

TAXATION LAW

DEPARTMENT OF REVENUE NOTICES

ORS Ch 305

2013 OR LAWS CH 298 (SB 183)

Senate Bill 183 adds a new provision to ORS chapter 305, granting the Department of Revenue flexibility in providing notices in cases where the department is required to give notice by regular mail. The bill permits the department to enter into notification agreements with intended recipients so long as other law does not expressly prohibit the use of other means of notification. The agreement must provide that the department may use another means of notification and must allow the recipient to change or cancel the agreement.

Effective date: October 7, 2013. The bill's provisions apply to notice given by the Department on or after January 1, 2014.

Effective date: October 7, 2013. The bill's provisions apply to payments made in tax years beginning on or after January 1, 2013.

PROSPECTIVE RELIEF FOR REVERSE MORTGAGES

ORS 311.668 TO 311.695

2013 OR LAWS CH 31 (HB 2489)

House Bill 2489 permanently extends the exception for certain homesteads pledged as security for reverse mortgages, thus allowing continued qualification for deferral.

The bill clarifies that transferee liability for deferred amounts is limited to any positive amount remaining after subtraction of liens prior to the Department of Revenue's liens from the real market value of the homestead. The bill requires the department to issue a notice of liability to a transferee, and provides a process for collection and appeal of deferred amounts to which a transferee notice of liability relates. The bill authorizes the Department of Revenue to determine the joint and several liability of multiple transferees.

Effective date: October 7, 2013.

PENALTIES FOR MISSING, INCOMPLETE OR INCORRECT FORMS

ORS 314.360, 316.202

2013 OR LAWS CH 734 (HB 2464)

House Bill 2464 imposes Oregon-only penalties for failure to file an information return with the Department of Revenue, or for incomplete or incorrect returns. This includes Forms 1099, W-2, and annual and quarterly withholding returns.

The penalty is generally \$50 per return (up to a maximum of \$2,500), unless the failure to file or incorrect filing was done knowingly, in which case the penalty is \$250 per return (up to a maximum of \$25,000).

DISCLAIMER

IN BRIEF includes claim prevention information that helps you to minimize the likelihood of being sued for legal malpractice. The material presented does not establish, report, or create the standard of care for attorneys. The articles do not represent a complete analysis of the topics presented, and readers should conduct their own appropriate research.

**RECONNECTION TO INTERNAL REVENUE CODE
ORS 238A.005 TO 238A.430, 305.230,
305.494, 305.690, 307.130, 307.147,
308A.450, 310.140, 310.630, 310.800,
314.011, 315.004, 316.012, 317.010,
317.097, 348.841, 458.670, 657.010
2013 OR LAWS CH 377 (HB 2492)**

House Bill 2492 generally updates Oregon's date of connection to federal tax law from December 31, 2011, to January 3, 2013, so as to take into account the federal Affordable Care Act. The bill applies to certain provisions for which "rolling reconnection" is not applicable.

The bill updates statutes pertaining to the tax qualification status of the Public Employees Retirement System plans, to unemployment insurance, and to the Oregon 529 College Savings Network. It includes income tax provisions pertaining to the definition of charitable organizations, federal Adjusted Gross Income (for the purposes of Oregon's Elderly Rental Assistance), rules defining an S corporation for purposes of representation before magistrate, the Department of Revenue, and the Oregon Tax Court. The bill requires taxpayers to file an amended return for changes in Oregon's law due to these federal tax law changes for tax years beginning before January 1, 2013. If a taxpayer fails to file an amended return, the Department of Revenue is required to make necessary changes to the return.

Reconnection for purposes of the earned income tax credit is achieved separately through House Bill 3367.

Effective date: October 6, 2013.