

HB 2283 STAFF MEASURE SUMMARY

Senate Committee On Finance and Revenue

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Meeting Dates: 4/12

WHAT THE MEASURE DOES:

Provides that if taxpayer elects to apply overpayment of tax to subsequent year estimated tax installment, amount paid is credited as estimated tax on later of first estimated tax due date or date payment is made, if elected on timely filed return, or is credited as estimated tax on later of date return is filed or date payment is made, if elected on return filed late.

Applies to payments made in tax years beginning on or after January 1, 2018.

ISSUES DISCUSSED:

EFFECT OF AMENDMENT:

BACKGROUND:

ORS 316.583 essentially assumes that all tax payments occur by April 15th. This is not true. There are about 10,000 returns each year that have payments made after April 15th but before the return is filed. Once the return is filed and tax calculated, a refund must be issued. If the taxpayer elects to have their refund applied to the next year's estimated tax, the statute requires the Department of Revenue to back-date the refund and give credit to the taxpayer as of April 15th even though the payment wasn't actually made until sometime after April 15th.