



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

# Oregon Combined Payroll Tax Report

# 2011

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
- ORDER FORM (forms, software, specs)
- BUSINESS CHANGE IN STATUS FORM
- BUSINESS CONTACT CHANGE FORM
- FORM WR  
OREGON ANNUAL WITHHOLDING  
TAX RECONCILIATION REPORT

2011 Oregon Combined Payroll 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 7 for details.

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Use the information 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 or 1-800-886-7204  
Internet: [www.oregon.gov/dor/business](http://www.oregon.gov/dor/business)  
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  
Business Change in Status Form  
Business Contact Change Form

## 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](http://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: wcd.employerinfo@state.or.us

#### Reporting form:

Oregon Quarterly Tax Report—Form OQ  
Business Change in Status Form  
Business Contact Change Form

## State unemployment insurance tax

### Oregon Employment Department (OED)

Salem: 503-947-1488  
TTY users: 711  
Internet: [www.oregon.gov/employ/tax](http://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  
Business Change in Status Form  
Business Contact Change Form  
Order form (forms, software, specifications)

## Payments for all tax programs

Oregon Combined Payroll Tax Payment Coupons (Form OTC) are mailed separately to employers. You must include one with each payment. You don't need to send Form OTC if you use EFT.

#### To order OTCs call:

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

#### Electronic funds transfer (EFT)

EFT Help Line: 503-947-2017

## Online resources

To sign up for "Payroll Tax News" go to: [www.oregon.gov/dor/business](http://www.oregon.gov/dor/business).

*How to Start a Business in Oregon* and *Employer's Guide for Doing Business in Oregon* are available at [www.filinginoregon.com](http://www.filinginoregon.com).

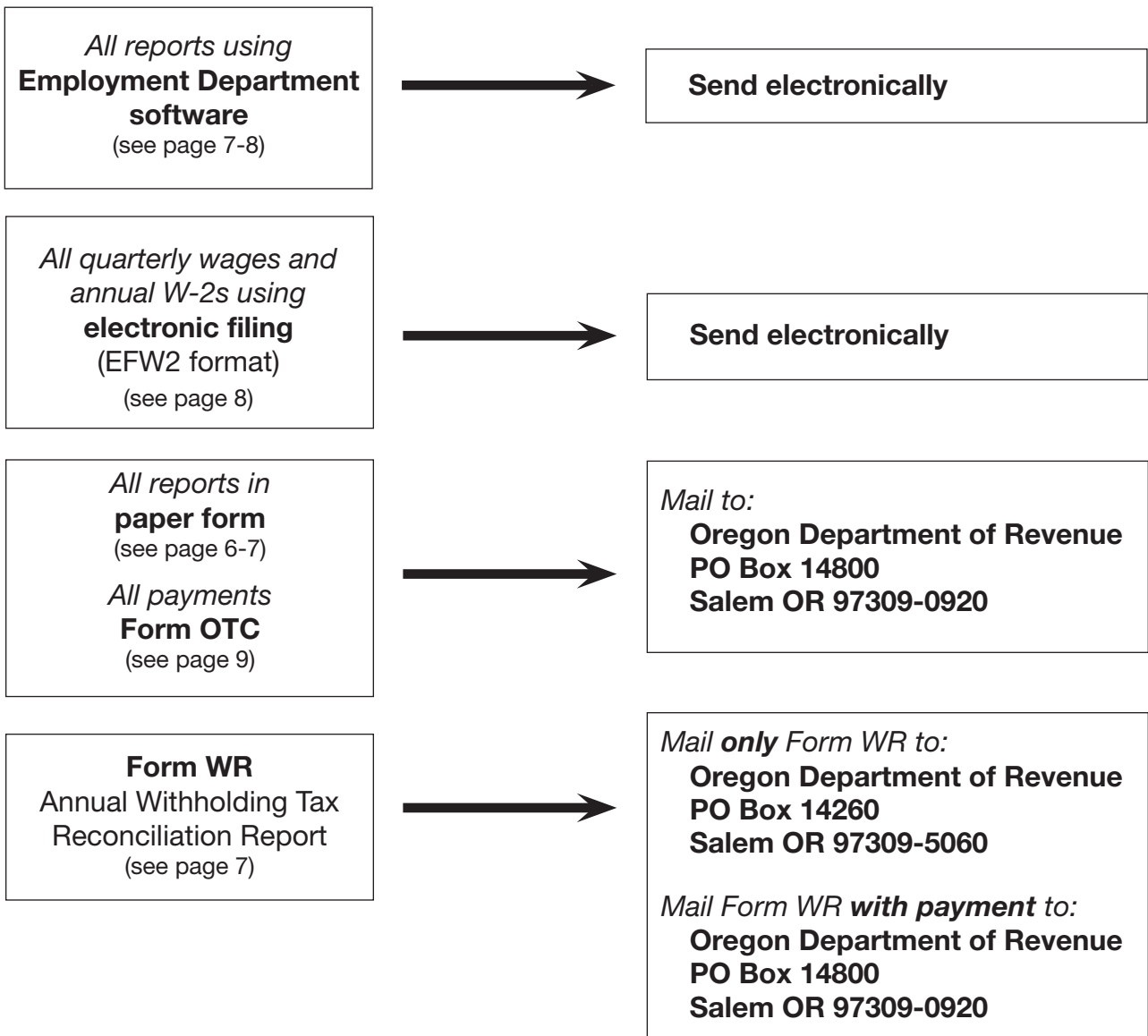
Find Federal payroll tax forms at [www.irs.gov](http://www.irs.gov).

## Filing Due Dates for Quarterly Reports

Quarter	Quarter Ending Date	Report Due Date
1st — Jan–Feb–Mar	March 31, 2011	April 30, 2011
2nd — Apr–May–Jun	June 30, 2011	July 31, 2011
3rd — Jul–Aug–Sep	September 30, 2011	October 31, 2011
4th — Oct–Nov–Dec	December 31, 2011	January 31, 2012

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

## Where to File and Pay



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 **\$32,300**.
- Tri-County Metropolitan Transportation District (TriMet) tax rate is **0.006918**.
- Lane Transit District (LTD) tax rate is **0.0067**.

### New forms for reporting business contact and status changes

To report updates to your business status and contact information, we have created two new forms, the *Business Contact Change Form* and the *Business Change in Status Form*, located in the back of this booklet. For more information, see page 7.

### New EFT requirements

The IRS is expected to change the rules on the use of the Electronic Federal Tax Payment System (EFTPS) for withholding payments. Oregon law states that if a business is required to use EFTPS for federal purposes, they must use EFT for Oregon purposes. If a change to the federal rules affects you and you

must begin paying your federal taxes with EFTPS, then you must pay your Oregon taxes with EFT.

### 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 2011 are:

Single, married or RDP* filing separately ....	\$1,980
Head of household.....	\$3,185
Married/RDP filing jointly .....	\$3,960
Qualifying widow(er).....	\$3,960

\*Registered domestic partner

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.

## 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 you may be required to pay if you don't report accurately and on time. If you use a payroll service, remember you are ultimately responsible for providing accurate and timely reporting and payments.

### How to avoid common problems

- 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 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.

## 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).

### Easy, free electronic filing

You may file your quarterly Oregon payroll tax report electronically on the internet or on CD. If you

have no payroll or subject hours to report, you may file by telephone (see page 8).

### What is a filed return?

Only columns on Form OQ that are filled in with numerical information are considered a filed return (for example, using a -0- rather than a blank space).

You don't need to file Form 132 or *Oregon Schedule B* if you file a no-payroll report.

## 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 at 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 at 503-945-8091 or 503-378-4988.

## Withholding tax tables and formulas

The Oregon withholding tax tables and formulas were updated January 1, 2011. They are reviewed every year. If they are revised, DOR will send information through Payroll Tax News (see page 2). Information about Oregon income tax withholding is available at [www.oregon.gov/dor/business](http://www.oregon.gov/dor/business). If you don't have internet access, call 503-945-8091.

## 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 any person advises an employer to engage in this activity, the adviser 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](http://www.oregon.gov/employ/tax).

## 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/business](http://www.oregon.gov/dor/business).

## W-2 informational returns

Businesses with 50 or more employees and all payroll service providers must report W-2 information electronically to the Department of Revenue using iWire.

The filing due date is March 31, 2011. For more information on the filing requirements and specifications, visit [www.oregon.gov/dor/business](http://www.oregon.gov/dor/business).

## 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 no later than 20 days from their hire date. For information on the law and reporting procedures, contact:

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

Salem: 503-378-2868

Salem fax: 503-378-2863 or 503-378-2864

Toll-free fax: 877-877-7415 or 877-877-7416

E-mail: [emplnewhire.help@doj.state.or.us](mailto:emplnewhire.help@doj.state.or.us)

Visit: [www.oregon.gov/doj](http://www.oregon.gov/doj)

## Unemployment insurance change

Individuals that file a claim for unemployment insurance benefits might qualify using an Alternate Base Year. To determine if they qualify, OED will send a request for information to the last known employer. The response to this notice doesn't replace the *Oregon Quarterly Tax Report* (Form OQ). You need to include the wages and hours for all subject employees, whether using a Regular or Alternate Base Year, in your Form OQ. For information about Regular and Alternative Base Years, visit [www.workinginoregon.org](http://www.workinginoregon.org).

## 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) differ from ORS 670.600.

Misclassifying employees as independent contractors can be costly to an employer. For more information about independent contractors, visit [www.OregonIndependentContractors.com](http://www.OregonIndependentContractors.com).

## 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.

## 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.

### HELPFUL WEBSITES:

Visit [www.oregon.gov/dor/business](http://www.oregon.gov/dor/business) for:

- Payroll tax basics.
- Oregon transit payroll taxes for employers, including transit rates.

Visit [www.irs.gov/businesses/small](http://www.irs.gov/businesses/small) for:

- Contracting payroll service.
- Acquiring an FEIN.

# Required Forms

If you file paper forms, using the forms in this booklet ensures faster and more accurate processing.

We process paper forms electronically. It is critical for successful reporting to use the correct format and color.

To avoid problems, please:

- Use only blue or black ink.
- Use only original forms. Don't photocopy or fax your reports.
- Use **CAPITAL LETTERS ONLY** when filling out your reports.

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 *Business Contact Change Form* to change the mailing address to your tax preparer's address.

Use the order form at the back of this booklet to order more reporting forms or reporting software. You may also order forms or software at [www.oregon.gov/employ/tax](http://www.oregon.gov/employ/tax) under Reporting Methods.

## Forms needed for reporting

**Form OQ—Oregon Quarterly Tax Report.** File this form 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.

**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.*

**Other forms**

Because we process reports and payments electronically, our systems won't pick up changes you write on Form OQ or Form OTC. Please use the following forms, located in the back of this booklet, to make updates instead:

**Business Change in Status Form.** Use this form to update your business information, such as: changing a business name, correcting a federal employer ID number (FEIN), selling or closing a business, no longer working in a transit district, and starting a business in a transit district.

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

**Business Contact Change Form.** Use this form to update your contact information, such as: physical, mailing, or e-mail address; phone or fax number; and offsite payroll service, accountant, or bookkeeper.

**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 W-2s and 1099s issued to your employees. If you stop doing business or no longer have employees, Form WR is due 30 days after your final payroll.

**Form W-2—Federal Wage and Withholding reports.** File these federal forms annually with the Social Security Administration and the Oregon Department of Revenue. File Forms W-2 electronically for Oregon purposes by March 31 each year or within 30 days after your final payroll. See page 8 for e-filing information.

## 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.
- Have paid workers subject to Oregon's workers' compensation law, or any paid individuals covered by workers' compensation insurance, whether or not required by law.
- 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.

- **OTTER.** You can file through the internet or on CD 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](http://www.oregon.gov/employ/tax), by calling 503-947-1488, option 3, 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](http://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.
- **Electronic wages only.** Using the federal EFW2 format, **larger** employers can upload UI wages to a secure site. You’ll need to file a paper Form OQ and Oregon Schedule B.

### Option specifications

For reporting-option specifications, call OED, 503-947-1488, option 3. Options also are available at [www.oregon.gov/employ/tax](http://www.oregon.gov/employ/tax) under Reporting Methods. You also may use the order form at the back of this booklet.

### Oregon annual filing

- **iWire—Income and Wage Information Return E-services.** File Forms W-2 electronically for Oregon purposes using the EFW2 format provided by the Social Security Administration. For file specifications, frequently asked questions, or information about how to upload a file, visit iWire at [www.oregon.gov/dor/business](http://www.oregon.gov/dor/business).
- 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. For more information, visit [www.oregon.gov/dor/business](http://www.oregon.gov/dor/business) or call 503-945-8091.
- Domestic household employers with employees doing only in-home services may file the combined payroll tax reports annually using Form OA Domestic. The forms are sent by November 15 of each year. For more information, call OED at 503-947-1488 or e-mail [taxinfo@emp.state.or.us](mailto:taxinfo@emp.state.or.us).

### Amended reports or adjustments

To amend a report you filed (by paper or electronically):

- Fillable amended report forms are available at [www.oregon.gov/employ/tax](http://www.oregon.gov/employ/tax). Forms can also be ordered by calling 503-947-1488, 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 a separate sheet that tells why you are amending your report. Attach to the report form.~~

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:** You may submit amended returns as far back as necessary to make corrections and report the proper amount of tax. However, if that correction results in a refund, you have three years from the due date of the return, or two years from the date the tax was paid, whichever is later, to request that refund.

**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 10-11).

# 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 Form 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 11).
- 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).
- Don't staple or tape check to Form OTC.
- Make checks payable to Oregon Department of Revenue.
- Send Form OTC and your check to:  
**Oregon Department of Revenue**  
**PO Box 14800**  
**Salem OR 97309-0920**
- 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 use the EFT program even if you're not required to, because it's accurate and convenient.

Before starting EFT payments, you must file an authorization agreement with DOR, available at [www.oregon.gov/dor/eserv/eft.shtml](http://www.oregon.gov/dor/eserv/eft.shtml) or by calling 503-947-2017.

## Alternate withholding method

Multi-state employers with small payrolls in Oregon must deposit following the same schedule as the federal deposit schedule. 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 your business name, BIN, nature of the burden, your proposed withholding method, and 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/business](http://www.oregon.gov/dor/business).

Form **OREGON COMBINED PAYROLL TAX**  
**OTC** Payment Coupon 150-211-053 (Rev. 09-10)

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**

**SAMPLE DO NOT USE**

# Guidelines for Oregon Withholding Payment Due Dates

Oregon withholding tax due dates are the same as the dates for depositing federal tax liability.  
New employers must deposit monthly until they have a lookback period established.

If your total federal tax liability is:	Oregon withholding tax payments are due:	Payrolls paid in:		
<ul style="list-style-type: none"> <li>• Less than \$2,500 for the quarter</li> </ul> <p><i>Example: If your federal tax liability is \$2,300 and your state income tax liability is \$1,500, you deposit quarterly.</i></p>	<p>→ By the quarterly report due date</p>	<p><b>Quarter 1</b> January February March</p>		
<ul style="list-style-type: none"> <li>• \$50,000 or less in the lookback period*</li> </ul> <p><i>Example: If your federal tax liability is \$5,000 and your state income tax liability is \$2,500, you deposit monthly.</i></p>	<p>→ By the 15th of the month following payroll</p>	<p><b>Quarter 2</b> April May June</p>		
<ul style="list-style-type: none"> <li>• More than \$50,000 in the lookback period*</li> </ul>	<p>→ <b>Semi-weekly deposit schedule</b></p> <table border="0"> <tr> <td style="border-right: 1px solid black;"> <p><b>If the day falls on a:</b> Wednesday, Thursday, or Friday</p> <p>Saturday, Sunday, Monday, or Tuesday</p> </td> <td> <p><b>Then pay taxes by:</b> The next Wednesday</p> <p>The next Friday</p> </td> </tr> </table> <p><i>Example: If your federal tax liability is \$60,000 and your state income tax liability is \$25,000, you deposit semi-weekly.</i></p>	<p><b>If the day falls on a:</b> Wednesday, Thursday, or Friday</p> <p>Saturday, Sunday, Monday, or Tuesday</p>	<p><b>Then pay taxes by:</b> The next Wednesday</p> <p>The next Friday</p>	<p><b>Quarter 3</b> July August September</p> <p><b>Quarter 4</b> October November December</p>
<p><b>If the day falls on a:</b> Wednesday, Thursday, or Friday</p> <p>Saturday, Sunday, Monday, or Tuesday</p>	<p><b>Then pay taxes by:</b> The next Wednesday</p> <p>The next Friday</p>			
<ul style="list-style-type: none"> <li>• \$100,000 in a single pay period</li> </ul> <p><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></p>	<p>→ Within one banking day</p>			

\* 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 charges a 5 percent late-payment penalty on any unpaid tax after the return's (Form OQ) due date.
- DOR charges 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 may charge a 100 percent penalty on any tax due if you don't file Form OQ 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.

## 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 *Business Change in Status Form* 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. Total wages reported for UI and for withholding may differ depending

on the subjectivity requirements for each program (see page 16, OED; page 17, DOR); and

- Enter the total tax owed to each state program. If any of the amounts are equal to or less than zero, enter "0." If you have credits, see the Credits section on page 11.

### 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).

Enter "0" if you had no UI subject wages this quarter.

**Box 2. Excess wages.** Excess wages are wages above the taxable wage base for the year, *per employee*. The taxable wage base for 2011 is \$32,300 per employee per year.

Prior years' taxable wage bases were:

2010 = \$32,100	2007 = \$29,000
2009 = \$31,300	2006 = \$28,000
2008 = \$30,200	2005 = \$27,000

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 11).

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.

Prior year penalties were:

2010 = \$6	2007 = \$6
2009 = \$6	2006 = \$6
2008 = \$6	2005 = \$5

The minimum and maximum penalties are:

<u>Minimum</u>	<u>Maximum</u>
2010 = \$80	\$1,600
2009 = \$80	\$1,600
2008 = \$75	\$1,500
2007 = \$75	\$1,500
2006 = \$70	\$1,400
2005 = \$70	\$1,400

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 17).

- 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 11).

**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 19-20).

**Box 4. Tax rate.** The 2011 TriMet tax rate is 0.006918.

Prior yearly rates were:

2010 = 0.006818	2007 = 0.006518
2009 = 0.006718	2006 = 0.006418
2008 = 0.006618	2005 = 0.006318

**Box 5. Total tax.** Multiply box 1C by box 4C. Round down to the nearest cent and enter the tax amount. If you are subject to TriMet 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 District tax column will be considered a filed return for that program.

**Box 6. Tax prepaid this quarter.** Enter the amount of TriMet District tax prepaid this quarter. Include any TriMet credits used (see page 11).

**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 LTD. Enter "0" if there was no subject payroll in the district this quarter (see pages 19-20).

**Box 4. Tax rate.** The 2011 LTD tax rate is 0.0067.

Prior yearly rates were:

2010 = 0.0066	2007 = 0.0062
2009 = 0.0065	2006 = 0.0060
2008 = 0.0064	2005 = 0.0060

**Box 5. Total tax.** Multiply box 1D by box 4D. Round down to the nearest cent and enter the tax amount. If you are subject to LTD 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 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 11).

**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.

Visit [www.oregon.gov/dcbs/fabs/wbf.shtml](http://www.oregon.gov/dcbs/fabs/wbf.shtml) or call 503-378-2372, for more information.

**Box 10. Assessment rate.** The 2011 WBF assessment rate is 0.028. Employers contribute one-half of the hourly assessment amount and deduct one-half from workers' wages.

Prior yearly rates were:

2010 = 0.028    2009 = 0.028    2008 = 0.028

**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 11).

**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 11.**

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 2011 and by 0.0009 for the remaining quarters. Don't add or subtract this amount from boxes 5A or 14.

Prior quarterly rates were:

	<u>1st</u> <u>Quarter</u>	<u>2nd</u> <u>Quarter</u>	<u>3rd</u> <u>Quarter</u>	<u>4th</u> <u>Quarter</u>
2010	0.0009	0.0009	0.0009	0.0009
2009	0.0012	0.0009	0.0009	0.0009
2008	0.0009	0.0009	0.0009	0.0009
2007	0.0012	0.0009	0.0009	0.0009
2006	--	--	--	--
2005	0.0003	--	--	--

Reimbursing employers 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.

## Oregon 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 11).

# 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, gifts, bonuses, prizes, separation allowances, guaranteed wage payments, vacation pay, holiday pay, and sick 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).
- Payments by nonprofit or public educational institute to full-time students attending said institution.
- 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 current or preceding calendar quarter in which the request was submitted. Download the form at [www.oregon.gov/employ/tax/TaxDocs.shtml](http://www.oregon.gov/employ/tax/TaxDocs.shtml).

The exclusion doesn't go into effect until you receive written approval.

**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 **work-sheet**, line 10.

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](http://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 per ORS 657.425. To apply for the exemption, file a written request with the director of OED. 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](http://www.oregon.gov/employ/tax). Click on “Your Account Information Center,” read the instructions then click on “Continue to Employer Account Access.” Enter the information to register your personal identification number (PIN).

### Employment office

Information on UI tax is available at [www.oregon.gov/employ/tax](http://www.oregon.gov/employ/tax); by e-mail: [taxinfo@emp.state.or.us](mailto: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, tips, 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](http://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 the W-4 if:

- The employee claims exempt status for state withholding tax only.
- DOR or the IRS tells you not to permit the allowances.
- There are more than 10 allowances.
- Exempt from federal or state tax, and the employee's income is expected to be more than \$200 per week.

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/business](http://www.oregon.gov/dor/business).

### **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**

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.

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

- Use the Oregon withholding tax tables at [www.oregon.gov/dor/business](http://www.oregon.gov/dor/business). 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/business](http://www.oregon.gov/dor/business).

### **Withholding and transit contacts**

Information is available at [www.oregon.gov/dor](http://www.oregon.gov/dor), or by calling 503-945-8091 or 1-800-356-4222 (toll-free from an Oregon prefix). TTY is 503-945-8617 or 1-800-886-7204 (toll-free from an Oregon prefix).

Mail written inquiries to:

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

# 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.

Visit TriMet’s interactive map to see if you are in the TriMet district, <http://ride.trimet.org>.

### ZIP codes completely in TriMet District

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

### ZIP codes partially in TriMet District

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

## 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.

### ZIP codes in Lane Transit District

97401	97413	97452
97402	97424	97455
97403	97426	97477
97404	97431	97478
97405	97437	97482
97406	97438	97487
97407	97440	97488
97408	97448	97489

## Who must file a report?

Unless exempt (see below), 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.
- 501(c)(3) nonprofit and tax-exempt institutions (except hospitals).
- 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/business](http://www.oregon.gov/dor/business) or call 503-945-8091.

## Workers' Benefit Fund Assessment Information

### Workers' Benefit Fund

The Workers' Benefit Fund (WBF) 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](http://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 the employer chooses to cover under workers' compensation insurance.

### 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](http://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.

### How to update or close your WBF assessment account

If your business changes ownership, discontinues business, or no longer employs workers, complete a *Business Change in Status Form*. In addition, contact your workers' compensation insurer with the corrected information.

### WBF assessment questions

If you have questions about your WBF assessment account, e-mail [wbfassess.fabs@state.or.us](mailto:wbfassess.fabs@state.or.us); call 503-378-2372; or write:

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

**Oregon Annual Withholding Tax  
Reconciliation Report**

**2011**

<b>Department Use Only</b>
Date Received

Return Due Date: March 31, 2012

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 2011 OQ forms. See the instructions on the back.	Tax Reported
1. 1st Quarter.....1	
2. 2nd Quarter .....2	
3. 3rd Quarter .....3	
4. 4th Quarter .....4	
5. <b>Total</b> .....5	

6. Total Oregon tax shown on **W-2s** or **1099s\*** .....6

7. Enter the difference between box 5 and box 6 .....7

- 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 are reported on a different BIN.**

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

**Important: Mail Form WR separately from your 4th quarter Form OQ.**

*If no payment is included, mail Form WR to:* **Oregon Department of Revenue  
PO Box 14260  
Salem OR 97309-5060**

*Mail Form WR with payment to:* **Oregon Department of Revenue  
PO Box 14800  
Salem OR 97309-0920**

# 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 2011 form is due March 31, 2012. If you stop doing business during 2011 or no longer have employees, Form WR is due 30 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 2011 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 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.

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

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

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

If no payment is included, mail Form WR to:

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

— IMPORTANT —

**Mail your Form WR separately from your 2011 4th quarter Form OQ.  
Make a copy for your records.**

Fold Here Last

REQUEST FOR MORE FORMS, OTTER SOFTWARE, OR SPECIFICATIONS

Use this form to request additional forms, OTTER software, or plain-paper or EFW2 specifications. Check the appropriate boxes or enter the number of copies you need. Forms vary from year to year. Order them at [www.oregon.gov/employ/tax](http://www.oregon.gov/employ/tax); by telephone, 503-947-1488 option 3; or fax, 503-947-1487. To order Form OTC (Oregon Tax Coupon), call 503-945-8091.

Personalized preprinted forms (specify amount)

\_\_\_ Current-year report packet  
Check quarters for which forms are needed.

(1st)

(2nd)

(3rd)

(4th)

\_\_\_ **Extra** current-year Form 132 (how many)

Download OTTER from:  
[www.oregon.gov/employ/tax/OTTERhome.shtml](http://www.oregon.gov/employ/tax/OTTERhome.shtml).

*New version available around February 15 of each year.*  
If no internet access, order: \_\_\_ OTTER CD

Fold Here First

Download plain paper and EFW2 specifications from  
[www.oregon.gov/employ/tax](http://www.oregon.gov/employ/tax).

If no internet access, order:

\_\_\_ Plain-paper specifications  
(plain 20# bond paper also may  
be used for making reports)

\_\_\_ EFW2 specifications (federal wage format)

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'll call you before  
sending the forms. Be sure to write your telephone  
number below so we can contact you.*

Telephone number: ( \_\_\_ ) \_\_\_\_\_

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Employment Department – Tax  
875 Union Street NE, Room 107  
Salem OR 97311-0030

ATTN: FORMS

# Oregon Combined Payroll Tax Business Change in Status Form

**To update business status and employment information**

Check all boxes that apply. Attach additional sheets if needed.

Business name	BIN (Oregon business identification number)
Other names (ABN/DBA)	FEIN (Federal employer identification number)

## General updates *(check all that apply)*

<input type="checkbox"/> Update/Change FEIN	New FEIN
<input type="checkbox"/> Update/Change business name	New business name
<input type="checkbox"/> Now doing business in TriMet/Lane Transit District	Effective date / /

## Owner/Officer updates

To update owner/officer information, attach a complete listing of the current owners and officers including position, SSN, home address, and phone number.

## Employment status updates *(check all that apply)*

<input type="checkbox"/> Still in business, but have no paid employees. Effective date / /	<input type="checkbox"/> Only have workers' compensation insurance to cover owners, officers or members.	<input type="checkbox"/> Only members or officers	<input type="checkbox"/> Only using independent contractors
<input type="checkbox"/> Employing Oregon residents in another state. State:			

## Using leased employees

Name of leasing company	Leasing company contact		
Address	City	State	Zip
Telephone ( )	Worker leasing company license #		
Date employees leased / /	Number of leased employees	Total number of non-leased employees	Leasing corporate officers/owners? <input type="checkbox"/> Yes <input type="checkbox"/> No

## Changing entity *(check all that apply)*

Effective date / /	<b>Note:</b> A new Combined Employer's Registration form is required when there is an entity change.		
Change from:	<input type="checkbox"/> Corporation—"C"	<input type="checkbox"/> Corporation—Subchapter "S"	<input type="checkbox"/> LLP (Limited Liability Partnership)
	<input type="checkbox"/> Individual (Sole Proprietor/Single Member LLC)	LLC (Limited Liability Company) <i>Recognized by IRS as:</i>	
	<input type="checkbox"/> Partnership—General	<input type="checkbox"/> Partnership—Limited	<input type="checkbox"/> Corporation <input type="checkbox"/> Sole Proprietor <input type="checkbox"/> Partnership
Change to:	<input type="checkbox"/> Corporation—"C"	<input type="checkbox"/> Corporation—Subchapter "S"	<input type="checkbox"/> LLP (Limited Liability Partnership)
	<input type="checkbox"/> Individual (Sole Proprietor/Single Member LLC)	LLC (Limited Liability Company) <i>Recognized by IRS as:</i>	
	<input type="checkbox"/> Partnership—General	<input type="checkbox"/> Partnership—Limited	<input type="checkbox"/> Corporation <input type="checkbox"/> Sole Proprietor <input type="checkbox"/> Partnership

## Closing account *(check all that apply)*

<input type="checkbox"/> Closed pension/annuity account as of: / /	<input type="checkbox"/> No longer doing business in TriMet/Lane Transit District as of: / /	
Business was:	Was business operating at the time it was sold, leased or transferred? <input type="checkbox"/> Yes <input type="checkbox"/> No	How many employees were transferred?
<input type="checkbox"/> Closed	<input type="checkbox"/> Sold	Date of final payroll / /
<input type="checkbox"/> No longer doing business in Oregon	<input type="checkbox"/> Leased	
<input type="checkbox"/> Transferred	<input type="checkbox"/> All of business	Effective date / /
	<input type="checkbox"/> Part of business	Describe what was transferred:
Where are the records of the terminated business? <i>(Contact name, address, telephone number)</i>		
New business name		
New owner's name	New owner's telephone ( )	
New owner's address	City	State Zip

## Submitted by:

Print name	Title	Telephone ( )
Signature	Date	/ /

**Fax to: 503-947-1700 or mail to: Employment Department, 875 Union St NE Rm 107, Salem OR 97311-0030**

# Oregon Combined Payroll Tax

## Business Change in Status Form Instructions

Use this form to notify the Employment Department, the Department of Revenue, and the Department of Consumer and Business Services of changes to your business or employment status. Attach additional sheets if needed.

### General updates

**NOTE:** Some FEIN and name changes may require a new *Combined Employer's Registration* form to be completed.

- Provide the correct federal employer identification number (FEIN) for your business.
- Correct the business name and any spelling errors as needed.
- Check the "Now doing business in TriMet/Lane Transit District" box and include the effective date if you're an employer paying wages earned in the TriMet or Lane Transit District. You must register and file with the Oregon Department of Revenue. Wages include salaries, commissions, bonuses, fees, payments to a deferred compensation plan, or other items of value.
  - For boundary questions, see the *Oregon Combined Payroll Tax* booklet for the list of cities and ZIP codes.
    - The TriMet district includes parts of Multnomah, Washington, and Clackamas counties. For TriMet boundary questions call 503-962-6466.
    - Lane Transit District serves the Eugene-Springfield area. For Lane Transit District boundary questions call 541-682-6100.

### Owner/officer updates

Attach a separate sheet to update or change corporate officer or owner information.

### Employment status updates

- Check each box that applies to your business and include the effective date of change.
- If Oregon residents are working out of Oregon, indicate which state.

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

OR

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

For additional copies of this form, download at:  
**[www.oregon.gov/dor/business](http://www.oregon.gov/dor/business)**  
or call: **503-947-1488**

### Using leased employees

If you lease your employees from a Professional Employer Organization (PEO)/Worker Leasing Company, fill in the information requested.

### Changing entity

Include the effective date of change, check the box of the entity you're changing from and the box of the entity changing to.

**NOTE:** Entity changes require the completion of a new *Combined Employer's Registration* form.

Examples include, but aren't 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 proprietorship, corporation, or partnership to a limited liability company.

### Closing account

- Check the box if you closed a pension and annuity account. Include the effective date of change.
- Check the "No longer doing business in TriMet/Lane Transit District" box and include the effective date if you moved your business from the TriMet or Lane transit district and are no longer subject to this tax.
- Check the box if you closed the business or dissolved a sole proprietorship, partnership, corporation, or limited liability company, and no longer have payroll to report. Fill in the date of final payroll.
- If you sold your business, leased your employees, or transferred your business assets, indicate whether the transaction applied to all or part of the business.
- If you leased all or part of the business, fill out the section "Using Leased Employees."

**NOTE:** New or reorganized businesses must complete a *Combined Employer's Registration* form, which can be found in pdf format at:

**[www.oregon.gov/dor/business](http://www.oregon.gov/dor/business)**  
or electronically at  
**<https://secure.sos.state.or.us/ABNWeb>**

# Oregon Combined Payroll Tax Business Contact Change Form

## To update contact and address information

Current information will ensure that you receive tax forms and other important information.

Business name	BIN (Oregon business identification number)
Other names (ABN/DBA)	FEIN (Federal employer identification number)

### Update mailing address

(attach additional sheet if necessary)

Check all that apply: <input type="checkbox"/> Billings <input type="checkbox"/> Business mail <input type="checkbox"/> Payroll tax forms	
Address	
City State Zip	
Telephone (    )	Cell (    )
Fax (    )	E-mail

### Update physical locations

(attach additional sheet if necessary)

<b>#1</b> <input type="checkbox"/> Add location <input type="checkbox"/> Delete location	<b>#2</b> <input type="checkbox"/> Add location <input type="checkbox"/> Delete location
Reason	Reason
Street address	Street address
City State Zip	City State Zip
<input type="checkbox"/> Is this an employee's home address?	<input type="checkbox"/> Is this an employee's home address?

### Update offsite payroll services, accountants or bookkeepers

(attach a Power of Attorney for Authorized Representative)

Name of service, accountant or bookkeeper	Effective date / /
Contact	Telephone (    )
Address	
City State Zip	
Fax (    )	E-mail

### Submitted by:

Print name	Title	Telephone (    )
Signature	Date / /	

**Fax to: 503-947-1700 or**  
**mail to: Employment Department, 875 Union St NE Rm 107, Salem OR 97311-0030**