

B-Engrossed
Senate Bill 252

Ordered by the House May 29
Including Senate Amendments dated March 22 and House Amendments
dated May 29

Printed pursuant to Senate Interim Rule 213.28 by order of the President of the Senate in conformance with pre-session filing rules, indicating neither advocacy nor opposition on the part of the President (at the request of Senate Interim Committee on Business, Transportation and Economic Development)

SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure.

Increases minimum penalty for late filings of payroll and tax reports by employers to \$100 *[and]*. **Creates graduated scale for penalty for continued late filings of zero payroll reports *[to \$25 per filing]*, with maximum of \$100 for third or subsequent late filing within three-year period.**

Takes effect on 91st day following adjournment sine die.

A BILL FOR AN ACT

1
2 Relating to late filing penalties; amending ORS 657.663; and prescribing an effective date.

3 **Be It Enacted by the People of the State of Oregon:**

4 **SECTION 1.** ORS 657.663 is amended to read:

5 657.663. (1) If an employer fails to file a *[required]* quarterly tax report or quarterly *[detail]* **re-**
6 **port** of employees' wages and hours of work by the 10th day of the second month following the end
7 of the calendar quarter, the Director of the Employment Department, for the first such failure, shall
8 send to the employer at the employer's last-known address a written notice warning the employer
9 that a subsequent failure to file a *[required]* report could result in the imposition of a late filing
10 penalty.

11 (2) If an employer, without good cause, fails to file a *[required]* **timely** report within the three-
12 year period immediately following a written warning **sent pursuant to subsection (1) of this**
13 **section**, the employer may be assessed a late filing penalty in addition to other amounts due.

14 (3)(a) *[The penalty]* **Except as provided in subsection (4) of this section, a penalty assessed**
15 **under subsection (2) of this section** shall be 0.0002 of the taxable wage base in effect for the year
16 against which the penalty is being assessed for each employee listed each quarter on the late filed
17 reports. **The penalty per employee shall be rounded to the nearest dollar.**

18 (b) *[However]* **Notwithstanding paragraph (a) of this subsection**, the minimum penalty for any
19 calendar quarter *[shall]* **may** not be less than *[0.0025 nor]* **\$100 and** the maximum penalty **may not**
20 **be** more than 0.05 of the taxable wage base in effect for the year. **The maximum penalty shall be**
21 **rounded to the nearest \$100 interval.**

22 *[(2) The penalty per employee shall be rounded to the nearest dollar. The minimum penalty shall*
23 *be rounded to the nearest five-dollar interval and the maximum penalty shall be rounded to the nearest*
24 *\$100 interval.]*

25 *[(3)]* (4) *[Notwithstanding the provisions of subsection (1) of this section,]* **A penalty assessed**

NOTE: Matter in **boldfaced** type in an amended section is new; matter *[italic and bracketed]* is existing law to be omitted. New sections are in **boldfaced** type.

1 **under subsection (2) of this section for** an employer who has no payroll during [a] **the** calendar
2 **quarter to which a quarterly report relates** shall [not be assessed a penalty for the first quarter in
3 *which that employer's report is filed late. Thereafter, the director may assess a \$5 penalty when such*
4 *employer's reports continue to be filed late.*] **be as follows:**

5 (a) **\$10 for the first report filed late within the three-year period immediately following**
6 **a written warning sent pursuant to subsection (1) of this section.**

7 (b) **\$25 for the first report filed late within the three-year period immediately following**
8 **the assessment of a penalty under subsection (2) of this section.**

9 (c) **\$50 for the second report filed late within the three-year period immediately following**
10 **the assessment of a penalty under subsection (2) of this section.**

11 (d) **\$100 for the third or subsequent report filed late within the three-year period imme-**
12 **diately following the assessment of a penalty under subsection (2) of this section.**

13 [(4)] (5)(a) [The] **A** penalty assessed under this section [shall be] **is** final unless, within 20 days
14 [from] **after** the date [of mailing of] the assessment **is mailed** to the last-known address of the em-
15 ployer, the employer requests the penalty be deleted. The request must be in writing and state the
16 reason why the report was filed late.

17 (b) If the director determines the employer had good cause for filing the report late, the penalty
18 shall be deleted. If it is determined there was not good cause for filing the report late, the request
19 for deletion shall be denied.

20 [(5)] (6)(a) A [decision] **determination** denying the request [shall become] **for deletion is**
21 **final,** unless, within 20 days [from] **after** the date [of mailing the decision] **the determination is**
22 **mailed** to the last-known address of the employer, the employer files a request for hearing. The re-
23 quest for a hearing must be in writing and state the reasons [therefor] **why the determination**
24 **should not be affirmed.**

25 (b) Judicial review **of the determination of denial** shall be as provided for review of orders
26 in contested cases in ORS chapter 183, except that the [petition] **request for hearing** shall be filed
27 within 20 days after the issuance of the [order] **determination** of the director or a designated rep-
28 resentative.

29 **SECTION 2. This 2013 Act takes effect on the 91st day after the date on which the 2013**
30 **regular session of the Seventy-seventh Legislative Assembly adjourns sine die.**

31