

**REVENUE IMPACT OF  
PROPOSED LEGISLATION**  
Seventy-Seventh Oregon Legislative  
Assembly  
2013 Regular Session  
Legislative Revenue Office

Bill Number: SB 252  
Revenue Area: Other Funds  
Economist: Dae Baek  
Date: February 6, 2013

*Only Impacts on Original or Engrossed  
Versions are Considered Official*

**Measure Description:** Increases to \$100, the minimum penalty for late filings of payroll and tax reports, and the penalty for continued late filings of zero payroll reports. Takes effect on the 91<sup>st</sup> day following the adjournment sine die.

**Revenue Impact (in \$Millions):**

	Fiscal Year		Biennium		
	2013-14	2014-15	2013-15	2015-2017	2017-2019
<b>Other Funds (Employment Department Special Administration Fund)</b>	\$ 0.4	\$ 0.5	\$ 0.9	\$ 0.7	\$ 0.7

Data Source: Oregon Employment Department

**Impact Explanation:** Oregon employers are required to file quarterly payroll and tax reports with the Oregon Employment Department (OED). This bill increases the minimum penalty assessed for repeated late filings of these reports to \$100. ORS 657.663 specifies that employers who do not file timely reports get a written warning. If they are late again within three years of the written warning, OED may assess a penalty. If the report shows that the employer had no payroll for the calendar quarter, the penalty is \$5. If the employer did have payroll, the penalty amount is set by a statutory formula. For 2013, the minimum penalty per employer is \$85 but the actual penalty will reflect the number of individual employees and their payroll. In 2012, approximately 5,000 employers were assessed either the \$5 penalty, or the minimum penalty (\$85) for employers that were repeatedly late with their filings and did have payroll information to report.

Increasing the minimum penalty to \$100 will increase the total penalty assessed in the near term. However, compliance with the reporting requirement is expected to improve over time, resulting in fewer assessments and less penalties.

**Creates, Extends, or Expands Tax Expenditure:** Yes  No