

Oregon Combined Payroll Tax Report

2000

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

Forms and Instructions For Oregon Employers

- **FORMS ORDER REQUEST**
- **FORM 013
CHANGE IN STATUS REPORT**
- **FORM WR
OREGON ANNUAL WITHHOLDING
TAX RECONCILIATION REPORT**

2000 Oregon Combined Tax Payment Coupons (Form OTC) are not in this booklet. They are sent separately to employers.

How to assure your report is processed timely

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



Oregon Department of Revenue
955 Center Street NE
Salem OR 97310-2551

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

State Withholding, Tri-Met, LTD taxes:

OREGON DEPARTMENT OF REVENUE

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

TTY users: 503-945-8617

Reporting forms:

- Oregon Quarterly Tax Report – Form OQ
- Oregon Schedule B
- Oregon Annual Withholding Tax
- Reconciliation Report – Form WR
- Change in Status Report – Form 013

State Unemployment Insurance tax:

OREGON EMPLOYMENT DEPARTMENT

Salem: 503-947-1488

TTY users: 503-945-8617

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

To order OTCs call: **Salem: 503-945-8091 or 503-378-4988**

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

Workers' Benefit Fund Assessment:

OREGON DEPARTMENT OF CONSUMER & BUSINESS SERVICES (DCBS)

Assessment questions: **Salem: 503-378-2372**

TTY users: 503-378-2372

Subjectivity questions: **Salem: 503-947-7815**

Reporting form:

Oregon Quarterly Tax Report – Form OQ

Internet Addresses

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

Some Oregon combined payroll tax forms are available at: **www.dor.state.or.us**

A Workers' Benefit Fund assessment information sheet is available at: **www.cbs.state.or.us/external/bad/badrec4.html**

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

Reporting options: **www.emp.state.or.us/tax**

Magnetic Media Reports

Questions? Call **503-947-1544**

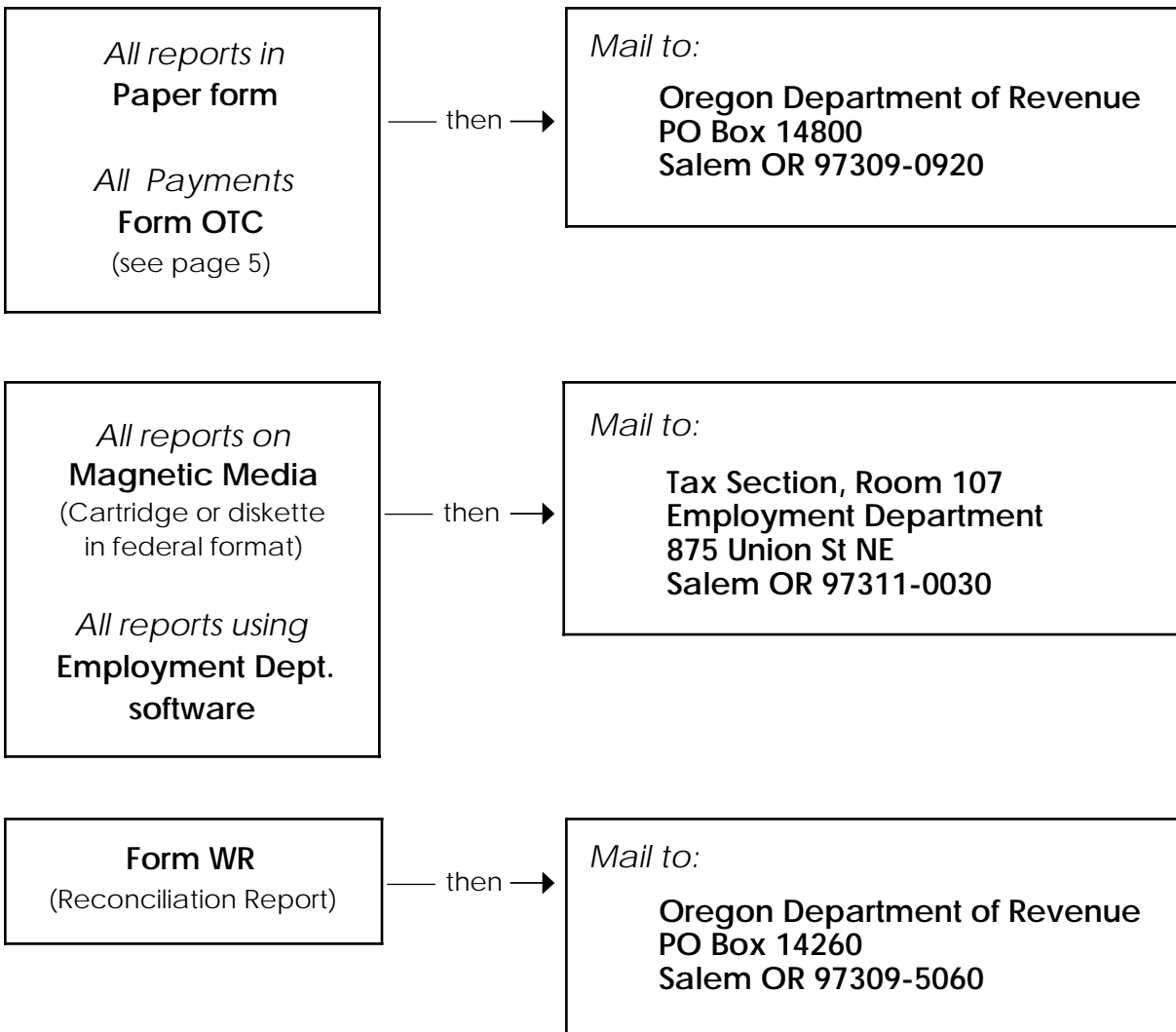
TTY (nonvoice use only): **503-947-1495**

Filing Due Dates for Quarterly Reports

	Quarter	Quarter Ending Date	Report Due Date
1st	Jan-Feb-Mar	March 31, 2000	April 30, 2000
2nd	Apr-May-Jun	June 30, 2000	July 31, 2000
3rd	Jul-Aug-Sep	Sept. 30, 2000	October 31, 2000
4th	Oct-Nov-Dec	Dec. 31, 2000	January 31, 2001

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

WHERE TO FILE AND PAY



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

New Information

- Beginning in 2000, the Workers' Compensation Assessment has changed its name to the Workers' Benefit Fund (WBF) assessment. This change more accurately reflects its purpose, and distinguishes it from other workers' compensation-related premiums and assessments.
- Retroactive to January 1, 1998, an employing unit that acquires an identifiable and segregable portion of another employing unit along with five percent or more of such other employing unit's employees, may apply for a partial transfer of employment experience. Application forms for partial transfer are available upon request. To be

timely, completed applications must be filed within sixty days after the date of transfer or within sixty days after July 1, 2000, whichever is later.

New tax rates

- Beginning January 1, 2000, Tri-Met Transit District tax rate has changed to .006195. The WBF assessment rate has changed to .040.

Note: Services performed within the city limits of Sandy are no longer subject to Tri-Met payroll tax. **Services performed within Cottage Grove are now subject to LTD payroll tax.**

Important Reminders

- **Oregon Department of Revenue, Employment Department, and Workers' Compensation Division rules differ. Please read all instructions carefully. If you have questions, please contact the appropriate agency. (See page 2.)**
- A change on the federal Form W-4 could reduce the amount of state withholding for some Oregon taxpayers. The FEDERAL child tax credit on Form W-4 allows additional allowances for eligible children.

The provisions for the credit are incorporated into the computation of personal allowances for federal purposes, but not for Oregon withholding. This could result in underwithholding. This may affect your employees' refunds (they may receive smaller refunds, or none at all), or they may owe more taxes.

- When reporting hours, employers are required to **round up** to the nearest hour for UI tax. However, **do not** round individual workers' hours when calculating their WBF assessment deductions. **Round to** the nearest hour only when adding the total of **all** workers' hours for entry on Form OQ, Box 9. Do not report partial hours on Form OQ, box 9, or on Form 132, column 5.
- The number of hours reported for UI tax on Wage Detail report (Form 132) will not necessarily equal the number of hours reported for the Work-

ers' Benefit Fund assessment in box 9 on Form OQ. See pages 11 and 12 for more information.

No payroll or subject hours worked

- Even if you have no payroll or subject hours worked, enter -0- on tax line of Form OQ for each program you are subject to. See line instructions for details.

Multistate employers

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

Filing for bankruptcy

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

Keep your records

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

Required Forms

Using the forms in this booklet ensures faster and more accurate processing. Failure to use the correct forms or format may result in a penalty.

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

Use the Order Request at the back of this booklet to order additional forms, reporting software, and specifications for magnetic media or plain paper. Plain paper and magnetic media specifications, as well as FTP or e-mail specifications, are available on the Internet at: www.emp.state.or.us/tax under "Reporting Options for Oregon Quarterly Employer Taxes."

Additional information on Oregon requirements is available in the Oregon Business Guide. For a copy, call the Oregon Business Information Center at 503-986-2200. The Internet address is: www.sos.state.or.us/corporation/bic/bizguide/contents.htm

Forms needed for reporting

- **Form OQ – Oregon Quarterly Tax Report.** Use this form to report State Unemployment Insurance Tax information, State Withholding Tax, Workers' Benefit Fund assessment, and Tri-Met and LTD taxes.
- **Oregon Schedule B – State Withholding Tax.** Use this form if state income tax withholding deposits are required to be submitted semi-weekly or on a one-day banking basis. File Oregon Schedule B with Form OQ.
- **Form 132 – Employee Detail Report.** If your business is subject to Oregon Unemployment Insurance (UI) Tax, use this form to report employee detail. File this form with Form OQ. **If you have more than 20 employees, order additional Form 132s using the Order Request at the back of this booklet.** Forms that are incorrectly formatted or photocopied may be returned, and a penalty may be assessed.

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

NOTE:

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

Other forms

- **Form 013 – Change in Status Report.** Use this form to report changes in your business. Do not use Form OTC or Form OQ to make changes. See the Change in Status Report at the back of this booklet, for detailed instructions.

The Change in Status Report is available on the Internet at: www.dor.state.or.us

- **Form WR – Oregon Annual Withholding Tax Reconciliation Report.** Use this form to reconcile your state withholding account. Form WR is due February 28 of each year.

Filing the Oregon Combined Quarterly Tax Report

Who must file

You must file a Form OQ each quarter:

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

You must file Form 132:

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

You must file Oregon Schedule B:

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

Filing for agricultural employers

- If you file federal Form 943, you may file your Oregon withholding reports once a year using Form WA. Agricultural employers subject to unemployment tax, Workers' Benefit Fund assessment, and/or transit tax must file Form OQ in addition to Form WA. Call the Oregon Department of Revenue at 503-945-8091 or 503-378-4988 for more information.

When to file

See page 3 for the report due dates.

Amended reports or adjustments

To amend data on Form OQ or Form 132, copy the original report, make the necessary changes on the copy, clearly write "Amended" at the top of the form and mail to: Oregon Department of Revenue, PO Box 14800, Salem OR 97309-0920.

Failure to file

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

Electronic filing

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

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

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

Magnetic media

- Employers who have 100 or more employees may send the Form 132 using 3480 or 3490 compatible cartridge.
- When filing employee detail data using federal format on 3480 or 3490 cartridge or federal format wage diskette, include a Form 132 with only the BIN, quarter, year, and line 1 "Total Subject Wages" completed.

You may also e-mail **wagedata@emp.state.or.us** or FTP the same formatted information to us.

- E-mail with FTP attachment
- E-mail alone

Be sure to include the BIN, quarter, year, and "Total Subject Wages" in your e-mail.

Plain paper

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

Option Specifications

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

Payment Instructions

Oregon combined payments

Unemployment Insurance (UI) Tax, Workers' Benefit Fund assessment, and transit tax payments are due quarterly. Oregon withholding tax due dates are the same as the dates for depositing federal tax.

Making your Oregon combined payments

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

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

Payment record

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

Electronic Funds Transfer (EFT)

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

Even though many businesses are required to make their payments this way, employers may voluntarily participate in the EFT program. Additional information and registration materials are available from the department's Internet site: www.dor.state.or.us, or you may call the EFT Help Message line at 503-947-2016 to receive a program guide.

Guidelines for Oregon withholding payment due dates

If your federal tax liability is:		Oregon withholding tax payments are due:
• less than \$1,000 for the quarter	→	within 30 days after the end of the quarter
• \$50,000 or less in the lookback period*	→	by the 15th of the month following payroll
• More than \$50,000 in the lookback period*	→	Semiweekly Deposit Schedule
If the day falls on a:		Then pay taxes by:
Wednesday, Thursday and/or Friday		the following Wednesday
Saturday, Sunday, Monday, and/or Tuesday		the following Friday
• \$100,000 in a single pay period *	→	within one banking day

Payrolls paid in:

Quarter 1

Jan—Feb—Mar

Quarter 2

Apr—May—Jun

Quarter 3

Jul—Aug—Sep

Quarter 4

Oct—Nov—Dec

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

Penalties

Unemployment insurance tax

A late filing penalty may be assessed if Form OQ or Employee Detail Report (Form 132) is filed more than 10 calendar days after the due date and you have received a previous warning. **This is in addition to interest due.** The late filing penalty is \$5 for each employee reported, with \$60 minimum and \$1,200 maximum penalty amounts. Incomplete reports may also be assessed a similar penalty. If no subject wages are reportable but the report is filed late, a \$5 late filing penalty may be assessed.

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

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

- file all unemployment insurance tax reports:
 - Form OQ—Oregon Quarterly Tax Report,
and/or
 - Form 132—Employee Detail Report,
and/or
- pay all unemployment insurance taxes due.

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

State withholding and transit taxes

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

Workers' Benefit Fund assessment

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

Interest

Unemployment insurance tax

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

Use this same calculation for Local Government Employers Benefit Trust Fund participants. Reimbursing employers should not calculate interest. Interest due on unpaid balances is billed.

State withholding and transit taxes

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

Workers' Benefit Fund assessment

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

Oregon Quarterly Tax Report (Form OQ)

Line-by-Line Instructions

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

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

Line-by-line instructions

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

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

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

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

1. Total subject wages

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

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

Box 1B Enter total subject *wages subject to income tax* (salaries, commissions, and bonuses), paid to Oregon employees this quarter. If you are reporting withholding on pension or annuity distributions, enter the amount of distributions with Oregon withholding. This amount need not match box 1A. Enter -0- if you had no payroll this quarter.

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

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

2. Excess wages

Box 2A Enter “*Excess wages.*” Excess wages are wages above the taxable wage base for the year *per person*. The taxable wage base **for 2000 is \$23,000** per employee per year. Reimbursing employers and Local Government Employers Benefit Trust Fund participants leave this box blank.

3. Taxable wages

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

4. Tax rate

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

Box 4C Use the current Tri-Met tax rate. If you are subject to Tri-Met and no tax rate is printed, contact the Oregon Department of Revenue at 503-378-4988 or 503-945-8091.

Box 4D Use the current LTD tax rate. If you are subject to LTD and no tax rate is printed, contact the Oregon Department of Revenue at 503-378-4988 or 503-945-8091.

5. Total tax

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

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

- **Quarterly** – complete only box 5B.
- **Monthly** – complete boxes on line 15 (M1, M2, and M3) on Form OQ. Add boxes and enter the total into box 5B.
- **Semi-weekly or one-banking day depositors** – do not use line 15. Complete and file Oregon Schedule B. Enter the total in box 5B.

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

Box 5D 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-.

6. Tax prepaid this quarter.

Box 6A Enter the amount of UI tax prepaid or credits used this quarter. Include any credit amount that may have been overpaid in previous quarters. Include any

overpayments from previous quarters where no refund was requested or issued.

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

Box 6B Enter the amount of withholding tax prepaid, including credits used, this quarter.

Box 6C Enter the amount of Tri-Met tax prepaid, including credits used, this quarter.

Box 6D Enter the amount of LTD tax prepaid, including credits used, this quarter.

7. UI penalty and interest owed.

Box 7A Enter the amount of penalty and interest owed if the report is late. Figure the penalty amount by multiplying the number of employees by \$5. The minimum penalty is \$60. The maximum penalty is \$1,200. If there were no employees, the penalty is \$5. Late reports are those submitted more than 10 days after the due date.

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

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

8. Total due

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

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

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

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

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

Workers' Benefit Fund assessment

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

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

Box 11 Multiply box 9 times box 10. Round down to the nearest cent. This is the total Workers' Benefit Fund assessment due for the quarter.

If no assessment is due for the quarter, enter -0-.

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

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

14. Total payment due

Enter total payment due. Add boxes 8A, 8B, 8C, 8D, and 13. Do not include any credits. You must include Form OTC, even if you are mailing the

payment along with Form OQ. Do not staple or tape your payment to the coupon.

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

- **Credit applied to another program:**

Send a written request along with Form OQ to the agency who handles the program that has the credit.

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

- **Credit refunded:**

Send a written request to the agency who handles the program that has the credit. Include your account name, BIN, the word "**Refund**," and the amount to refund.

15. State withholding tax

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

Do not include payments made for unemployment insurance tax, Workers' Benefit Fund assessment, or transit taxes in these boxes.

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

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

Signature

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

Employee Detail Report (Form 132) Instructions

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

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

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

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

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

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

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

Do not report fractions or portions of an hour worked by an individual.

Round up any portion of an hour to the nearest whole hour.

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

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

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

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

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

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

Oregon Schedule B Instructions

Example: How to complete Oregon Schedule B

A. Daily Oregon Withholding Tax Liability — First Month of Quarter											
						1600	00				
	2500	00							300	00	
				1450	00						
	450	00									
A. Total Withholding Tax Liability For the First Month of the Quarter										A	6300 00

Line instructions—Oregon Schedule B

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

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

Oregon Unemployment Insurance Tax Information

Subject wages

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

An employee is any person, including aliens or minors, who is employed for pay, under any contract of hire by any employer who is subject to Employment Department law (ORS 657.015).

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

The following are examples of subject wages:

- Payments for services to individuals in the employ of any type of corporation, except those exempt under the family corporation provision (see excluded wages on page 14).

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

Excluded wages

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

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

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

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

Unemployment Insurance Tax payments

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

Equal opportunity employer

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

Employment offices listed below

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

STATE EMPLOYMENT TAX OFFICES

Office	Phone	Office	Phone
Albany	541-967-2171	Newport	541-574-2303
Astoria	503-325-4821	Ontario	541-889-2710
Beaverton	503-526-2734	Oregon City	503-657-2002
Bend	541-388-6086	Pendleton	541-276-9056
Coos Bay area	541-756-8469	Portland–Downtown	503-731-4276
Corvallis	541-757-4261	Portland–North	503-280-6013
Eugene	541-686-7797	Redmond	541-548-8196
Grants Pass	541-474-3151	Roseburg	541-440-3344
Gresham	503-666-2302	Salem–Field Office	503-378-3352
Hillsboro	503-681-0222	Salem–Central Office	503-947-1488
Klamath Falls	541-883-5628	Springfield	541-726-2507
McMinnville	503-434-7574	The Dalles	541-296-5435
Medford	541-776 6067	Woodburn	503-982-1839

Oregon Withholding Tax Information

Subject wages

Some examples of taxable wages are:

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

Exempt wages

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

Withholding on IRAs, annuities, and compensation plans

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

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

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

For more information, call 503-945-8091.

Figuring exemptions

Use the number of exemptions claimed by an em-

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

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

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

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

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

Figuring withholding tax

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

- Use the "wage bracket" withholding tax tables we've prepared. The current tax tables were effective January 1, 1988, **or**
- Use our percentage formula for computer payroll systems. These percentages are in the Oregon withholding tax tables.

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

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

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

Transit District Excise Taxes Information

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

Service area of Tri-Met and LTD

The Tri-Met area includes parts of Multnomah, Washington, and Clackamas counties. For information on Tri-Met boundaries, call 503-239-6466 or the Department of Revenue at 503-945-8091 or 503-378-4988.

LTD serves the entire Eugene-Springfield urban area as well as several rural areas. For information on LTD boundaries, call 541-741-6100 or the Department of Revenue at 503-945-8091 or 503-378-4988.

Who must file a report?

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

Wages subject to transit districts

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

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

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

Exempt payroll

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

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

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

1. Public education districts.
2. Public special service and utility districts.
3. Port authorities.
4. Firefighters.
5. City, county, and other local government units.

How to figure the transit tax

The transit tax is imposed directly on the employer. It is imposed only for the amount of gross payroll paid for services performed within the Tri-Met or LTD district. The current transit tax rates are on Form OQ. If you are subject to transit tax, but received a booklet without the rates, contact the Oregon Department of Revenue at 503- 945-8091 for the current transit tax rates.

Oregon Workers' Benefit Fund Assessment Information

Workers subject to Workers' Benefit Fund assessment

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

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

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

Hourly assessment

The assessment is based on the total number of hours or parts of hours worked by all subject workers in the same pay period as is used to compute the employee's withholding. The hourly assessment rate is printed on Form OQ, in box 10, and may change annually.

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

If you change ownership, discontinue business, or cease to employ workers, contact your workers' compensation insurer with the corrected information. Only when your insurer terminates or files an endorsement to the guaranty contract with the Workers' Compensation Division, will your Workers' Benefit Fund assessment account be corrected or closed. **Using the Change in Status Report alone will not update or close your Workers' Benefit Fund assessment account.**

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

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



Notes: