. Authorization agreements are available at www.oregon.gov/DOR, or by calling 503-947-2017.

Form **OTC** **OREGON COMBINED PAYROLL TAX**
Payment Coupon 150-211-053 (Rev. 9-06)

State Unemployment ↓
State Withholding ↓
TriMet District Excise ↓
Lane Transit District Excise ↓
Workers' Benefit Fund Assessment ↓

Enter quarter payroll was paid to employees: (1, 2, 3, or 4) →
TOTAL PAYMENT (add all the boxes at left)

Date Received
YEAR BUSINESS ID NO.

Make check payable to:
Oregon Department of Revenue
PO Box 14800
Salem OR 97309-0920

12345678900000000091920400111

SAMPLE

Alternate withholding method

Multi-state employers who only have a small payroll in Oregon are required to deposit following the same schedule as federal. Multi-state employers who find that following the federal tax deposit schedule will cause a burden may request a different method of withholding tax payments. To do this, send a letter that includes the following information:

- Business name;
- BIN;
- Nature of the burden;
- Your proposed withholding method;
- Proposed effective date of modified withholding method.

Send this information to:

**Withholding Manager
Department of Revenue
955 Center Street NE
Salem OR 97301-2555**

Continue using the federal requirements until DOR approves your request and designates the change date (ORS 316.191).

Federal Form 944 filers

See small employer questions and answers at www.oregon.gov/DOR/BUS/faq-smallemp.shtml.

Guidelines for Oregon Withholding Payment Due Dates

Oregon withholding tax due dates are the same as the dates for depositing federal tax liability.

If your total federal tax liability is:	Oregon withholding tax payments are due:				
<ul style="list-style-type: none">• Less than \$2,500 for the quarter <i>Example: If your federal tax liability is \$2,300 and your state income tax liability is \$1,500, you deposit quarterly.</i>	→ By the quarterly report due date				
<ul style="list-style-type: none">• \$50,000 or less in the lookback period* <i>Example: If your federal tax liability is \$5,000 and your state income tax liability is \$2,500, you deposit monthly.</i>	→ By the 15th of the month following payroll				
<ul style="list-style-type: none">• More than \$50,000 in the lookback period*	→ Semi-weekly deposit schedule <table><tr><td>If the day falls on a: Wednesday, Thursday, or Friday</td><td>Then pay taxes by: The next Wednesday</td></tr><tr><td>Saturday, Sunday, Monday, or Tuesday</td><td>The next Friday</td></tr></table> <i>Example: If your federal tax liability is \$60,000 and your state income tax liability is \$25,000, you deposit semi-weekly.</i>	If the day falls on a: Wednesday, Thursday, or Friday	Then pay taxes by: The next Wednesday	Saturday, Sunday, Monday, or Tuesday	The next Friday
If the day falls on a: Wednesday, Thursday, or Friday	Then pay taxes by: The next Wednesday				
Saturday, Sunday, Monday, or Tuesday	The next Friday				
<ul style="list-style-type: none">• \$100,000 in a single pay period <i>Example: If your federal tax liability is \$120,000 and your state income tax liability is \$75,000, you deposit the next business day.</i>	→ Within one banking day				

Payrolls paid in:

Quarter 1
January
February
March

Quarter 2
April
May
June

Quarter 3
July
August
September

Quarter 4
October
November
December

* The lookback period is the 12-month period that ended the previous June 30. The lookback period for agricultural employers is the calendar year before the calendar year that just ended.

Penalties

Unemployment insurance (UI) tax

A failure-to-file or late-filing penalty may be assessed if you file Form OQ or Form 132 more than 10 calendar days after the due date, and you received a warning. Forms may be returned to you if you haven't correctly formatted them or if they are incomplete. You must resubmit these reports by the 10th day after the due date to avoid this penalty.

The UI tax failure-to-file penalty is \$6 for each employee reported, with an \$80 minimum and \$1,600 maximum penalty. If no subject wages are reportable, but you file the report late, you may be assessed a \$5 penalty.

OED may assess a penalty if you fail to pay a tax assessment. The penalty will be 10 percent of the unpaid tax for that assessment.

OED may assess a 50-percent penalty of the unpaid tax balance if the agency finds out that an employer is intentionally avoiding paying UI tax. (ORS 657.515(5))

OED may charge an employer an additional 1-percent penalty if, as of September 1, the employer hasn't:

- Filed all UI tax reports:
 - Form OQ, Oregon Quarterly Tax Report,
 - or—
 - Form 132, Employee Detail Report,
 - or—

- Paid all UI taxes due.

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

Note: These penalties are in addition to interest due.

State withholding and transit taxes

- DOR will charge a 5-percent late-payment penalty on any unpaid tax after the due date of the return.
- DOR will charge an additional 20-percent penalty on any tax due as of the due date if you file Form OQ more than one month late.
- DOR will charge a 100-percent penalty on any tax due if you don't file OQ forms for 12 quarters in a row.

Workers' Benefit Fund (WBF) assessment

DCBS may charge a late-filing penalty if you make your payment or file your Form OQ after the due date. DCBS may charge a civil penalty of up to \$2,000 for each violation if the payment or Form OQ is not filed on time. Penalties are charged at 10 percent of the outstanding balance, with a minimum of \$50 for each violation.

Also, if your account is audited for failure to report or for inaccurate reporting, DCBS may charge up to \$2,000 for failure to respond on time to notices and orders related to audit findings (see page 22).

Interest

Unemployment insurance (UI) tax

General employers. OED assesses interest on unpaid or late UI tax. The rate is 1.5 percent per month or fraction of a month after the payment is due.

Payments are due by the last day of the month after the quarter. Interest is assessed if the payment is one day late. Calculate interest on unpaid tax only. Don't calculate interest on previously assessed interest or penalties.

Local Government Employers Benefit Trust Fund participants. Use the above calculation.

Reimbursing employers. Don't calculate interest. OED will bill these accounts for interest due on unpaid balances.

State withholding and transit taxes

DOR charges interest on any remaining tax left unpaid after the due date. DOR will bill for this interest, so you don't need to calculate interest due.

Workers' Benefit Fund (WBF) assessment

DCBS charges interest on unpaid WBF assessments. The rate of 9 percent per year may be charged on all overdue balances. If your account is assigned for collection, you will be responsible for paying the collection fee.

Credits

To apply a credit to a quarter in the same tax program:

You may use Form OQ to apply an amount that you overpaid in a previous quarter if you haven't already requested or been issued a refund. Add the credit to any prepaid amount in the correct box on Form OQ (box 6A, 6B, 6C, 6D or 12) to reduce the balance owing.

To apply a credit to another tax program:

Send a written request to the agency with the credit. Include your account name, BIN, tax program, and

quarter, year, and amount of the credit. Write the tax program, quarter and year to which you want the credit applied. Attach any notices or memos you received about the credit. Don't use Form OQ to transfer credits between programs.

To request a refund:

Send a written request to the agency with the credit. Include your account name, BIN, the word "**Refund**," and the amount to refund. Attach any notices or memos you received about the credit. Don't use Form OQ to request a refund.

Quarterly Tax Report (Form OQ)

Instructions

Employer information section

Before you complete Form OQ, review the business name, mailing address, Oregon business identification number (BIN), and federal employer identification number (FEIN) to make sure they are correct. Make corrections on the *Change in Status Report* included at the end of this booklet.

The North American Industry Classification System (NAICS) code is assigned by OED. Coding is based on the information you gave the department. The code reflects the main activity for your company in Oregon. If you have questions about these codes, call 1-800-262-3912, ext. 7-1248 (toll-free from an Oregon prefix), or 503-947-1248.

Number of covered workers for state unemployment insurance (UI)

Complete this section if you are subject to UI law. If you have questions about how to count workers, call 1-800-262-3912, ext. 7-1248 (toll-free from an Oregon prefix), or 503-947-1248.

Monthly number of covered workers. Include all full-time and part-time workers who worked or received pay subject to UI law during the payroll period that includes the 12th of the month. Some examples are:

- **Daily pay period.** Enter the number of workers on the daily payroll for the workday nearest the 12th of the month.
- **Weekly, biweekly, or semi-monthly pay period.** Enter the number of workers on the payroll for the period that 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 "0" in the appropriate boxes. Don't leave these boxes blank.

Add the numbers for the three months and place the sum in the **Total** (M1 + M2 + M3) box.

OQ columns

In each column:

- Enter the total subject wages paid for each tax program during the quarter. If you have questions, see the program information in this booklet; and
- Enter the total tax owed to each state program. If any of the amounts are less than zero, enter "0." If you have credits, see the Credits section above.

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 excess wages (see box 2).

Box 2. Excess wages. Excess wages are wages above the taxable wage base for the year, *per employee*. The taxable wage base for **2009** is **\$31,300** 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 OED, 503-947-1488.

Reimbursing employers, leave this box blank.

Box 5. Total tax. Multiply box 3A by box 4A. Round down 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 (see page 12).

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 submitted more than 10 days after the due date. To calculate the penalty, multiply the number of employees by \$6. The minimum penalty is \$80. The maximum penalty is \$1,600. If there were no employees, the penalty is \$5.

To calculate interest owed, multiply the unpaid tax owed by 0.015 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. Don't 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 (see page 18).

- 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 subject payroll this quarter.

Box 5. Total tax. Enter total Oregon income tax withheld this quarter. Enter "0" on the wage and tax line of the appropriate column if you had subject payroll but no withholding tax to pay this quarter. Only numerical information entered in the state withholding tax column will be considered a filed return for that program.

If you deposit:

- **Quarterly**—complete only box 5B.
- **Monthly**—complete boxes on line 15 (M1, M2, and M3) on Form OQ. Add the amounts and enter the total into box 5B. **Note:** Box 5B and line 15 **must be** the same amounts.
- **Semi-weekly or one-banking-day depositors**—complete and file Oregon Schedule B. Enter the total in box 5B. **Note:** Box 5B and Schedule B **must be** the same amounts.

Box 6. Tax prepaid this quarter. Enter the amount of withholding tax prepaid this quarter. Include any withholding credits used (see page 12).

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 (TriMet)

Box 1. Subject wages. Enter wages paid for work done in the TriMet district. Enter "0" if there was no subject payroll in the district this quarter (see pages 20-21).

Box 4. Tax rate. The 2009 TriMet tax rate is 0.006718.

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 TriMet Transit District tax but had no tax this quarter, enter "0" on the wage and tax line of the appropriate column.

Only numerical information entered in the TriMet Transit District tax column will be considered a filed return for that program.

Box 6. Tax prepaid this quarter. Enter the amount of TriMet tax prepaid this quarter. Include any TriMet credits used (see page 12).

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 subject payroll in the district this quarter (see pages 20-21).

Box 4. Tax rate. The 2009 LTD tax rate is 0.0065.

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" on the wage and tax line of the appropriate column.

Only numerical information entered in the Lane Transit District tax column will be considered a filed return for that program.

Box 6. Tax prepaid this quarter. Enter the amount of LTD tax prepaid this quarter. Include any LTD credits used (see page 12).

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. Like wages, report hours in the quarter that they are paid. Total all full and partial hours worked by all paid individuals (workers, owners, officers) subject to Oregon's Workers' Compensation law or covered by workers' compensation insurance through personal election.

Enter the total hours rounded down to the nearest whole (no fractions or decimals). If you have no hours to report for the quarter, enter "0."

Note: The hours you report for the WBF assessment won't necessarily equal the hours you report for UI tax purposes on Form 132. In part, this is because there may be differences in who is subject to which tax. Also, hours for the WBF assessment should be reported, like wages, in the quarter that they are paid. The hours for UI tax purposes should be reported in the quarter they are worked.

More information is available at www.oregon.gov/DCBS/FABS/wbf.shtml, or by calling 503-378-2372.

Box 10. Assessment rate. The current WBF assessment rate is 0.028. Employers contribute one-half of the hourly assessment amount and deduct one-half from workers' wages.

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 (see page 12).

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

Box 14. Total payment due

- Enter total payment due.
- Add boxes 8A, 8B, 8C, 8D, and 13.
- **If you have credits, see page 12.**

Make your payment to DOR using EFT, or make your check payable to Oregon Department of Revenue. If you pay by check, include a payment coupon (Form OTC) with your check.

Box 15. Monthly summary of state withholding tax liability

This line is for employers who must deposit withholding taxes monthly. Show the amount of income tax withheld each month of the quarter. Add those amounts to get the total amount withheld that quarter. The total must equal the total withholding tax reported in box 5B.

Don't include payments you made for UI tax, WBF assessment, or transit taxes.

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

If you are required to deposit withholding on a daily or semi-weekly basis, don't complete this line (see page 10). Report withholding on Oregon Schedule B (see page 15).

Box 16. Special payroll tax

Multiply box 3A by 0.0012 for the first quarter of 2009 and by 0.0009 for the remaining three quarters. Don't add or subtract this amount from boxes 5A or 14.

Reimbursing and Local Government Employers Benefit Trust Fund (LGEBTF) employers don't complete this section. Employers not required to pay FUTA don't need to complete this section (see page 16).

Signature

The tax preparer needs to sign Form OQ on the signature line and include a telephone number and the date they fill out the form. A signature is required even if you file a "0" report.

Employee Detail Report (Form 132)

Complete only if you pay UI tax or reimburse OED for benefits paid.

Line 1. Total subject wages. Enter the total subject wages for all employees for the quarter. If you use more than one page of Form 132, enter the total from all pages on page 1 only. This figure must equal the amount in box 1A, 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 each employee worked in the quarter. If you don't track hours for a full-time employee, use 520 hours for the report. **For fractions or portions of an hour worked by an employee,** round up any portion of an hour to the nearest whole hour.

Report the actual number of hours worked, both straight time and overtime. Don't report hours paid for sick leave, vacation leave, or any other hours paid where no work was performed. Even though these hours aren't reported in column 4,

wages paid are still included in the subject wages in column 5.

Although you report wages in the quarter they are paid, report hours in the quarter they are worked.

Note: The hours you report for UI tax purposes on Form 132 won't necessarily equal the hours you report for the WBF assessment on Form OQ, box 9. In part, this is because there may be differences in who is subject to which tax. Also, hours for the WBF assessment should be reported, like wages, in the quarter they are paid. The hours for UI tax purposes should be reported in the quarter they are worked.

Enter "0" for an employee who didn't work during the quarter but received wages. **Don't leave blank.**

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 were more than the taxable wage base.

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

Schedule B

Example: How to complete Oregon Schedule B

A. Daily Oregon Withholding Tax Liability — First Month of the Quarter													
1	2500	00	8			15	1600	00	22			29	
2			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 are required to deposit on a semi-weekly or one-banking-day basis. This form includes a box for every day of the quarter. Find 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. **Don't enter credits** (see page 12).

Unemployment Insurance Tax Information

Subject wages

Generally, wages reportable for Federal Unemployment Tax Act (FUTA) purposes are reportable for 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 OED law (ORS 657.015). This includes contract, casual, or temporary labor.

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

Examples of subject wages include:

- Payments for services to officers and employees of any type of corporation, except those officers electing to be excluded under the family corporation provision (see excluded wages, this page).
- Payments for agricultural and domestic (in-home services) labor by qualified employers.
- Payments for services to employees of nonprofit organizations or political subdivisions.
- Payments for services to clergy and employees of churches or other religious organizations.
- Special payments for services, such as commissions, fees, bonuses, prizes, separation allowances, guaranteed wage payments, and vacation and holiday pay.
- Employee tips reported by the employer as directed by Internal Revenue Code Section 3306.
- Board provided to employees as part of their pay has a minimum value of 30 percent of the standard per diem meal rate within the continental United States. Round the per-diem rate to the nearest dollar. The rate per month will be 30 times the rounded daily rate.

If room is also furnished, no additional value will be placed upon it. If room and board are furnished at hotels, resorts, or lodges, or if a room only, an apartment, a house, or any other consideration is provided, the value for tax purposes will be the fair market value.

Excluded wages

Examples of payments that aren’t subject to UI tax under UI law are:

- Payments to a proprietor or the proprietor’s child under 18, spouse, or parent.
- Payments to legally responsible and registered general partner(s) of a Limited Liability Partnership (LLP) or to members of a Limited Liability Company (LLC).
- Noncash payments to workers in agricultural or domestic (in-home services) employment.
- Sick pay under workers’ compensation law.
- Closely held family corporations that elect, by written request, 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, as parents, stepparents, grandparents, spouses, sons-in-law, daughters-in-law, brothers, sisters, children, stepchildren, adopted children, or grandchildren.

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 for approval. Download the form at www.oregon.gov/EMPLOY/TAX/TaxDocs.shtml.

Note: Those excluded from state UI tax may be subject to higher FUTA tax.

Unemployment insurance (UI) tax payments

UI tax payments are due quarterly (see page 3). 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 UI tax program is authorized to collect a special payroll tax that is calculated every quarter. This isn’t an additional tax. Employers subject to FUTA must deduct the special payroll tax from the total state unemployment tax to determine the amount reported as “contributions paid to the state unemployment fund” on FUTA Form 940.

The special payroll tax funds the Wage Security Fund (BOLI) and the Supplemental Employment Department Administration Fund (SEDAF). The BOLI fund pays final wages when a business closes and doesn't have enough money to make final payroll. The SEDAf fund provides OED services.

Don't include the special payroll tax to calculate a credit when reporting on federal Form 940. 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 quarters. The "state experience rating" for the first quarter is the UI tax rate less 0.0012 and for the remaining three quarters it would be less 0.0009.

Example 1: An employer has a tax rate of 3 percent (0.03). In the first quarter, the experience rate will be 2.88 percent (0.0288), which is the tax rate less the 0.12 percent (0.0012) special payroll tax offset.

Example 2: An employer has a tax rate of 3 percent (0.03). In the second quarter, the experience rate will be 2.91 percent (0.0291), which is the tax rate less the 0.09 percent (0.0009) special payroll tax offset.

Example 3: Employers with the highest state unemployment tax rate, 5.4 percent (0.054), should not calculate the amount of the special payroll tax offset. The employer should use the unadjusted amount of taxes paid to the state as "contributions paid to your state unemployment fund."

"Contributions actually paid to the state" should equal the amounts on line 17, Form OQ for each quarter. If the amounts paid were less than owed, report the amount **actually** paid. Download Form 940 from www.irs.ustreas.gov, or get it by calling the IRS, 1-800-829-3676.

Exemption from UI tax

An employer who doesn't have enough employment or payroll may qualify for exemption from UI tax. To apply for the exemption, file a written request with the director of OED (ORS 657.415). If approved, the exemption will continue until the employer again qualifies as an employer as defined in ORS 657.

Employer account access

You can review your UI account information at www.oregon.gov/EMPLOY/TAX. Click on "Your Account Information Center," enter the information to register your personal identification number (PIN).

Equal opportunity service provider

OED is an equal opportunity agency and doesn't 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 people with disabilities.

Employment office

Information on UI tax is available at www.oregon.gov/EMPLOY/TAX; by e-mail: taxinfo@emp.state.or.us; or by calling 503-947-1488. TTY number is 711. Mail written inquiries to:

**Tax Section
Employment Department
875 Union St NE
Salem OR 97311-0030**

Withholding Tax Information

Subject wages

Examples of taxable wages include:

- Salaries, commissions, bonuses, wages, fees, prizes, separation allowances, guaranteed wage payments, and vacation and 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, domestic partners, 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 *Employer's Guide For Doing Business in Oregon*, available at www.filinginoregon.com.

Figuring allowances

Use the number of allowances claimed by an employee on IRS Form W-4, *Employee's Withholding Allowance Certificate*. Oregon doesn't have its own W-4 or W-4P. If an employee didn't file a Form W-4, use "single 0" allowances. Don't permit the allowances on W-4 if:

- The employee claims exempt status for state withholding tax only, **or**
- DOR or the IRS tells you not to permit the allowances.

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

- More than 10 allowances.
- Exemption from federal or state tax, and the employee's income is expected to be more than \$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 about the employer (including FEIN) and employee.

Employees who owe tax when they file their personal tax return may not have enough state tax withheld during the year. To prevent this in the future, they may choose to have more state tax withheld than is required under the law.

To do this, they must complete a federal Form W-4 for Oregon purposes **only**. For information on how to use the federal form for Oregon purposes, visit www.oregon.gov/DOR.

Withholding on IRAs, annuities, and compensation plans

A payer of commercial annuities, employer-deferred compensation plans, and retirement plans must withhold tax from the distributions on behalf of the individual payee unless the individual payee chooses to have no withholding.

The payee must give federal Form W-4P to the payer to show the number of exemptions the payer should use to calculate state withholding. A payee may also use Form W-4P if they choose to have no withholding.

The payer must withhold as if the payments were wages, using the tax tables furnished by DOR. The amount of withholding per payee must be \$10 or more.

Withholding on pension and annuities requires a different BIN than your payroll account BIN because these are not payroll wages.

State withholding requirements on IRAs, annuities, and deferred compensation plans are similar to federal withholding requirements (IRSC section 3405). The difference is that state withholding isn't required for a rollover from one qualifying plan to another. Oregon doesn't follow the federal backup withholding rules for pension and annuities distributions.

The payer issues 1099s to the individual payees at the end of the year, and files Form WR with DOR.

For more information, call 503-945-8091.

Figuring withholding tax

For 2009, use the withholding tax tables dated January 1, 2007. To figure the amount of tax to withhold from an employee's wages:

- Use the Oregon withholding tax tables at **www.oregon.gov/DOR**. If you don't have internet access, call 503-945-8091 or 503-378-4988.
- For computer payroll systems, use the percentage formula in the Oregon withholding tax tables at **www.oregon.gov/DOR**.

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

Payroll questions answered by e-mail

Payroll questions? E-mail DOR, payroll.help.dor@state.or.us.

Other contacts

Information also is available at **www.oregon.gov/DOR**, or by calling 1-800-356-4222 (toll-free from an Oregon prefix), or 503-378-4988 in Salem.

TTY is 1-800-886-7204 (toll-free from an Oregon prefix) or 503-945-8617 in Salem.

Mail written inquiries to:

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

Oregon Department of Revenue Field Offices

Forms and assistance are available at these offices.

Please don't send your reports or payments to these addresses.

Office	Address	Office	Address
Bend	951 SW Simpson Ave, Suite 100	North Bend...	3030 Broadway
Eugene	1600 Valley River Dr, Suite 310	Pendleton.....	700 SE Emigrant Ave, Suite 310
Gresham	1550 NW Eastman Parkway, Suite 220	Portland	800 NE Oregon St, Suite 505
Lake Oswego ...	6405 SW Rosewood St, Suite A	Salem Field ...	4275 Commercial St SE
Medford.....	3613 Aviation Way, Suite 102		Building 2, Suite 180
Newport	119 4th St NE, Suite 4	Salem Main...	955 Center St, Room 135

Transit District Excise Tax Information

These tax programs are administered by DOR for the Tri-County Metropolitan Transportation District (TriMet) 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 TriMet or LTD districts. If you use a payroll service, you may need to inform them of this tax.

TriMet District service area

TriMet serves the Portland metropolitan area, which includes parts of Multnomah, Washington, and Clackamas counties. For information on TriMet boundaries, call TriMet, 503-962-6466 or DOR, 503-945-8091.

ZIP codes completely in TriMet District

97005	97206	97222
97006	97208	97223
97008	97209	97225
97024	97210	97227
97027	97211	97229
97030	97212	97230
97034	97213	97232
97035	97214	97233
97036	97215	97239
97068	97216	97258
97201	97217	97266
97202	97218	97267
97203	97219	97268
97204	97220	
97205	97221	

ZIP codes partially in TriMet District

97007	97055	97116
97009	97060	97123
97013	97062	97124
97015	97070	97140
97019	97080	97224
97022	97086	97231
97023	97089	97236
97045	97113	

Lane Transit District (LTD) service area

LTD serves the entire Eugene-Springfield urban area and several rural areas. Some ZIP codes may not line up with district boundaries. For information on LTD boundaries, call LTD, 541-682-6100 or DOR, 503-945-8091.

City ZIP code

Blue River	97413
Coburg	97401
Cottage Grove	97424
Creswell	97426
Dexter	97431
Elmira	97437
Eugene	97401
Eugene	97402
Eugene	97403
Eugene	97404
Eugene	97405
Eugene	97406
Eugene	97407
Eugene	97408
Eugene	97440
Fall Creek	97438
Finn Rock	97488
Goshen	97401
Jasper	97438
Junction City	97448
Lancaster	97448
Leaburg	97489
Lowell	97452
Maywood	97413
McKenzie Bridge	97413
Pleasant Hill	97455
Springfield	97477
Springfield	97478
Thurston	97482
Trent	97431
Veneta	97487
Vida	97488
Walterville	97488

Who must file a report?

Unless exempt (see Exempt Payroll, page 21) employers who have resident and/or nonresident employees working in the TriMet or LTD districts must register and file with DOR. 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 (ORS 267.380).

Transit district wages also include:

- Contributions to a Simplified Employee Pension (SEP) made at the election of the employee.
- Payments for the purchase of IRC section 403(b) annuities under salary-reduction agreements.
- Contributions to 401(k) retirement plans chosen by the employee, including employer-matched contributions.
- 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.
- Payment to an IRC section 408 Individual Retirement Account under salary-reduction agreement.

Exempt payroll

The following are exempt from TriMet and LTD excise taxes:

- Federal government units.
- Federal credit unions.
- Public school districts.
- Organizations, except hospitals, that qualify for exemption under ORS 267.380(1)(b).
- All foreign insurers.

- Insurance adjusters, agents, and agencies and their office support staff, are exempt from transit tax if the business income is from insurance-related activity. Noninsurance income is taxable (ORS 731.840).

- Domestic service in a private home.
- Cafeteria plans.
- Casual labor.
- Services performed outside the district.
- Seamen who are exempt from garnishment.
- Employee trusts that are exempt from taxation.
- Tips paid by customers to employees.
- Wages paid to employees whose labor is solely connected to planting, cultivating, or harvesting seasonal agricultural crops.

These apply only to the TriMet District:

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

How to figure the transit tax

The transit tax is an employer-paid tax. It's based on the amount of gross payroll paid for services their employees perform within the TriMet or LTD district.

Use the current TriMet or LTD tax rates. If you are subject to TriMet or LTD transit tax and no tax rate is printed on the Form OQ, visit www.oregon.gov/DOR or call 503-945-8091.

Workers' Benefit Fund Assessment Information

Workers' Benefit Fund

The Workers' Benefit Fund supports programs that benefit injured workers and the employers who help them return to the work force. More information about programs supported by the fund is at www.oregon.gov/DCBS/FABS/wbf.shtml.

Note: The WBF assessment is separate from workers' compensation insurance premium and doesn't provide insurance coverage.

Workers subject to WBF assessment

Individuals subject to the WBF assessment are:

- All paid workers for whom the employer is required to provide workers' compensation insurance coverage, and
- All paid individuals (workers, owners, officers) who may otherwise be nonsubject, but whom the employer chooses to cover under workers' compensation insurance.

Employers who don't file Form OQ during the time they have subject workers or personal elections may be assessed a penalty.

WBF assessment reporting exemptions

Businesses may qualify for exemption from reporting the WBF assessment if you don't have any paid individuals (including yourself) covered by your workers' compensation insurance policy. To request an exemption from WBF assessment reporting, complete and mail to DCBS a *Corrections and Changes Notification* form. The form is available at www.oregon.gov/DCBS/FABS/wbf.shtml, or by calling 503-378-2372.

Hourly assessment

This assessment is based on the total number of full and partial hours worked by all paid individuals who are subject to the assessment. Like wages, the hours are reportable in the quarter they are paid.

For example, report hours worked in March, but not paid until April 1, in the second quarter (April – June). The hourly assessment rate is printed on Form OQ in box 10. It may change annually.

Penalties for failure to respond on time to audit findings

DCBS audits the WBF assessment accounts of employers who fail to report or who report inaccurately. The cost of following up on employers who report inaccurately and fail to respond to audit findings increases the cost of the workers' compensation system for everyone.

To more effectively ensure fair distribution of costs, DCBS is authorized under ORS 656.745 and Oregon Administrative Rule (OAR) 436-070-0050 to issue civil penalties of up to \$2,000 for failure to respond on time to notices and orders related to audit findings. If you use a payroll service provider, it is still your responsibility to respond to all audit findings on time.

How to update or close your WBF assessment account

If your business changes ownership, discontinues business, or no longer employs workers, contact your workers' compensation insurer with the corrected information. Your WBF assessment account will stay open as long as your workers' compensation insurance coverage is active and on file with Oregon.

When you cancel your insurance coverage, you can expedite closing your WBF assessment account by completing the *Corrections and Changes Notification* form. This form is available at www.oregon.gov/DCBS/FABS/wbf.shtml, or by calling 503-378-2372.

WBF assessment questions

If you have questions about your WBF assessment account, contact DCBS by e-mail, wbfassess.fabs@state.or.us, by calling 503-378-2372, or writing:

Workers' Compensation Assessments Section
DCBS/Fiscal and Business Services
PO Box 14480
Salem OR 97309-0405

Fold Here Last

REQUEST FOR MORE FORMS, FILING SOFTWARE, SPECIFICATIONS

Use this form to order more forms, software, or specifications. Check the appropriate boxes or enter the number of copies you need. Forms vary from year to year. You may order them at **www.oregon.gov/EMPLOY/TAX**; by telephone, 503-947-1488 option 3; or fax, 503-947-1487. Specifications for previous years aren't available.

Order Items:

_____ OTTER program for filing through internet, by e-mail, or on CD/diskette

Or, for immediate service, download OTTER from **www.oregon.gov/EMPLOY/TAX/OTTERhome.shtml**.

Telephone Number: (_____) _____

_____ Plain Paper Specifications
(plain 20# bond paper also may be used for making reports)

Fold Here First

Personalized Preprinted Forms (specify amount)

_____ Current Year Report Packet
Check quarters for which forms are needed.

☐ (1st)

☐ (2nd)

☐ (3rd)

☐ (4th)

_____ **Extra** Current Year Forms 132 (how many)

Blank Oregon Combined Payroll Tax Forms
(specify year and amount)*

Year	Form OQ	Schedule B	Form 132
_____	_____	_____	_____
_____	_____	_____	_____

* Large forms orders may require a payment.

The cost is 4 cents per page. If you order more than 100 copies of any kind, we will call you before sending the forms. Be sure to write your telephone number above so we can contact you.

To order Form OTC (Oregon Tax Coupon), call 503-945-8091.



Employment Department—Tax
875 Union Street NE
Salem OR 97311-0030

ATTN: FORMS

**OREGON ANNUAL WITHHOLDING TAX
RECONCILIATION REPORT**

Return Due Date: February 28, 2010

2009**Department Use Only**

Date Received

Business Name	Business Identification Number (BIN)
Federal Employer Identification Number (FEIN)	Number of W-2s

- **Please read the instructions on the back of this report.**
- **The Oregon Department of Revenue may request certain employers to file W-2 or 1099 forms to reconcile their accounts.**

Use your 2009 OQ forms. See the instructions on the back.	Tax Reported
1. 1st Quarter.....1	
2. 2nd Quarter2	
3. 3rd Quarter3	
4. 4th Quarter4	
5. Total5	

6. Total Oregon tax shown on **W-2s** or **1099s***6 7. Enter the difference between box 5 and box 67

- If box 6 is **larger** than box 5, you owe tax. Pay the amount in box 7. Include a payment coupon (Form OTC) with your check.
- If box 6 is **smaller** than box 5, you may have a credit for the amount in box 7. If the amount in box 7 is -0-, your withholding account balances.

Explanation of difference _____

***Include the amount of tax on your 1099s unless they have a separate account.**

I certify that this report is true and correct and is filed under penalty of false swearing.		
Signature X		Date
Print name	Title	Telephone Number ()

Important: Mail Form WR separately from your 4th quarter Form OQ.Mail Form WR to: **Oregon Department of Revenue
PO Box 14260
Salem OR 97309-5060**

INSTRUCTIONS FOR FORM WR

Filing requirements

All Oregon employers who pay state withholding tax must file Form WR, *Oregon Annual Withholding Tax Reconciliation Report*. The 2009 form is due February 28, 2010. If you stop doing business during 2009 or no longer have employees, Form WR is due 45 days **after** your final payroll.

To amend data on Form WR, make a copy of the original Form WR and make the necessary changes on the copy. Write "**Amended**" at the top of the form. Attach any necessary amended OQ forms to the amended Form WR. Send your amended forms to the address below.

Oregon employers who fail to file Form WR may be charged a \$100 penalty.

How to fill out Form WR

Write your business name and Oregon business identification number (BIN) in the spaces shown. If you received a personalized booklet, your name and BIN will be filled in. Follow the instructions below for each line number.

Line 1 through Line 4. Fill in the total Oregon tax **reported** for each quarter (use the amount from box 5B of your 2009 OQ forms).

Line 5. Total. Total amount from all quarters reported.

Line 6. Enter the total Oregon tax withheld from your employees' W-2s or 1099R forms.

Line 7. Enter the difference between line 5 (total tax paid) and line 6 (total tax shown from W-2s or 1099Rs).

If line 6 is **larger** than line 5, you owe additional tax (shown on line 7). If line 6 is **smaller** than line 5, you have overpaid your tax and have a credit. If the amount on line 7 is zero, your state withholding account balances.

Please give an explanation of the difference on the lines provided.

If you have overpaid, the credit may be applied to a future quarter. **The credit may not be used for another tax program.** If you want the credit refunded, send a written request, or you may use the explanation lines on Form WR to request your refund.

If you owe tax, please include a payment. Don't staple or tape your payment to Form WR. Remove and retain any check stubs.

Sign and date your completed Form WR. Print your name and telephone number. Mail Form WR to:

**Oregon Department of Revenue
PO Box 14260
Salem OR 97309-5060**

— IMPORTANT —

**Mail your Form WR separately from your 2009 4th quarter Form OQ.
Make a copy for your records.**

CHANGE IN STATUS REPORT • If you have workers' compensation insurance, you must also notify your insurer.

- ☐ Has your business name, mailing address, telephone number, or federal employer identification number (FEIN) changed? Check this box and fill in the change(s) below.
- ☐ Has the address where your forms are delivered changed? Check this box and fill in the change(s) below.

Business Name _____

Physical or Mailing Address _____

Telephone Number () _____

FEIN _____

Oregon Business Identification Number (BIN) _____

Federal Employer Identification Number (FEIN) _____

Fax to: **503-947-1700**

-or-

Mail to: **Employment Department
875 Union St NE, Rm 107
Salem OR 97311-0030**

NATURE OF CHANGE: (Please check as appropriate) If an entity change, see instructions.

- ☐ A. Sold, leased, or otherwise transferred: ☐ All or ☐ Part of the business, to:

Business Name: _____ Date of Sale: _____

New Owner's Name: _____ Telephone : () _____

Address: _____

Was business operating at the time it was sold, leased, or otherwise transferred? ☐ Yes ☐ No

If only part of the business was transferred, describe what was transferred: _____

How many employees were transferred? _____

- ☐ B. Partnership formed or changed. **Explain on a separate sheet and attach** along with a Combined Employer's Registration form for a new partnership.

- ☐ C. Corporation: ☐ Formed ☐ Dissolved ☐ Ceased operations

Effective Date: _____ **Explain on a separate sheet and attach** along with a Combined Employer's Registration form for a new corporation.

- ☐ Change of Officers (attach a list of officers with SSNs, home addresses, and phone numbers).

☐ Entity change from: _____ To: _____

- ☐ D. Now doing business in: ☐ TriMet and/or ☐ Lane Transit District Effective Date: _____

- ☐ E. No longer doing business in: ☐ TriMet and/or ☐ Lane Transit District Effective Date: _____

New location: _____

- ☐ F. Partnership, LLC/LLP, or sole proprietor operating without employees.

- ☐ G. Now using leased employees: Name of leasing company _____ Date employees transferred: _____

Total number of employees prior to transfer _____ How many employees transferred? _____

- ☐ H. Closed business or no longer doing business in Oregon.

Note: Corporate officers and members of limited liability companies are employees for some tax programs, but not in others. Check with each agency to see if these individuals are considered employees.

Date of final payroll _____ **Location of terminated business' records:** Name: _____
(mm/dd/yy)

Address _____

I understand that it will be necessary for me to again report and pay taxes if at any time I resume operating, even though in a different line of business and regardless of the extent of my employment.

Signature X _____ **Title** _____ **Date** _____ **Telephone No.** () _____

Change in Status Report Instructions

As an employer you must notify the Employment Department, the Department of Revenue, and your workers' compensation insurer of any change in your business.

Examples of changes to report on the *Change in Status Report* are:

- Address change.
- Name change.
- Federal employer identification number (FEIN) change, **only if printed incorrectly on your forms.**
- Dissolution of sole proprietor, partnership, corporation, or a limited liability company.

NOTE: New businesses need to complete a *Combined Employers Registration*.

- Partial or complete sale, lease, or transfer of business.
- Change in corporate officers or partnership.
- Using leased employees.
- Closing or beginning operations in a transit district:
 - If you are an employer who is paying wages earned in the TriMet and/or Lane Transit District you must register and file with the Oregon Department of Revenue. Wages include all salaries, commissions, bonuses, fees, payments to a deferred compensation plan, or other items of value.
 - If you are an employer who has recently started working in the TriMet and/or Lane Transit District, you are subject to this tax (see the Oregon Combined Payroll Tax booklet for cities and ZIP codes).

—If you are an employer who has recently moved from the TriMet and/or Lane Transit District, you are no longer subject to this tax (see the Oregon Combined Payroll Tax booklet for cities and ZIP codes).

—The TriMet District includes parts of three counties in the Portland metro area: Multnomah, Washington, and Clackamas. For TriMet boundary questions call 503-962-6466.

—Lane Transit District (LTD) serves the Eugene-Springfield metro area. For LTD boundary questions call 541-682-6100.

- Closing the business completely.

Entity changes in your business that require completion of a new *Combined Employers Registration* form include, but are not limited to:

- Changing from a sole proprietorship to a partnership or corporation.
- Changing from a partnership to a sole proprietorship or corporation.
- Changing from a corporation to a sole proprietorship or partnership.
- Changing of members in a partnership of five or fewer partners.
- Adding or removing a spouse as a liable owner.
- Changing from a sole proprietor, corporation, or partnership to a limited liability company.

Complete the *Change In Status Report* and

Fax to: 503-947-1700

— or —

**Mail to: Employment Department
875 Union St. NE, Rm 107
Salem OR 97311-0030**

To order copies of this form, contact the Employment Department or download it from www.oregon.gov/DOR.