

## DEFERRED BILLING CREDIT and POTENTIAL REFUND CREDIT COMPARISON

### DEFINITIONS:

**Deferred Billing Credit (ORS 305.286)** - The determination by the assessor of the amount of property tax **reduction** (deferred taxes) on a property to address risk on a high value appeal.

**Potential Refund Credit (HB 2407 A-Engrossed)** - The determination by the assessor of the amount of property tax **paid** by the taxpayer on the property to address risk on a high value appeal.

**Disputed Value** - The value determined by the assessor that could be affected by the appeal.

<b>Current - ORS 305.286 Deferred Billing Credit</b>	<b>Proposed - HB 2407 A-Eng. Potential Refund Credit</b>
A high value property is appealed to Tax Court	A high value property is appealed to Tax Court
The Assessor determines there is significant risk to taxing districts in a potential refund and determines there should be a Deferred Billing Credit for that account	The Assessor determines there is significant risk to taxing districts in a potential refund and determines there should be a Potential Refund Credit for that account
The Assessor calculates the amount of Disputed Value that will address the risk to the taxing districts and calculates the amount of taxes to be "deferred" on the account using the Deferred Billing Credit	The Assessor calculates the amount of Disputed Value that will address the risk to the taxing districts and calculates the amount of the taxes for the Potential Refund Credit on the account
The Assessor notifies the Tax Collector and the taxpayer of the amount of the " <b>Deferred Billing Credit</b> " taxes necessary to reduce the property owners tax bill (The Deferred Billing Credit reduces the tax amount the taxpayer pays on the tax bill)	The Assessor notifies the Tax Collector and the taxpayer of the amount of the " <b>Potential Refund Credit</b> " taxes for the property (The taxpayer pays the full amount of the taxes levied and then the Potential Refund Credit is applied after the taxes are paid)
The taxpayer pays the Deferred Billing Credit <b>reduced tax amount</b> and receives the appropriate discount if timely paid	The taxpayer pays the <b>full amount</b> of the property taxes levied and receives the appropriate discount if timely paid
	The Tax Collector and/or County Treasurer withholds the amount of the Potential Refund Credit from the distribution of taxes and places the Credit into an account administered by the County Treasurer
No interest has accrued on the Deferred Billing Credit taxes in the event of a refund	The only interest accruing on the Potential Refund Credit is the interest in the Credit account
When the appeal is final, the Assessor will notify the taxpayer of any refund to the taxpayer or any additional taxes due from the taxpayer	When the appeal is final, the Assessor will notify the taxpayer of any refund to the taxpayer or any additional taxes due from the taxpayer
If there are additional taxes, the taxpayer receives the 3% discount in the event additional taxes are paid timely (within 45 days of notice by the Assessor)	If a refund of the Potential Refund Credit is necessary, the County Treasurer will pay the refund, with any interest earned, out of the Credit account
No interest is accrued on any additional taxes due if paid timely (within 45 days of notice by the Assessor)	If no refund of the Potential Refund Credit is necessary the County Treasurer will distribute the funds in the Credit account to the taxing districts using the distribution percentages for the appropriate year(s)