



# Oregon

Tina Kotek, Governor

Department of Revenue

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March 8, 2023

Senator Deb Patterson, Co-Chair  
Representative Greg Smith, Co-Chair  
Joint Committee on Ways and Means Subcommittee on General Government  
900 Court Street NE  
State Capitol  
Salem, Oregon 97301

Subject: Written Reference Materials on the Governor's Recommended Budget for the Oregon Department of Revenue for 2023–25

Dear Co-Chairs:

The Oregon Department of Revenue appreciates the opportunity to present the Governor's Recommended Budget for 2023–25 and the requested written reference materials.

## **Agency Mission, Goals, and Historical Context**

The mission of the Oregon Department of Revenue is together, we collect the revenue that Oregon counts on.

The vision of the Oregon Department of Revenue is to create a clear and easy experience for our customers.

### Values

- We work to earn the trust of taxpayers.
- We seek dignity and inclusion for all.
- We do the right thing.
- We build partnerships.
- We rise to the occasion.

The Oregon Department of Revenue started as the Oregon Tax Commission in 1909, with two full-time appointed commissioners to administer the tax laws of the state. While the commission was initially focused on property tax administration, it began to grow after passage of Oregon's income tax laws in 1929. The agency continued to receive new tax and fee programs to administer and became the Oregon Department of Revenue in 1969.

Today, the agency has about 1,000 employees who help achieve its mission.

In support of its mission, the agency:

- Administers 65 tax and fee programs (listed in Appendix A), including Oregon's Personal Income Tax, Corporation Excise Tax, Marijuana Retail Tax, Corporate Activity Tax, and cigarette and other tobacco tax programs.
- Supervises the state's property tax system and supports county property tax administration.

- Appraises large industrial and centrally assessed properties.
- Administers tax programs for other state agencies and local governments, including the State Transient Lodging Tax, vehicle privilege and use taxes, local marijuana taxes, and transit district taxes.
- Serves as the primary collections agency for executive branch agencies and state boards and commissions.

Each biennium, more than 97 percent of Oregon’s General Fund is attributable to the work done by the Oregon Department of Revenue.

*Strategic Priorities*

The agency’s four strategic priorities and their goals are tied the [Oregon Counts on Us: 2022-2027 Strategic Plan](#).

Racial Equity: Adapt our culture, modify our practices, and adjust our infrastructure to ensure dignity and inclusion for all.

- Goal 1. Create and implement a Racial Equity Plan.
- Goal 2. Create and use Racial Equity Impact Statements.

Our Customers: Make it simpler for customers to work with us.

- Goal 3. Upgrade to modern call center and phone systems.
- Goal 4. Improve online services.
- Goal 5. Improve website features and functionality.
- Goal 6. Improve the quality of correspondence.
- Goal 7. Accept all payments for all programs regardless of a customer’s access point.

Our Employees: Train and prepare our workforce for the future.

- Goal 8. Enhance employee training.
- Goal 9. Ensure new managers have the tools they need to succeed.
- Goal 10. Facilitate knowledge transfer and cross-training.

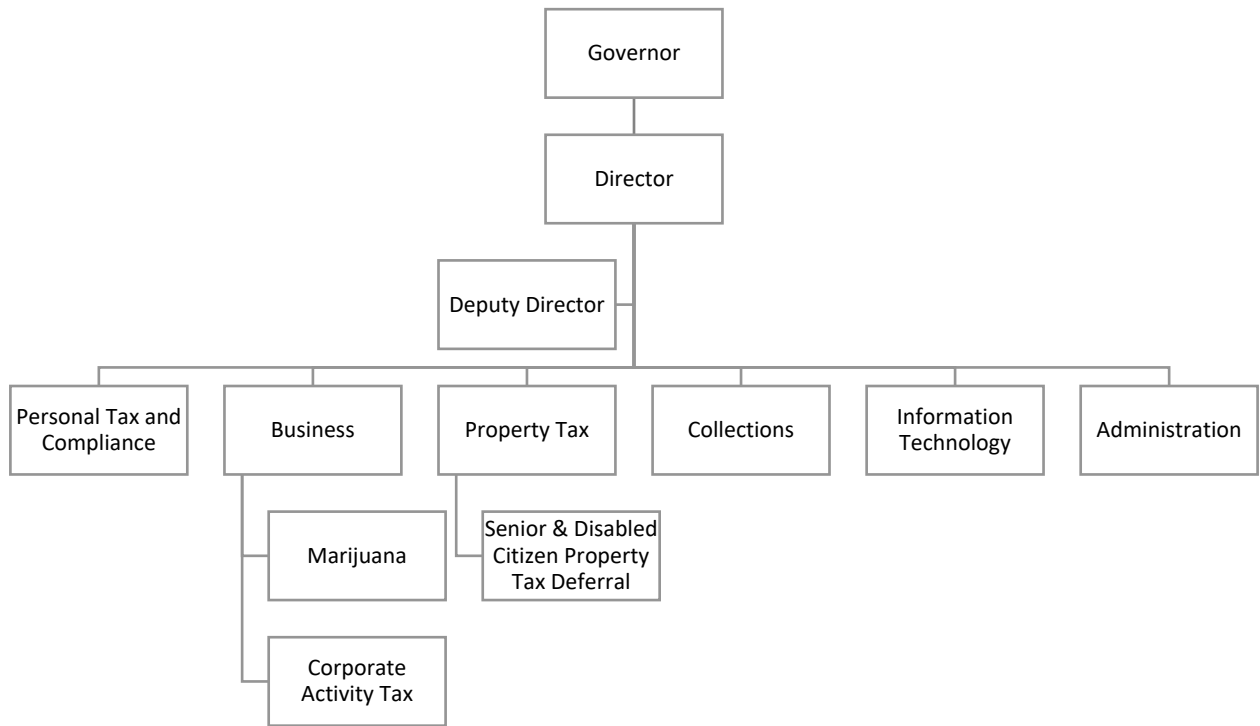
Our Data: Enhance data access and use.

- Goal 11. Improve data literacy.
- Goal 12. Develop data governance.
- Goal 13. Create and execute a data strategy

**Programs, Organization, and Service Delivery**

The Oregon Department of Revenue provides services for the general public, tax preparation professionals, counties, local taxing districts, and other state agencies. Tax administration functions include processing returns and payments, assisting and educating taxpayers, auditing, enforcing state tax laws, collections, and policy development.

FIGURE 1. AGENCY ORGANIZATION CHART



### Partners

The Oregon Department of Revenue has a robust group of partners and customers, including individual taxpayers, people who have delinquent debt with the state, businesses, industry groups, tax professionals, community-based organizations, state and local partners, and Oregonians. We partner with others in order to create a clear and easy experience for our customers.

Appendix B provides an alphabetical list of organizations interested in the work of the department.

### Agency Performance and Outcome Measures

The Oregon Department of Revenue measures operational and financial performance through several internal and external performance measures.

The Legislature has adopted the following 11 key performance measures for the agency:

- Average Days to Process Personal Income Tax Refund
- Percent of Personal Income Tax Returns Filed Electronically
- Employee Training Per Year
- Customer Service
- Effective Taxpayer Assistance
- County Appraisal Accuracy
- Appraisal Value Uniformity
- Direct Enforcement Dollars Cost of Funds
- Collection Dollars Cost of Funds

- Cost of Assessments
- Employee Engagement

Key performance measure data for the past five years is available in Appendix C.

The Oregon Department of Revenue also uses agency-wide operational metrics to monitor and understand our performance is meeting our mission to collect the revenue Oregon counts on.

<b>Operational Metric</b>	<b>Description</b>
1. Number of Returns Filed	Number of all tax returns received in a given period regardless of their associated tax filing period or program. An indicator of voluntary compliance.
2. Percentage of Tax Returns Filed Timely	Number of returns received in a given period by their due date divided by the number of returns received. An indicator of voluntary compliance.
3. Percentage of Dollars Received Voluntarily	Revenue for programs with DOR enforcement received by DOR minus receipts received as a result of enforcement divided by revenue with DOR enforcement received by DOR. An indicator of voluntary compliance.
4. Percentage of Non-Refund Returns Processed within 30 days	Number of original returns received, which after processing were determined not to require a refund, during a quarter that took less than 30 days from the date received to completion of a) its associated return processing work items (if they exist) or b) its posting to an account (if no such work items were generated) divided by the number of returns received during the same quarter. An indicator of DOR's internal productivity.
5. Percentage of Refunds Issued within 30 Days of Receipt of a Return	Number of refunds approved within 30 days of receipt of a return divided by the total number of refunds approved during the quarter. An indicator of DOR's internal productivity.
6. Percentage of Refunds Corrected	This metric is in development.
7. Systems Uptime	This measure averages the percentage of the time that three critical computer systems at DOR were available, not including downtime for regularly scheduled system maintenance. An indicator of an input into DOR's productivity.
8. Customer Satisfaction	Percent of respondents who replied "good" or "excellent" to the "overall satisfaction" survey question after calling a DOR customer service phone line or filling out an online customer service survey. An indicator that provides DOR feedback for continuous improvement.
9. Call Average Wait Time	The weighted average of the amount of time (in minutes) that contacts waited in all queues or aggregates (weighted by number of contacts) across call centers for Personal Tax and Compliance, Collections, and Business divisions. An indicator that provides DOR feedback for continuous improvement.

10. Call Abandon Rate	The weighted average percentage of contacts routed to queues or aggregates that were abandoned before being answered (weighted by number of contacts) across call centers included in metric #9. An indicator that provides DOR feedback for continuous improvement.
11. Returns Under Review for Fraud	The current number of personal income tax returns stopped for review in the Fraud Manager at the end of the quarter. An indicator of fraud trends over time.
12. Fraud Returns Stopped	The number of fraudulent personal income tax returns that have been reversed out of the GenTax system after having been identified as fraudulent. This data is cumulative over the year. An indicator of fraud trends over time.
13. Fraud Dollars Stopped	The amount of fraudulent personal income tax refund dollars that have been prevented from being refunded to “fraudsters.” Provides fraud trends over time.
14. Revenue transfers Timely	The percent of programs for which all transfers in a given quarter were done by their established due date. An indicator of meeting expectations of customers relying on state and local revenue and to meet timelines set forth in law.
15. Revenue Transfers Accurate	The percent of programs for which all transfers in each quarter were done in compliance with applicable laws, rules, and/or instructions from program experts. An indicator of meeting expectations of customers relying on state and local revenue and to meet timelines set forth in ORS.
16. Revenue Received per Dollar Spent	Total receipts divided by total expenditures across all divisions, computed biennially. An indicator of the value of DOR services to the state.
17. Employee Engagement	Percent of respondents to the employee engagement survey whose average score (to a series of questions) was equal to or greater than 4 out of 5, collected and computed annually. An indicator that provides feedback for continuous improvement.
18. Employee Diversity Reflects Oregon’s Diversity	The percent non-white at DOR divided by percent non-white in Oregon as of the end of the quarter. An indicator of DOR’s commitment to dignity and inclusion for all.
19. Average Number of Days to Fill Vacancies	The amount of time (in days) it takes on average to fill a vacancy (a budgeted / authorized position from time of establishment, vacancy, or unfreezing until an employee begins duties in that position via recruitment). An indicator of efficiency and effectiveness in filling vacancies.

### Significant Issues and Challenges

The Oregon Department of Revenue faces the following weaknesses and threats effecting the delivery of services:

#### *Weaknesses*

- Customers cannot access department services in all the ways they want to

- Lack a user experience perspective in systems design and decision making
- Lack succession planning and knowledge transfer systems
- Lack data literacy and data governance
- Staffing levels allow for necessary work, going beyond that is challenging
- Challenge to recruit and retain top talent

#### *Threats*

- Resources do not increase to meet increasing workload
- Unable to fill positions with people that have the right skills and experience
- Taxpayers cannot access the tools they need to voluntarily comply with the tax system
- National and state changes to tax policy can shift our work with little notice, sometimes to big effect
- Increased fraud attempts and security threats

#### **Budget Drivers, Risks, and Environmental Factors**

The Oregon Department of Revenue has been impacted by the following factors:

- Wildfire impacts
- Hiring challenges
- Effects of significant change
- Impact of new tax programs
- Increasing complexity in existing programs
- Changes at the Internal Revenue Service (IRS)
- Differences between federal and state tax policy
- Expectations of local administration
- Advancing equity initiatives

#### **Major Changes (2016-2022)**

For many years, the Department of Revenue operated in an environment of stable systems, processes, and tax programs with few new additions to its administrative duties, processes, or technology infrastructure. In the past six years, the department has experienced significant change.

#### *Core Systems Replacement*

The department's Core Systems Replacement project began in 2013 and was completed in 2018. This project brought new technology infrastructure (replacing two-thirds of the agency's applications), new processes, and a different environment for operating and maintaining the system that is far more dynamic than older technology. This system was updated in 2022.

#### *Processing Center Modernization*

The department's Processing Center Modernization project began in 2017 and was completed in 2021. The purpose of the project was to replace or upgrade the Oregon Department of Revenue's (DOR) aging, and in some cases unsupported, return and remittance processing systems. Results of this project deliver a front-end processing system that captures and transmits taxpayer data from paper and electronic forms reducing the need for staff to key data.

### *Marijuana Retail Tax*

The department was tasked with implementing one major new tax program in January 2016 to administer tax on recreational marijuana. This program continues to evolve. In June 2019, the Legislature modified the categories of marijuana items subject to tax. In September 2019, the Legislature modified the city and county opt-in process. In November 2020, Measure 110 changed revenue distribution.

### *Corporate Activity Tax*

The department was tasked with implementing a complex new tax program in June 2019 to administer the new Corporate Activity Tax. The department created and staffed the new program and configuring IT systems to manage the new tax. The tax became effective January 2020, with the first quarterly payments filed in April 2020 and the first annual return filing due in April 2021.

### *Other new tax programs*

In addition to the marijuana tax and the Corporate Activity Tax, the department was also tasked with eleven other new tax programs.

The department implemented and administers the following:

- Vehicle Privilege Tax in January 2018
- Vehicle Use Tax in January 2018
- Bicycle Excise Tax in January 2018
- Statewide Transit Tax in July 2018
- Heavy Equipment Rental Tax in January 2019
- High Hazard Oil Train Fee in January 2020 (awaiting rate from DEQ)
- Tabaco and Inhalant Delivery Systems in January 2021
- Local Lodging Tax Administration in July 2021
- Tobacco Retail Licensure in January 2022
- Psilocybin Tax in January 2023
- Paid Leave Oregon in January 2023
- Kratom in July 2023 (implementation in process)

### *Collections Consolidation*

Historically, tax collections have been spread throughout the agency. In July 2019, the Legislature created the Collections Division to begin consolidating all agency collection functions into one division.

### *Taxpayer Advocate Office*

In 2021 HB 3373 passed, creating the office of the Taxpayer Advocate housed within the department. This new office officially launched in January 2022 and focuses on identifying issues or barriers to equitable and fair tax collection, working with community partners, providing expediated service to taxpayers whose problems are not resolved through typical channels, researching complaints, identifying systemic issues, and promoting taxpayer issues and concerns.

### *Internal Controls Office*

In June 2022, the Emergency Board of the legislature approved our request for seven new full-time positions to establish the newly created Internal Control Office in the department. The purpose of the office is to enhance the department's ability to monitor and mitigate cybersecurity and operational risks.

It houses compliance functions, risk identification, and business improvement functions. It also houses the disclosure office, which is charged with oversight of the agency's access and use of confidential computer systems and legislatively authorized disclosure of confidential information, and acts as the IRS liaison.

### **Cost Containment and Continuous Improvement**

The Oregon Department of Revenue is dedicated to continuous improvement and is currently working to implement the following strategic projects:

- Implement a data strategy to increase understanding of and ease of access to data, and to improve management, sharing, and use of data through its lifecycle
- Enhance employee training, create tools for managers, and establish knowledge transfer and cross training
- Create a simplified payment process offering customers a single interaction when they contact us, whether that is taking a payment for all tax types they may owe or setting up a payment plan
- Update correspondence and letters to improve clarity and create more consistent letters and notices that are easy for our customers to read and understand
- Implement a customer experience improvement program to accomplish a set of related goals to make it simpler for customers to work with us

Additionally, the department has implemented specific actions in the past biennium to contain costs and improve programs and services.

#### *Administration Division*

The department launched a business process improvement program in 2022 to provide support for agency-wide process improvement. This program has three primary goals: customer focus; sustainable processes; and continuous improvement.

#### *Business Division*

For tax year 2021, the division stopped mailing the Combined Payroll Booklet to all employers as many taxpayers now file and pay electronically. The booklet is available online, and printed booklets are available by request. This change will generate postage savings in the future. Over the past several years, the division has moved more programs toward electronic filing. This not only reduces costs for the agency but also decreases error rates and processing times for taxpayers. Bulk filing methods are also available for taxpayers, software vendors, and third-party payroll providers, which is a more efficient method of filing.

An upgrade that we were able to make because of the Employment modernization is to include statewide transit tax on the combined payroll report. Starting in 2023 taxpayers no longer need to file a separate report for the transit program, creating efficiencies for our agency and Oregon employers.

#### *Information Technology Division*

The department started with a portfolio of 109 legacy applications in 2019 and is in the process of decreasing those over time. The department decommissioned 17 applications in 2020 and estimates it will decommission an additional 60 applications by 2025. The division has also increased Processing



Center efficiencies due to re-engineering business processes and workflow, as well as have taken detailed review of IT computer licenses that are no longer needed due to our modernization efforts.

#### *Property Tax Division*

The division has also instituted online filing for some of the programs within the division. For programs that do not have a software solution to allow actual online filing, the division has set up electronic delivery and receipt of returns.

The division added additional steps in the processes that help exhaust internal resources before reaching out to the Oregon Department of Justice (DOJ) for assistance. This has reduced DOJ costs by 30 percent.

#### **Major Budget Information**

The Governor's Budget continues funding the department at the current level of service with investments to strengthen revenue's resiliency by modernizing the property tax valuation system; increasing agency capacity to maintain and modify its core information systems in the long term; and providing equity and training resources. The Governor has allocated \$236M in General Funds and \$166M in Other Funds with 1,079.24 full-time equivalent positions.

The three major budget issues for the agency in the 2023–25 biennium include investing in modernizing the property tax valuation system, which provides local government with critical information, providing equity and training resources, and ensuring reliable operations.

#### *Electronic Valuation Information System (ELVIS) Phase 2*

##### *Policy Option Package 101*

This policy option package provides \$11.6M General Funds and 5 full-time equivalent positions. This will modernize the various outdated appraisal systems and associated manual processes used by the Valuation Section within the Property Tax Division.

#### *Diversity, Equity and Inclusion*

##### *Policy Option Package 103*

This policy option package provides \$775,105 General Funds and \$193,776 Other Funds and 4.02 full-time equivalent positions. This will create and maintain a community engagement program and provide Investments in Human Resources to create a healthy, productive work environment.

#### *Reliable Operations*

##### *Policy Option Package 104*

Provides \$1.5M General Fund and \$.3M Other Funds to address essential operational deficiencies created by modernizing the department's IT systems.

#### *Cost Allocation*

##### *Policy Option Package 107*

This policy option package provides for a neutral adjustment of \$5,230,303 between General Funds and Other Funds. This package updates the department's cost allocation methodology to include the addition of multiple new programs.

### *Internal Controls Office*

In June 2022, the Emergency Board of the legislature approved our request for seven new full-time positions to establish the newly created Internal Control Office in the department. This allocated \$617,350 from the Emergency Fund to the Department of Revenue and increased the Other Funds expenditure limitation by \$154,377.

### **COVID-19 and Wildfires**

#### *One-Time Assistance Payment Program*

During the 2021-23 biennium, Legislators passed [House Bill 4157](#) which directed Department of Revenue to establish and administer a program to address negative economic impacts of COVID-19 providing one-time assistance payments to low-income households. DOR distributed these payment five weeks early on June 24, 2022. Of the \$147M in funding, DOR has disbursed almost \$142M to 236,000 taxpayers.

#### *Wildfire Property Tax Revenue Replacement*

In the 2021 Regular Session, the Oregon State Legislature adopted [House Bill 5006](#), appropriating \$23.2M to the Department of Revenue “for grants to counties for the reimbursement of lost tax revenue related to the 2020 wildfires.” The [budget report for 2022 House Bill 5202](#) included a note on page 32 directing a second and final distribution of the remaining funds from the aforementioned wildfire appropriation in House Bill 5006, in the same proportion used for the December 2021 distribution. Distribution of these funds was limited to counties included in Executive Order 20-60 that were impacted by the 2020 wildfires and that could demonstrate losses due to the September 2020 wildfires in property tax years beginning on or after July 1, 2020. Distributions occurred in the 4<sup>th</sup> quarter of 2021, and the 2nd quarter of 2022.

### **Proposed Legislation**

This session, the department has only two agency-requested bills and neither will have any impact on the Governor’s budget.

[Senate Bill 205](#) – data-sharing to detect/prevent fraud with Oregon Employment Department

[Senate Bill 206](#) – delete/clean up obsolete property tax statutes

### **Reduction Options Requested by Legislative Fiscal Office**

The Legislative Fiscal Office requested agencies submit budget reduction options for the 2023–25 biennium up to 15 percent of current service level budget. The Oregon Department of Revenue was required to provide budget reduction options for both General Fund and Other Funds. Submitted budget reduction options include elimination of the Nonprofit Housing for Elderly section; positions associated with personal income tax related to audits, collection and payroll tax enforcement resulting in increased call wait and processing times; positions associated with collections; position in business associated with multi-state corporations, payroll tax filing enforcement, audits, and support of small programs like bicycle excise and vehicle use. This request will also reduce positions associated with audits for the CAT and Marijuana programs. Finally, these reductions would affect staffing levels that support County programs affecting appraisals and valuation as well as our ability to adequately provide services and recertifications for the Senior Deferral program.

Detailed information about these reduction options is available in Appendix D.

### **Vacant Positions**

As of December 31, 2022, the Oregon Department of Revenue had 33 permanent long term permanent vacant positions open for twelve months or longer.

Of those vacant positions:

- 7 positions are in the recruitment process;
- 19 positions are being used in permanent financing plans to solve specific reclass issues; and
- 7 positions are vacant

### **Governor's Budget**

The 2023–25 Governor's Recommended Budget for the Oregon Department of Revenue is available at: <https://www.oregon.gov/dor/Documents/15000-Dept%20of%20Revenue%20-%20GB%20compressed.pdf>

### **Secretary of State Audits**

The Secretary of State conducted three audits of the agency during the biennium.

The following audits were conducted:

- 2021 Annual Financial Audit
- 2022 Mortgage Interest Tax Deduction Audit
- 2022 Annual Financial Audit

The results of, and agency responses to, these audits are available in Appendix I.

Department of Revenue is looking forward to presenting its 2023–25 Governor's Recommended Budget to the subcommittee. Please let us know if you have any questions or need additional information.

Sincerely,

Betsy Imholt, Director

Attachments:

Appendix A: Oregon Department of Revenue – Revenue Streams

Appendix B: Oregon Department of Revenue Partnerships

Appendix C: Annual Key Performance Measure Report (2022)

Appendix D: Fifteen Percent Reduction List

Appendix E: Summary of Proposed Technology and Capital Construction Projects

Appendix F: IT Project Prioritization Matrix

Appendix G: Other Funds and ARPA Ending Balance Form

Appendix H: Program Prioritization for 2023-25

Appendix I: Audit Response Report

Appendix J: Impact of Recent Changes to Agency Budget or Management Flexibility

Appendix K: Supervisory Span of Control Report from the Department of Administrative Services

Appendix L: Oregon Department of Revenue Maximum Supervisory Span of Control Report

Appendix A: Oregon Department of Revenue - Revenue Stream

DOR Programs	What it is	DOR Role	Paying Party	Description	Year Passed	ORS	Transfer to	Actuals (19-21 bi) Gross receipts	Division	Contact Person	Account	Admin Costs
Amusement Device Tax	Tax	Level 2: Shared Administration	Business owners who have lottery game terminals for customer use.	This tax is imposed on video lottery game terminals. The annual tax is \$125 per video lottery game terminal with a limit of six per establishment, and an additional \$10 imposed separately (ORS 320.013). An additional \$50 is imposed on each video lottery game terminal when yearly net receipts of the terminals at a location exceed \$104,000. An additional \$75 is imposed on each video lottery game terminal when yearly net receipts of the terminals at a location exceed \$260,000.	1991 <i>(in its current form)</i>	ORS 320.011-320.013	ORS 320.011 goes to: 1. 75% goes to: (43.2% GF, 9.7% OYCC, 47.1% DAS which transfers funds to counties) 2. 25% OYC  ORS 320.013 goes to OYC	\$ 3,357,448	Business Division	Leah Hinton	15091	By Agreement between DOR and Lottery.
Assessment and Taxation Map Maintenance	Fee	Level 5: Collect and Retain	Contracted Fee paid by counties for work done by DOR	If a county does not have infrastructure required to do mapping, DOR will contract with them and charge an hourly fee.	1953	ORS 306.125	DOR	\$ 194,447	Property Tax Division	Jason Brockie	15091	N/A
Bicycle Excise Tax	Tax	Level 1: Full Administration	Oregon retailer required to collect tax from purchaser.	\$15 per bicycle, on bicycles over \$200, due upon sale at a retail location.	2017	ORS 320.415	ODOT's Multimodal Active Transportation Fund	\$ 1,775,797	Business Division	Leah Hinton	15091	After payment of administrative and enforcement expenses under subsection (1) of this section and refunds or credits arising from erroneous overpayments, the department shall transfer the balance of the moneys received.
Charitable Check-off	Refund Redirect	Level 3: Redistribution	N/A	Distributing personal income refunds to charities, agencies, NGOs of taxpayers' choice.	1989 <i>(in its current form)</i>	ORS 305.690-305.753	(Taxpayer choice of 29 programs and organizations)	\$ 6,513,605	Personal Tax and Compliance Division	Olivia Hallyburton	15091	ORS 305.747 Of the amounts remitted and deposited under subsection (1) of this section, a portion is continuously appropriated for use in reimbursing the General Fund for costs paid or incurred by the department in administering the checkoff program established under ORS 305.690 (Definitions for ORS 305.690 to 305.753) to 305.753 (State Treasurer may solicit donations to eligible entities). The department shall adopt by rule a formula or other method of determining the cost of administering each checkoff program. Each program shall be charged the cost of administration not to exceed 10 percent of the amount received in checkoff contributions.
Cigarette Tax	Tax	Level 1: Full Administration	Cigarette distributors	Every distributor shall pay a tax upon distributions of cigarettes: 323.030(1) 29 mills per cigarette 323.030(4) 7.5 mills per cigarette 323.031(1) 30 mills per cigarette 323.031(2) 100 mills per cigarette  <i>Conversion from mills to cents (i.e. 29 mills = 2.9 cents for a total \$3.33 tax per pack of 20 cigarettes/sticks).</i>	1965- 323.030(1) 2002- 323.031(1) 2013- 323.030(4) 2019 - 323.031(2)	ORS 323.030-323.031	Taxes from 323.030(1) 89.65% General Fund (of GF, 51.92% to Medical Assistance Program, 5.77% to Tobacco Use Reduction Account, 42.31% General government) 3.45% to cities 3.45% to counties 3.45% to ODOT's Elderly and Disabled Special Transportation Fund Taxes from 323.030(4) OHA Taxes from 323.031(1) 97.9% to OHA 0.46% to cities 0.46% to counties 0.46% to ODOT's Elderly and Disabled Special Transportation Fund 0.7% Tobacco Use Reduction Account Taxes from 323.031(2) OHA (90% Medical Assistance Program, 10% OHA to tribal health providers)	\$ 487,791,906 <i>(includes tribal refund)</i>	Business Division	John Galvin	15091	From 323.030(1)The department may pay expenses for administration and enforcement.  For 323.031(2) "Moneys used for payment of expenses under this section shall equal 60.61 percent of all expenses for administration and enforcement of ORS 323.005 to 323.482."
Collection of Other Governments' Accounts	Collection Program	Level 2: Shared Administration	Owners of delinquent accounts	The Department of Revenue may render assistance in the collection of any delinquent account owing to other government and local entities if the account is assigned by the entity to the department for collection.	1971	ORS 293.250	DOR retains a collection fee (ranging from 3.5% to 19.8% depending on type of collection and services provided). The rest goes to the client agency.	\$ 125,222,695	Collections Division	Lisa Pineda-Volk	15091	293.250 (5)(a) [department] shall charge the entities separately for the cost of assistance. The charges may not exceed the proceeds of collection credited to the entity for the same biennium. The Department of Revenue may designate a single percentage to retain from the proceeds of collection as a charge for the cost of assistance. If the Department of Revenue finds that accounts assigned to the department for collection by a particular entity lack sufficient information to properly and efficiently identify the debtor or that the account information must be put into a form usable by the department in order to efficiently provide collection services, the department may establish a separate percentage charge to be retained from collections for that entity. The charge must reflect the average of the actual cost to provide collection services for all accounts assigned by the entity.
College Opportunity Grant Fund	Unreceipted Revenue	Level 2: Shared Administration	N/A	A credit against the taxes due in ORS 316 (317 and 318 for corporations) is allowed for certified Opportunity Grant contributions made by the taxpayer during the tax year to the Opportunity Grant Fund under ORS 348.266.  DOR conducts an auction of tax credits.	2018	ORS 315.643	Opportunity Grant Fund (HECC)	<i>(with Misc. Receipts)</i>	Personal Tax and Compliance Division	Ben Gille	15091	ORS 315.643 (2)(a) Moneys necessary to reimburse the department for the actual costs incurred by the department in administering an auction, not to exceed 0.25 percent of auction proceeds, are continuously appropriated to the department.
Corporate Activity Tax	Tax	Level 1: Full Administration	Businesses (all types) with taxable Oregon commercial activity over \$1 million.	Corporate activity tax for the privilege of doing business in Oregon. The tax is computed as \$250 plus 0.57% of taxable Oregon commercial activity in excess of \$1 million.	2019	ORS 317A.116	ODE (Fund for Student Success)	\$ 1,390,053,111	Business Division	Leah Hinton	15037	The department may pay expenses for the administration, collection and enforcement of the tax imposed under ORS 317A.100 to 317A.158 out of moneys received from the corporate activity tax.
Corporation Excise Tax	Tax	Level 1: Full Administration	C-Corporations engaged in doing business in Oregon. S corporations in limited circumstances	Tax on net income for the privilege of doing business in the state. Tax is 6.6% on the first \$1 million of taxable income and 7.6% on taxable income exceeding \$1 million. Minimum tax between \$150 and \$100,000 applies if minimum tax is greater than calculated tax. Minimum tax that applies depends on level of Oregon sales.	1929	ORS 317.070	General Fund Rainy Day Fund (by formula) PERS stabilization fund (SB 1529 2018)	\$ 3,192,574,422	Business Division	Joe Royston	15035/15091	General Fund appropriation
Corporation Income Tax	Tax	Level 1: Full Administration	C-Corporations with an Oregon source of income. S corporations in limited circumstances.	Tax on income from sources within the state that isn't taxed under excise tax. Tax rates same as Corporation Excise Tax but no minimum tax.	1955	ORS 318.020	General Fund Rainy Day Fund (by formula)	<i>(with Excise Tax)</i>	Business Division	Joe Royston	15035/15091	General Fund appropriation
County Assessment Function Funding Assistance Program (CAFFA)	Fee	Level 3: Redistribution	Delinquent interest and recording fees collected by county from taxpayers	Late interest on delinquent property taxes and record filing fees go into CAT- F funds at every county, which then are transferred to the CAFFA account at DOR, and then redistributed to counties through a grant program for assessment and taxation. 10% of the money deposited is held back by DOR for its appraisal and assessment function.	1989	ORS 205.323, ORS 311.508, ORS 294.187	Transfer to the Counties via a grant program.	\$ 44,524,589	Property Tax Division	Jason Brockie	15025	Prior to each quarterly distribution of the moneys in the account under ORS 294.178 (Assessment grant to county), the moneys necessary to pay the following Department of Revenue expenses shall be transferred to a suspense account of the department created under ORS 293.445 (Definition for ORS 293.445 to 293.460) and are continuously appropriated to the department for expenses and appraising expenses. May not exceed 10% of the money in the account.
Criminal Fines and Assessments	Fee	Level 3: Redistribution	Persons responsible for paying criminal fines	Judgments in criminal actions that impose monetary obligations, including judgments requiring the payment of fines, costs, assessments, compensatory fines, attorney fees, forfeitures or restitution	2011 <i>(in its current form)</i>	ORS 153.633-153.655	General Fund, DPSST, DOJ, DHS, OHA, OJD, OSP, DOC. <i>Breakdown is established every biennium through legislation. (ORS 137.300)</i>	\$ 100,632,732	Business Division	Xann Culver	15091	\$100,000 for administration 2021-23 bi (set in bill)

Emergency Communications Tax (E-911)	Tax	Level 1: Full Administration	Consumers of telecommunication services or prepaid wireless charges.	Tax on telecommunications services of \$1.25/month (New tax rate began 1/1/21)	1981	ORS 403.200	Office of Emergency Management (Emergency Communications Account)	\$ 114,454,366	Business Division	Leah Hinton	15091	403.240 Administrative costs incurred during the preceding calendar quarter by the Department of Revenue in carrying out ORS 403.200 to 403.230 in an amount that does not exceed six-tenths of one percent of the amount in the account on the date of distribution, or actual expenses incurred by the department, whichever is less.
Estate Transfer Tax	Tax	Level 1: Full Administration	Estates of decedents if the decedent has a gross value in excess of \$1 million.	Tax imposed (by table in ORS) upon estate transfer at owner's death. Tax rates are between 10% and 16% and vary based on the size of the taxable estate.	2011 (predecessor inheritance tax is pre-1953)	ORS 118.010	General Fund, PERS stabilization funds SB 1049 (2019).	\$ 553,058,021	Business Division	Joe Royston	15091	Appraiser fees allowed by ORS 118.535. The fees, interest, penalties and temporary payments mentioned are receipts and "shall be credited to the General Fund". Otherwise general fund.
Fiduciary Income Tax	Tax	Level 1: Full Administration	Estates and trusts; tax is paid by fiduciary.	Taxes that income from estates and trusts that are administered by a fiduciary. Net amount of the modifications to federal taxable income that relates to its items of income or deduction of an estate or trust. Tax rates same as personal income tax rates.	1969 (in its current form)	ORS 316.267	General Fund	(with Personal Income Tax)	Business Division	Joe Royston	15091	ORS 316.502- DOR may retain only a working balance sufficient to pay refunds for overpayment of tax. Otherwise general fund.
Forest Products Harvest Tax	Tax	Level 1: Full Administration	Taxpayers that harvest timber.	<b>321.015 (cent tax per thousand feet)</b> (1) Privilege tax of 90.00 cents (2) Forest products harvest tax of 62.5 cents (3) Privilege tax of 138.72 cents (4) Privilege tax of 10 cents <b>321.017 (2)</b> privilege tax set annually at the beginning of each calendar year (not to exceed 75 cents) <b>Oregon Laws 2022, Chapter 31</b> - Effective January 2023, and each calendar year, the Department of Revenue shall set the tax levied under subsection (1) of this section at a rate estimated to collect \$2.5 million per year, or \$5 million per year if an incidental take permit is issued.	Pre-1953	ORS 321.005	<b>321.015 (1)</b> (HECC) Forest Research and Experiment Account (2) Fire Repression (ODF) (3) (ODF) Oregon Forest Practices Act (not to exceed 40%) (4) Oregon State University- College of Forestry (changed legislative session) <b>321.017 (2)</b> Oregon Forest Resources Institute Fund (changed by Oregon Forest Resource Institute every year) <b>Oregon Laws 2022, Chapter 31</b> -Oregon Conservation and Recreation Fund.	\$ 30,207,491	Property Tax Division	Jason Brockie	15091	ORS 321.152 distribution of tax revenue does not include admin
Greenlight Oregon Labor Rebate Fund	Unreceipted Revenue	Level 4: Pass-through	N/A	Qualifying film production who pays qualifying compensation shall withhold, in lieu of the state personal income tax withholding requirements under ORS 316.167, 6.2% of the qualifying compensation paid. Rebates of the amount withheld are provided to the filmmaker.	2005	ORS 316.220-316.221	Oregon Business Development Department: Greenlight Oregon Labor Rebate Fund (ORS 316.221). <i>Note following ORS 284.375, section 1, subsection (6)(b).</i>	\$ 8,553,613	Business Division	John Galvin	15091	316.221(3) Amounts necessary to reimburse the department for the expenses of the department in administering this section and ORS 316.220, not to exceed one-half of one percent of amounts deposited in the suspense account
Hazardous Substance Possession Fee	Fee	Level 1: Full Administration	Any person with a qualifying facility possessing a hazardous substance.	Any person possessing a hazardous substance at a facility shall pay a fee established by the State Fire Marshal annually.	1989	ORS 453.400	453.402 DEQ and OSP (State Fire Marshall)- distribution amounts determined by Legislature.	\$ 6,770,419	Business Division	Leah Hinton	15091	453.412 After payment of administration expenses incurred by the department in the administration
Heavy Equipment Rental Tax (HERT)	Tax	Level 1: Full Administration	Provider of heavy equipment for rent to collect tax from renter.	A tax of 2% is imposed on the rental price received for any qualified heavy equipment.	2018	ORS 307.872	ORS 307.888 Counties	\$ 13,575,329	Business Division	Leah Hinton	15091	307.888 Moneys necessary to reimburse the department for the actual costs incurred by the department in administering the heavy equipment rental tax, not to exceed five percent of heavy equipment rental tax collections, are continuously appropriated to the department;
Industrial Site Readiness Program	Unreceipted Revenue	Level 4: Pass-through	N/A	Oregon Business Development Department administers the Oregon Industrial Site Readiness program to enter into tax reimbursement arrangements or provide loans to qualified project sponsors who are developing regionally significant industrial sites. DOR transfers 50% of the amount of estimated incremental income tax revenues to the Oregon Industrial Site Readiness Program.	2013	ORS 285B.627	Business Oregon: Oregon Industrial Site Readiness Program Fund	(not yet fully implemented)	(Needs a home)	(needs an owner)	15091	N/A
Kicker Refund Donation	Refund Redirect	Level 4: Pass-through	N/A	Taxpayers can make an irrevocable election to donate the whole of their Kicker credit to the State School Fund.	1999	ORS 305.792	State School Fund	\$ 1,946,007	Personal Tax and Compliance Division	Ben Gille	15091	None
Kratom	Fee	Level 5: Collect and Retain	Kratom distributors will pay registration fee	A processor may not sell, distribute, or expose for sale a kratom product prior to registering with DOR. DOR registers processors annually and sets a reasonable registration fee. Program is operational July 1, 2023.	2022	2022 Oregon Laws, Chapter 41	DOR suspense account	(not yet fully implemented)	Business Division	John Galvin	15091	(Section 5) The department may pay expenses for the administration and enforcement of sections 2 to 7 of this 2022 Act with moneys from the suspense account. The department shall pay refunds, if any, with moneys in the suspense account. Moneys necessary to pay administrative and enforcement expenses and refunds are continuously appropriated to the department from the suspense account.
Lane County Transit District Payroll Tax	Tax	Level 1: Full Administration	Employers with employees working within the Lane County Transit District.	Lane County-imposed excise tax on payroll of Lane County employers. Tax is not more than eight-tenths of one percent of the wages paid.	1969	ORS 267.385	Lane County Transit District	\$ 87,432,499	Business Division	John Galvin	15091	305.620 Costs incurred by the department or agency in the administration, enforcement, collection and distribution of taxes under the agreements entered into under subsection (1) of this section shall be first deducted from the taxes collected before distribution is made to the political subdivision which is a party to the agreement.
Lane County Transit District Self-Employment Tax	Tax	Level 1: Full Administration	Self employed individuals with self employment income attributable to the transit district	Lane County-imposed excise tax on net earnings from self-employment of self-employed Lane County individuals. Tax is not more than eight-tenths of one percent of the self-employment income earned.	1969	ORS 267.385	Lane County Transit District	\$ 4,582,744	Business Division	Joe Royston	15091	305.620 Costs incurred by the department or agency in the administration, enforcement, collection and distribution of taxes under the agreements entered into under subsection (1) of this section shall be first deducted from the taxes collected before distribution is made to the political subdivision which is a party to the agreement.
Local Marijuana Retail Tax	Tax	Level 1: Full Administration	Individuals purchasing retail marijuana products in a jurisdiction imposing tax	Local governments may impose up to 3% tax in addition to state marijuana tax. Retailers licensed by the OLCC collect the tax from customers at point of sale.	2015	ORS 475C.674 ORS 305.620	Participating local governments	(reported with State Marijuana Tax)	Business Division	John Galvin	15091	305.620(5) Costs incurred by the department or agency in the administration, enforcement, collection and distribution of taxes under the agreements entered into under subsection (1) of this section shall be first deducted from the taxes collected before distribution is made to the political subdivision which is a party to the agreement.
Local Transient Lodging Tax	Tax	Level 1: Full Administration	Provider of lodging shall collect the tax from the occupying person.	Local governments may impose a transient lodging tax. The tax is collected by lodging providers or booking platforms from the customer at the end of the stay.	2019	ORS 320.365, ORS 320.345-320.365, 305.620	Local Governments by ordinance	(started implementation on July 1, 2021)	Business Division	Leah Hinton	15091	305.620(5) Costs incurred by the department or agency in the administration, enforcement, collection and distribution of taxes under the agreements entered into under subsection (1) of this section shall be first deducted from the taxes collected before distribution is made to the political subdivision which is a party to the agreement. Note following ORS 320.365 Sec 3: in order to fund the actual start-up costs incurred by the Department of Revenue in collecting local transient lodging taxes in the manner described in section 2 of this 2019 Act [320.365], the department shall withhold state transient lodging tax moneys that would otherwise be transferred to the Oregon Tourism Commission under ORS 320.335 (2) in an amount not to exceed \$900,000.
Long Term Enterprise	Unreceipted Revenue	Level 1: Full Administration	N/A	Tax credit for businesses in long term enterprise zones. DOR distributes these funds into the Long Term Enterprise Zone Fund (ORS 317.129) and distributes them back out to local governments (ORS 317.131).	2001	ORS 317.131, ORS 317.129	Local Governments	\$ 958,750	Business Division	Joe Royston	15091	

Multi State Tax Commission	Audit Program	Level 4: Pass-through	Audited business	The results of tax audits from MTC, an intergovernmental state tax agency.	1975	ORS 305.685	General Fund. Allowed \$150K at the end of the fiscal year in revolving account (for membership fees)	\$ 2,780,073	Business Division	Joe Royston	15091	deposited in the Multistate Tax Commission Revolving Account and are continuously appropriated to the Department of Revenue for expenses of the Multistate Tax Commission
Mutual and Cooperative Electric Distribution Systems Tax (Electric Coops)	Tax	Level 1: Full Administration	Electric Cooperatives	Tax on all gross revenue derived from the use or operation of transmission and distribution lines. (rates in 308.807)	Pre-1953	ORS 308.805-308.820	Counties	\$ 17,450,891	Property Tax Division	Michael Saladino / Michael Gomez	15091	None mentioned.
Nonprofit Homes	Unreceipted Revenue	Level 3: Redistribution	N/A	Tax exemptions on property owned by a corporation to be exclusively occupied and used in the operation of a nonprofit home for elderly persons. Department of Revenue is granted budget appropriation out of the general fund to subsidize counties loss of property tax receipts from the exemption.	1969	ORS 307.370	Counties	\$ 1,740,254	Property Tax Division	Jason Brockie	15091	None.
Oil and Gas Production Tax	Tax	Level 1: Full Administration	Taxpayers that extract oil/gas	Privilege tax of 6% of the gross value at the well is levied upon the production of oil and gas. (Credit on property tax).	1981	ORS 324.070	Dept. of State Lands (Common School Fund)	\$ 5,506	Property Tax Division	Jason Brockie	15091	324.340 After payment of refunds and the expenses of the Department of Revenue incurred in the administration of this chapter
Oregon Food Processors Fee	Fee	Level 5: Collect and Retain	Food processors who fail to file timely	Late fees on food processors' property tax filings	2005	ORS 307.455	DOR (goes to valuation program)	\$ 4,000	Property Tax Division	Michael Saladino	15091	N/A
Oregon Housing	Fee	Level 3: Redistribution	Anyone who records a document	Record filing fees of \$60 that come from CAT-F county funds to Oregon Housing.	2009	ORS 294.175, ORS 205.323	Interest earned on the CAT-F 294.187 1(c) deposits goes to OHCS. 76% to General Housing Account; 10% to the Emergency Housing Account; and 14% to Home Ownership Assistance Account	\$ 103,267,773	Property Tax Division	Jason Brockie	15025	None Mentioned
Oregon Production Investment Fund	Unreceipted Revenue	Level 2: Shared Administration	N/A	A credit against the taxes due in ORS 316 (317 and 318 for corporations) is allowed for certified film production development contributions made by the taxpayer during the tax year to the Oregon Production Investment Fund. DOR conducts an auction of tax credits.	2003 (Auctions began in 2011, before that money was directly contributed.)	ORS 315.514, ORS 284.367	Office of Film and Video (Oregon Production Investment Fund)	(with Misc. Receipts)	Personal Tax and Compliance Division	Ben Gille	15091	ORS 315.514 (2)(a)Moneys necessary to reimburse the department for the actual costs incurred by the department in administering an auction, not to exceed 0.25 percent of auction proceeds, are continuously appropriated to the department.
ORMap	Fee	Level 3: Redistribution	Anyone who records a document	\$1 off of every recording at the county. This is for The Oregon Land Information System Fund for a base map system to be used in administering ad valorem property taxes. It's a grant to counties for the digital map process.	1999	ORS 306.132	Counties	\$ 1,854,138	Property Tax Division	Jason Brockie	15091	305.620 Costs incurred by the department or agency in the administration, enforcement, collection and distribution of taxes under the agreements entered into under subsection (1) of this section shall be first deducted from the taxes collected before distribution is made to the political subdivision which is a party to the agreement. OAR 150.306.0130 Pays for the administrative costs of the position.
Paid Leave Oregon	Tax	Level 4: Pass-through	Employers (with 25 or more employees) and employees.	Employers with 25 or more employees and all employees shall contribute to the Paid Family and Medical Leave Insurance Fund. Employers withhold required contributions from employees and Department of Revenue collects payments.	2019	ORS 675B.150	Oregon Employment Department: Paid Family Leave and Medical Insurance Fund	(not yet fully implemented)	Business Division	John Galvin	15091	No authorization to recover expenses
Partnership Privilege Tax	Tax	Level 1: Full Administration	Partnerships doing business in Oregon having income or loss derived from or connected with sources in Oregon or with one or more Oregon resident partners.	Every partnership having a resident partner or having any income derived from sources in this state, determined in accordance with the applicable rules as in the case of a nonresident individual, shall make a return for the taxable year setting forth all items of income, gain, loss and deduction, and the names and addresses of the individuals (whether residents or nonresidents) who would be entitled to share in the net income, if distributed, and the amount of the distributive share of each individual, and any other pertinent information the Department of Revenue may prescribe by regulations and instructions.	2009	ORS 314.725	General Fund	(with Personal Income Tax)	Personal Tax and Compliance Division	Ben Gille	15091	
Pass-Through Entity Elective Tax (PTE-E)	Tax	Level 1: Full Administration	Electing pass-through entities	A pass-through entity may elect to be liable for and pay a pass-through business alternative income tax if all members of the pass-through entity are: (a) Individuals subject to the personal income tax imposed under ORS chapter 316; or (b) Entities that are pass-through entities owned entirely by individuals subject to the personal income tax imposed under ORS chapter 316.	2021	SB 727	General Fund	(not yet fully implemented)	Personal Tax and Compliance Division	Ben Gille	TBD	
Personal Income Tax	Tax	Level 1: Full Administration	Oregon residents with taxable income and nonresidents with taxable income from Oregon sources.	Tax on taxable income.	1969 (in its current form)	ORS 316.037	General Fund	\$ 6,986,870,321	Personal Tax and Compliance Division	Ben Gille	15091	The net revenue from the tax imposed by this chapter, after deducting refunds and amounts described in ORS 285B.630 and 285C.635
Personal Income Tax Withholding	Tax	Level 1: Full Administration	Employee wages withheld, reported, and paid to DOR by subject employers.	Collection of personal income tax at source of payment.	1969 (in its current form)	ORS 316.167	General Fund	\$ 17,549,369,393	Business Division	John Galvin	15091	The net revenue from the tax imposed by this chapter, after deducting refunds and amounts described in ORS 285B.630 and 285C.635
Petroleum Load Fee	Fee	Level 1: Full Administration	Seller from a bulk facility shall collect from the person who orders the withdrawal.	Petroleum products withdrawal delivery fee maximum amount of \$10. Petroleum products import delivery fee maximum amount of \$10.	1989	ORS 465.104	DEQ and OSP (State Fire Marshall)- distribution amounts determined by Legislature. (ORS 465.127)	\$ 5,354,778	Business Division	Leah Hinton	15091	462.127 After payment of administration expenses incurred by the department in the administration of ORS 465.101 to 465.131 and of refunds or credits arising from erroneous overpayments,
Political Contributions	Refund Redirect	Level 3: Redistribution	N/A	Distributing \$3 of personal income tax refunds (per prime and secondary taxpayer) to the Oregon Political Party Fund for payment to a designated major or minor political party of taxpayers' choice.	2009	ORS 305.754	Oregon Political Party Fund - distributes to the eight major and minor political parties	\$ 57,680	Personal Tax and Compliance Division	Ben Gille	15091	None
Private Rail Car Tax	Tax	Level 1: Full Administration	Railcar Companies	Taxation on small and large private railcar companies on assessed value	Pre-1953	ORS 308.640	County School (308.640(2)(a)) and County General Funds (308.640(2)(b))	\$ 608,498	Property Tax Division	Michael Saladino / Colton Gruber	15091	None mentioned.
Property Tax, Central Assessment, and Industrial Valuation	Tax	Level 2: Shared Administration	State-appraised industrial and centrally assessed companies	DOR supervises property taxes for the state of Oregon. Counties bill and collect the property taxes, and DOR does the assessments.  Central Assessment- DOR assesses the property of any utility, transportation, or communication company. DOR calculates amount of value applied to each taxing district.  Industrial Valuation- DOR assists counties in the appraisal and valuation of Oregon industrial properties with a real property improvement value of more than \$1M.	1955	ORS 306.126, ORS 308.411, ORS 308.505-674, ORS 308.805-820	(DOR does not collect the revenue. It's collected and distributed by the counties.)	N/A	Property Tax Division	Michael Saladino	N/A	N/A
Psilocybin Tax	Tax	Level 1: Full Administration	Consumers who purchase psilocybin	15% point of sale tax based on the retail sales of psilocybin.	2021	ORS 475A.662	Transfer funds to the following organizations for administration of the tax and oversight of the program: Oregon Health Authority, Department of Revenue, Oregon Liquor Control Commission	(not yet fully implemented)	Business Division	John Galvin	TBD	Part of the 15% tax can cover "...administering the program by the Oregon Health Authority, tax collections and enforcement by the Oregon Department of Revenue..."
Senior and Disabled Citizen Property Tax Deferral Program	Unreceipted Revenue	Level 1: Full Administration	Revolving account sustained by 6% interest paid by participants.	DOR pays county property taxes for eligible homesteads. Repayments are secured by a lien and put into the Senior Property Tax Deferral Revolving Fund	1963	ORS 311.666-311.701	(Any revenue from liens go back into the Revolving Fund to fund the program)	\$ 36,053,952	Property Tax Division	Jason Brockie	15005	ORS 311.701 Senior Property Tax Deferral Revolving Account. DOR may pay its expenses in administering the property tax and special assessment senior deferral programs. Pay the salaries of the FTE (8) directly involved in the program.

Small Tract Forestland Program	Unreceipted Revenue	Level 2: Shared Administration	Forestland owners who opt into STF program	A special assessment on property taxes (min of 10 acres, no more than 5,000 acres)	2003	ORS 321.703	(DOR does not collect the revenue. It's collected and distributed by the counties.)	N/A	Property Tax Division	Jason Brockie	N/A	"Reimbursing the General Fund for expenses incurred in the collection of taxes imposed."
Small Tract Severance Tax - Western	Tax	Level 1: Full Administration	STF program participants who harvest timber	A severance tax on the harvesting of timber from small tract forestland (the rate is annually re-evaluated).	2003	ORS 321.726	Western Oregon Timber Severance Tax Fund - 60.5% State School Fund (ODE), - 4.5% Community College Support fund (HECC) -35% to counties in Western Oregon (DOR)	\$ 1,071,077	Property Tax Division	Jason Brockie	15012	"Reimbursing the General Fund for expenses incurred in the collection of taxes imposed."
Small Tract Severance Tax - Eastern	Tax	Level 1: Full Administration	STF program participants who harvest timber	A severance tax on the harvesting of timber from small tract forestland (the rate is annually re-evaluated).	2003	ORS 321.726	Eastern Oregon Timber Severance Tax Fund - 60.5% State School Fund (ODE), - 4.5% Community College Support fund (HECC) -35% to counties in eastern Oregon (DOR)	\$ 9,030	Property Tax Division	Jason Brockie	15011	"Reimbursing the General Fund for expenses incurred in the collection of taxes imposed."
State Marijuana Retail Tax	Tax	Level 1: Full Administration	Consumers who purchase marijuana	Retailers licensed by the OLCC are required to charge a retail sales tax of 17% for all recreational marijuana sold.	2015	ORS 475C.674	ORS 475C.726 Oregon Marijuana Account: (DAS does the distribution) Measure 110 (2020), SB 755 (2021) and HB 3295 (2021) modified the distribution: The first \$11.25M each quarter is distributed: -10% to cities -10% to counties -40% to State School Fund (ODE) -20% mental health treatment or alcohol and drug abuse prevention -15% OSP -5% for alcohol and drug abuse prevention, early intervention  The amount in excess of \$11.25M (indexed to inflation) each quarter is transferred to the Drug Treatment and Recovery Services Fund	\$ 367,714,417	Business Division	John Galvin	15091	475C.734 Amounts necessary to pay administrative and enforcement expenses are continuously appropriated to the department from the suspense account.
State Transient Lodging Tax	Tax	Level 1: Full Administration	Provider of lodging shall collect the tax from the occupying person.	1.5% on service, sale, furnishing of transient lodging	2003	ORS 320.305	ORS 320.335 Tourism Commission	\$ 65,205,335	Business Division	Leah Hinton	15091	actual costs incurred by the department in administering the state transient lodging tax, not to exceed 2%. The lodging tax collector may also retain 5% of the amount collected.
Statewide Transit Tax	Tax	Level 1: Full Administration	Employee wages withheld, reported, and paid to DOR by subject employers.	Statewide transit tax calculated on employee wages (0.001). Employer is responsible for paying, remitting, and reporting	2017	ORS 320.550	320.560 ODOT Statewide Transit Improvement Fund	\$ 228,150,133	Business Division	John Galvin	15091	320.560 The department may pay expenses for the administration and enforcement of ORS 320.550 out of moneys received from the tax imposed under ORS 320.550. Amounts necessary to pay administrative and enforcement expenses are continuously appropriated to the department from the suspense account.
Strategic Investment Program (SIP)	Fee	Level 5: Collect and Retain	SIP program participants	The Oregon Business Development Commission shall collect the fees from an applicant that seeks to have the real and personal property constituting the eligible project declared eligible for the tax exemption provided in ORS 307.123. The fee may be collected even though the project has not been determined to be eligible for the tax exemption.	1995	ORS 285C.612	DOR (we receive \$5K-\$25K per SIP business)	\$ 25,000	Property Tax Division	Michael Saladino / Danette Benjamin	15091	The commission shall pay 50 percent of this fee to the Department of Revenue for the purpose of administration of ORS 307.123 (Property of strategic investment program eligible projects).
Strategic Investment Program Gainshare (SIP)	Unreceipted Revenue	Level 3: Redistribution	N/A	SIP allows local governments and key businesses to negotiate alternative taxing agreements when businesses are willing to invest at least \$100 million in an urban area or at least \$25 million at a rural location in Oregon. Can be through ad valorem property tax revenue, community service fee revenue or other additional payments. To restore fairness between the State of Oregon and local governments involved in SIP agreements. As a partial trade-off for limiting local property taxes, SB 954 (2007) grants eligible local governments a share of the personal income tax revenue generated by the retention and creation of SIP-related jobs.	2007	ORS 285C.635	Local Governments	\$ 33,330,813	Property Tax Division	Michael Saladino / Danette Benjamin	15091	None mentioned in statute. DAS approves the SIP applications and tells DOR what to distribute to the counties. DOR pulls the money from Withholding and moves it the counties.
Tank Railroad Car Fee	Fee	Level 1: Full Administration	Owner of the product qualifying the railroad car as a loaded tank railroad car.	468B.435 (sec 13a)The owner of oil at the time the oil is transported by loaded tank railroad car shall pay a fee not to exceed \$20 for each tank railroad car loaded with oil. <i>Sunset 1/2/27</i>	2019	2019 Oregon Laws, Chapter 581, Section 13c	DEQ and State Fire Marshal (High Hazard Train Route Oil Spill Preparedness Fund and the Oil and Hazardous Material Transportation by Rail Action Fund)	(not yet fully implemented, waiting on Fire Marshal and DEQ)	Business Division	Leah Hinton	15091	468B Sec 13C (7) After payment of administration expenses incurred by the department in the administration of this section and of refunds or credits arising from erroneous overpayments.
Tobacco Licensing Program	Fee	Level 1: Full Administration	Tobacco retailers	Requires Oregon retailers selling cigarettes, tobacco, and/or inhalant delivery systems products to be licensed to sell these products by January 1, 2022.	2021	ORS 431A.198	There are three fees in the bill. <b>431A.206</b> is DOR's fee and 100% is appropriated to DOR for administration and enforcement expenses and refunds. <b>431A.210</b> is OHA's fee and 100% is transferred to OHA Fund. <b>431A.212 (2)</b> requires DOR to enter into agreement with each local public health authority (LPHA) to collect any fee imposed by the LPHA and 100% is transferred to the LPHA.	(not yet fully implemented)	Business Division	John Galvin	TBD	The department may pay expenses for the administration and enforcement of sections ORS 431A.190 - 431A.216 and collection of fees imposed under sections ORS 431A.190 - 431A.216 from the fee amount imposed by and collected by the department.
Tobacco Products Tax	Tax	Level 1: Full Administration	Tobacco Distributors	Tax on: 1) 65% of wholesale price of cigars (not more than \$1/cigar), 2) \$1.80 per ounce of most snuff (min tax \$2.17 per container), 3) 65% of wholesale for tobacco products that are not cigars or snuff. Taxes some inhalant delivery systems. <i>Tax increased on January 1, 2021. Moist snuff to be adjusted by beginning 7/1/22 for each biennium according to COL adjustment</i>	1985	ORS 323.505	<b>Tobacco</b> - General Fund- 41.54% to Medical Assistance Program and 4.62% to Tobacco Use Reduction Account <b>Inhalant Delivery Systems</b> - OHA 90% OHA for Medical Assistance 10% OHA for tribal health providers	\$ 125,614,065	Business Division	John Galvin	15091	The department may pay expenses for administration and enforcement
TriMet Transit District Payroll Tax	Tax	Level 1: Full Administration	Employers with employees working within the TriMet Transit District.	Tri-Met imposed excise tax on payroll of employers in Tri-Met area. Tax is not more than eight-tenths of one percent of the wages paid.	1969	ORS 267.385	Tri-Met	\$ 803,164,364	Business Division	John Galvin	15091	305.620(5) Costs incurred by the department or agency in the administration, enforcement, collection and distribution of taxes under the agreements entered into under subsection (1) of this section shall be first deducted from the taxes collected before distribution is made to the political subdivision which is a party to the agreement.
TriMet Transit District Self-Employment Tax	Tax	Level 1: Full Administration	Self employed individuals with net earnings from self-employment attributable to the transit district	Tri-Met imposed excise tax on net earnings from self-employment of self-employed individuals in Tri Met area. Tax is not more than eight-tenths of one percent of the self-employment income earned.	1969	ORS 267.385	Tri-Met	\$ 34,584,283	Business Division	Joe Royston	15091	305.620(5) Costs incurred by the department or agency in the administration, enforcement, collection and distribution of taxes under the agreements entered into under subsection (1) of this section shall be first deducted from the taxes collected before distribution is made to the political subdivision which is a party to the agreement.
Unemployment Insurance Tax	Tax	Level 4: Pass-through	Any employer that employs at least one individual in each of 18 separate weeks during any calendar year.	Unemployment is administered by OED. DOR can offset UI with refunds and fees. OED processes the tax report and DOR processes the payment.	1995	ORS 657.505	Unemployment Compensation Trust Fund	\$ 1,951,762,718	Business Division	John Galvin	15091	(Call it even with OED)

Vehicle Privilege Tax	Tax	Level 1: Full Administration	Vehicle dealers	(On vehicle sales in Oregon) A tax of 0.5 percent of the retail sales price of the taxable motor vehicle is imposed on each vehicle dealer for the privilege of engaging in the business of selling taxable motor vehicles at retail in this state.	2017	ORS 320.405	\$12 million annually, or 45% of gross annual receipts, whichever is greater to Zero Emission Incentive Fund (DEQ), the balance goes to ODOT's ConnectOregon.	\$ 58,488,141	Business Division	Leah Hinton	15091	Allows payment of administrative and enforcement expenses (no cap)
Vehicle Use Tax	Tax	Level 1: Full Administration	Purchasers of vehicles from out of state dealers.	(on vehicle sales outside of Oregon on vehicles that are required to be titled and registered in Oregon) A 0.5 percent of the retail sales price of the taxable motor vehicle use tax on the storage, use or other consumption in this state of taxable motor vehicles purchased at retail from any seller.	2017	ORS 320.410	ODOT's State Highway Fund	\$ 14,464,904	Business Division	Leah Hinton	15091	Allows payment of administrative and enforcement expenses (no cap)
Workers Compensation	Tax	Level 4: Pass-through	Employers	DOR collects payments into the Workers' Benefit Fund. DOR Director can inspect employer records to determine employer compliance to Workers Comp.	1918	ORS 656.506	DCBS	\$ 138,962,982	Business Division	John Galvin	15091	(We have an agreement with DCBS to recoup admin costs.)
TEMP Program: One-Time Payment Assistance Payment	N/A	Level 1: Full Administration	N/A	One time payment of Oregon households who received earned income credit on 2020 tax filings.	2021	HB 4157	Oregon households	\$ 147,000,000	Personal Tax and Compliance Division	Connie Hamel	15091	N/A
TEMP Program: Wildfire Relief	N/A	Level 4: Pass-through	N/A	HB 5006 (2021) provided a one-time General Fund appropriation of \$23.2 million for DOR to make grants to counties for the reimbursement of lost tax revenue related to the 2020 wildfires.	2001	2021 HB 5006/5202	Local Governments	\$ 23,200,000	Property Tax Division	Seiji Shiratori	15091	None.
Not a program- Misc. Receipts	N/A	N/A	N/A	(Includes charges for copies of tax reports, Conscious Fund, requests for public information, lien fees, administrative fees for auctions, unclaimed property reported by other states, etc.)		N/A	N/A	\$ 1,831,444	N/A	N/A	15091	N/A



## Appendix B: Oregon Department of Revenue Partnerships

- American Association of Retired Persons (AARP) Oregon
- American Heart Association
- American Lung Association
- Asian Pacific American Network of Oregon (APANO)
- Association of Oregon Counties (AOC)
- Basic Rights Oregon
- Black American Chamber of Commerce
- Bureau of Labor and Industries (BOLI)
- Burns Paiute Tribe
- CASA Oregon
- Cascade Policy Institute
- CASH Oregon
- Causa Oregon
- CCO Oregon
- Coalition of Communities of Color
- Confederated Tribes of Coos, Lower Umpqua and Siuslaw Indians
- Confederated Tribes of Grand Ronde
- Confederated Tribes of Siletz
- Confederated Tribes of Umatilla Reservation
- Confederated Tribes of the Warm Springs Reservation of Oregon
- Coquille Indian Tribe
- Council on State Taxation (COST)
- Cow Creek Band of Umpqua Tribe of Indians
- Department of Administrative Services (DAS) Chief Financial Office (CFO)
- Department of Administrative Services (DAS), Chief Financial Office (CFO) Statewide Accounts Receivable Team (SWARM)
- Department of Administrative Services (DAS), Office of Economic Analysis (OEA)
- Department of Agriculture
- Department of Consumer and Business Services (DCBS)
- Department of Corrections (DOC)
- Department of Education, Early Learning Division
- Department of Education, Office of Childcare
- Department of Energy (ODOE)
- Department of Environmental Quality (DEQ)
- Department of Fish and Wildlife (ODFW)
- Department of Forestry
- Department of Geology and Mineral Industries (DOGAMI)
- Department of Human Services (DHS)
- Department of Land Conservation and Development (DLCD)
- Department of Parks and Recreation
- Department of State Lands
- Department of Veterans Affairs
- Disability Rights Oregon
- Eastern Oregon University
- El Programa Hispano Catolico
- Fairfax
- FAST Enterprises
- Federation of Tax Administrators (FTA)
- Greater Douglas United Way
- Higher Education Coordinating Commission (HECC)
- Hispanic Chamber of Commerce
- HR Block
- Immigrant and Refugee Community Organization (IRCO)
- Internal Revenue Service (IRS)
- Intuit
- Klamath Tribes
- Lane Transit District
- Latino Build
- Latino Business Alliance
- Latino Network
- League of Oregon Cities (LOC)
- Legislative Commission on Indian Services
- Multistate Tax Commission (MTC)
- National Association for the Advancement of Colored People (NAACP) Albany/Corvallis Branch 1118
- National Association for the Advancement of Colored People

(NAACP) Eugene/Springfield Branch  
1119

- National Association for the Advancement of Colored People (NAACP) Portland Branch 1120
- National Association for the Advancement of Colored People (NAACP) Salem/Keizer Branch 1166
- National Association of Computerized Tax Processors
- National Association of Minority Contractors (NAMC) Oregon Chapter
- Nonprofit Association of Oregon (NAO)
- Northwest Credit Union Association
- Northwest Gender Alliance
- Office of Emergency Management
- Office of Rural Health
- Oregon Arts Commission
- Oregon Association for Career and Technical Education (CTE)
- Oregon Association of Minority Entrepreneurs (OAME)
- Oregon Association of Realtors
- Oregon Association of Tax Consultants (OATC)
- Oregon Bankers Association
- Oregon Board of Tax Practitioners
- Oregon Business and Industry (OBI)
- Oregon Business Development Department (Business Oregon)
- Oregon Center for Public Policy
- Oregon Chapter of American Foundation for Suicide Prevention (AFSP)
- Oregon Collectors Association
- Oregon Community College Association (OCCA)
- Oregon Community Foundation
- Oregon Department of Aviation
- Oregon Department of Education (ODE)
- Oregon Department of Transportation (ODOT)
- Oregon Employment Department (OED)
- Oregon Film and Video Office
- Oregon Health and Science University
- Oregon Health Authority (OHA)
- Oregon Housing and Community Services
- Oregon Industrial Hemp Farmers Association
- Oregon Institute of Technology
- Oregon Judicial Department, Oregon Courts
- Oregon Judicial Department, Oregon Tax Court
- Oregon Latino Agenda for Action (OLAA)
- Legislative Fiscal Office (LFO)
- Legislative Revenue Office (LRO)
- Oregon Liquor Control Commission (OLCC)
- Oregon Lottery
- Oregon Military Department
- Oregon Public Utility Commission (PUC)
- Oregon Restaurant and Lodging Association (ORLA)
- Oregon Retailers of Cannabis Association
- Oregon Safe Schools & Communities Coalition (OSSCC)
- Oregon School Boards Association (OSBA)
- Oregon Secretary of State
- Oregon Society of Certified Public Accountants (OSCPA)
- Oregon Society of Tax Consultants (OSTC)
- Oregon Solar Energy Industries Association (OSEIA)
- Oregon State Association of County Assessors
- Oregon State Bar
- Oregon State Public Interest Research Group (OSPIRG)
- Oregon State Treasury
- Oregon State University
- Oregon Youth Authority (OYA)
- Our Children Oregon
- Our Oregon
- Pacific Northwest International Trade Association (PNITA)

- PFLAG (Parents, Families & Friends of Lesbians and Gays) Oregon Chapters
- Philippine American Chamber of Commerce of Oregon (PACCO)
- Portland State University
- Professional Business Development Group
- Service Employees International Union (SEIU)
- Small Business Legal Clinic (SBLC)
- Smart Growth Coalition
- Southern Oregon University
- Special Districts Association of Oregon (SDAO)
- State Library of Oregon
- State of Oregon Law Library
- Stop The Debt Trap Alliance of Oregon (STDTA)
- Surplus Line Insurers Association
- Tax Fairness Oregon
- Tillamook County United Way
- TriMet
- United Way of Central Oregon
- United Way of Clatsop County
- United Way of Columbia County
- United Way of Jackson County
- United Way of Lane County
- United Way of Linn, Benton, and Lincoln Counties
- United Way of Southwestern Oregon
- United Way of the Columbia Gorge
- United Way of the Columbia-Willamette
- United Way of the Klamath Basin
- United Way of the Mid-Willamette Valley
- University of Oregon
- Western Oregon University
- Western States Association of Tax Administrators (WSATA)
- Native American Youth and Family Center (NAYA)

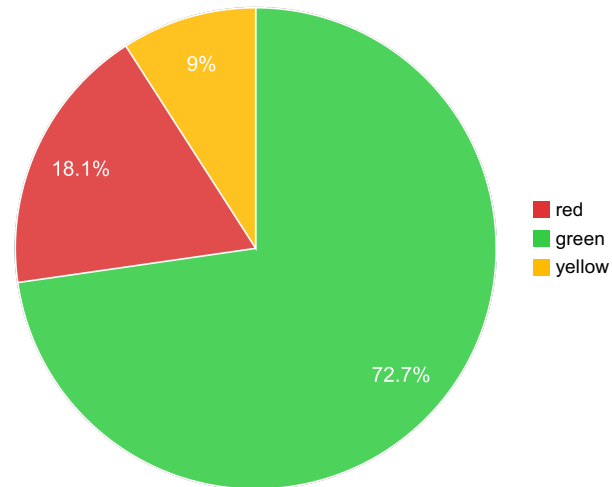
# Revenue, Department of

Annual Performance Progress Report

Reporting Year 2022

Published: 9/20/2022 11:12:23 AM

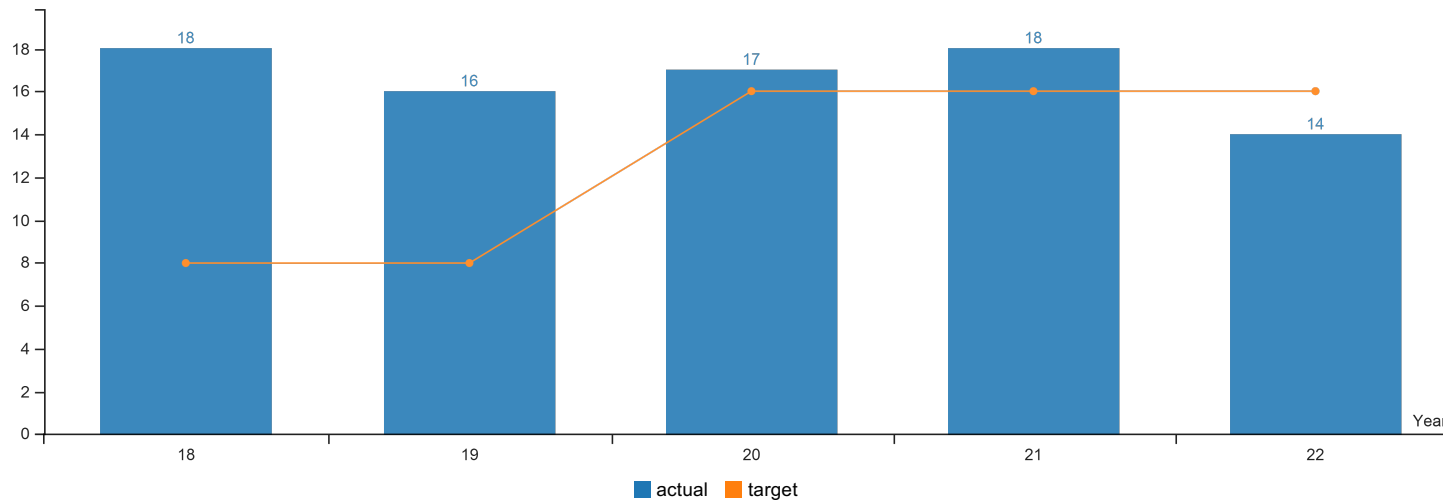
KPM #	Approved Key Performance Measures (KPMs)
1	Average Days to Process Personal Income Tax Refund. -
2	Percent of Personal Income Tax Returns Filed Electronically -
3	Employee Training Per Year (percent receiving 20 hours per year). -
4	Customer Service - Percent of customers rating their satisfaction with the agency's customer service as "good"; or "excellent" based on overall experience, timeliness, accuracy, helpfulness, expertise, and availability of information.
5	Effective Taxpayer Assistance - Provide effective taxpayer assistance through a combination of direct assistance and electronic self-help services.
6	Appraisal Program Equity and Uniformity - We will measure the degree to which county appraisal program equity and uniformity is achieved by determining the percentage of study areas statewide with real market values that are within accepted appraisal standards.
7	Appraisal Value Uniformity - We will demonstrate our ability to deliver high quality business results by measuring appraisal equity and uniformity for DOR industrial accounts.
8	Direct Enforcement Dollars Cost of Funds - We will demonstrate our efficiency and effectiveness at funding services that preserve and enhance the quality of life for all citizens by measuring the cost of funds (COF) for every direct enforcement dollar received by our agency.
9	Collection Dollars Cost of Funds - We will demonstrate our efficiency and effectiveness at funding services that preserve and enhance the quality of life for all citizens by measuring the cost of funds (COF) for every dollar collected by our agency.
10	Cost of Assessments - We will demonstrate our efficiency and effectiveness of our suspense, audit and filing enforcement functions by measuring the cost of every audit and filing enforcement dollar assessed.
11	Employee Engagement - Percentage of employees considered actively engaged by a standardized survey.



Performance Summary	Green	Yellow	Red
	= Target to -5%	= Target -5% to -15%	= Target > -15%
Summary Stats:	72.73%	9.09%	18.18%

KPM #1	Average Days to Process Personal Income Tax Refund. -
	Data Collection Period: Jan 01 - Aug 01

\* Upward Trend = negative result



Report Year	2018	2019	2020	2021	2022
<b>Average Days to Process Personal Income Tax Refund</b>					
Actual	18	16	17	18	14
Target	8	8	16	16	16

### How Are We Doing

The agency is exceeding this target. For the returns that have completed processing, the agency averaged 14 days to refund in 2022, two days shorter than the target of 16 days.

For the 2022 tax season, the department processed approximately 2.1 million 2021 personal income tax returns; about 79 percent (1.66 million) were refund claims. This measurement is the average amount of time it takes from when the agency received a return until a refund was issued.

The primary factors that impact return processing and time to refund include:

- **Paper return filing.** Preparing a paper return to enter the processing system is mostly a manual process (receiving mail, opening envelopes and removing returns, preparing returns to be scanned, scanning the returns, and keying the information) compared to electronically filed returns that enter the processing system directly without manual intervention. The manual process of entering paper tax return information into the processing system can take hours to weeks depending on the time of year.
- **Manual review.** Some returns divert from automated processing for manual review and processing because of errors, fraud, or missing information. Diverted returns require additional time and information to process.

The following table provides information on average processing timelines overall, returns that process through the system without manual intervention and returns that require manual review and processing.

### Average Days to Process Returns - Returns Suspended\*

Type of Return	Overall	Automated Processing	Manual Processing	Percent of Returns Manually Processed
All	13.83	12.43	85.60	1.91%
E-file	13.00	11.68	92.07	1.64%
Paper	26.72	24.63	58.77	6.11%

\*This table illustrates that e-filed returns that don't require manual processing have the shortest average processing time of about 12 days. E-filed returns are the most common filing method.

**Direct Deposit.** Having refunds direct deposited into bank accounts, without issuing a paper check, also results in faster processing.

The following table provides information on average processing timelines overall, and for direct deposit and paper check refunds.

### Average Days to Process Returns by Refund Type\*

Type of Return	Overall	Direct Deposit	Paper Check	Percentage of Returns with Direct Deposit
All	13.83	12.73	19.22	82.97%
E-file	13.00	12.18	17.51	84.61%
Paper	26.72	25.17	28.83	57.60%

\*This table illustrates that direct deposit decreases the average refund processing time.

### Factors Affecting Results

Aside from suspended returns, other factors within the agency's control that impact return processing include:

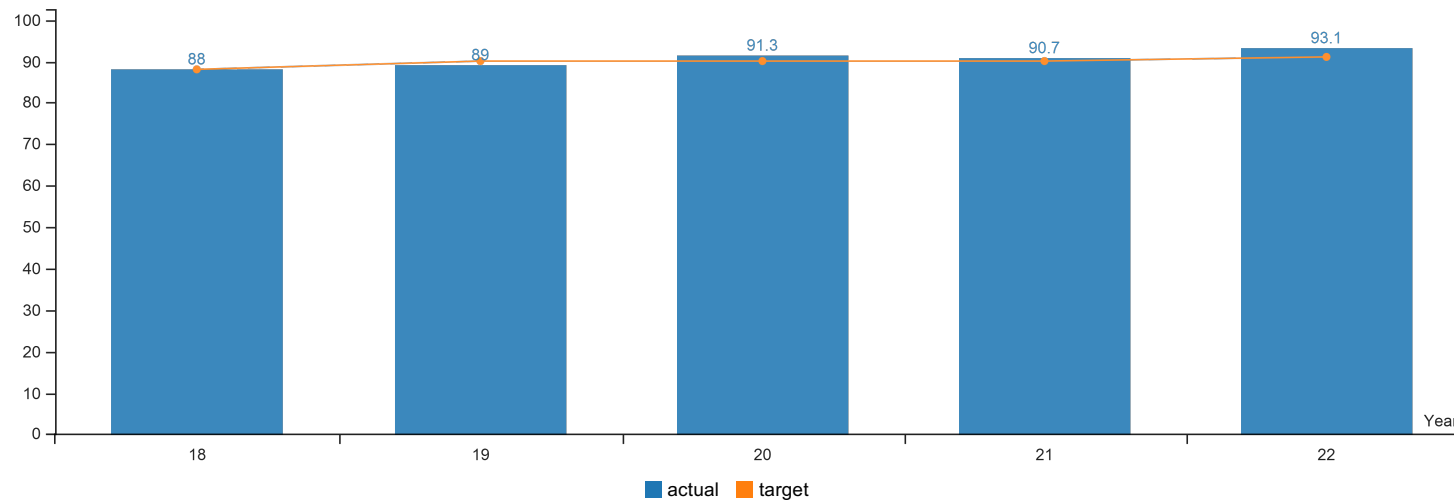
- **Business edits/rules on processing returns.** The agency has more than 200 rules that incorporate statutory limits, correct math errors, match against third-party information, and allow the agency to request additional documentation. Some rules are system processed (math errors), while others require manual review and processing. Annually, business rules are improved to close known gaps and keep fewer legitimate refunds from diverting from the automated process.
- **Fraud.** The fraud module in the agency's tax processing system uses analytics to identify potentially fraudulent refunds. The attributes for fraudulent returns have become so similar to legitimate returns that it's difficult to differentiate between the two. Each year, the agency reviews fraud triggers to address known gaps and to make improvements. There will always be a need for manual review to combat fraud, but Revenue is working to identify those that the system can release more quickly.
- **Early season refund hold.** The agency did not issue refunds prior to February 15. This allows the agency time to load income and withholding information submitted by payors (due January 31) and match it to the information reported by the taxpayer on their tax return. Over 313,000 refund returns were received prior to February 15. This is similar to the IRS holding refunds until mid-February due to the Earned Income Tax Credit and the Additional Child Tax Credit.
- **Staffing.** The return processing team that manually reviews returns, assisted with both the Quarantine Time Loss and Unemployment Exclusion projects in 2021. Both projects were highly successful and resulted in many taxpayers receiving needed funds during the pandemic. However, while the agency minimized the impact of the projects, they took resources away from processing returns that needed manual review.

Factors outside the agency's control that impact return processing include:

- **Taxpayers choose their filing method.** Electronically filed returns are typically more accurate and take less time to process than other filing methods. E-file is the recommended option for a faster refund, but there is not an individual e-file mandate. For more details on e-filed returns, see KPM #2.
- **W-2 information submitted by employers.** Information to verify withholding on a taxpayer's return is due from their employer by January 31. If a large employer is late in submitting their information, it can cause their employee's returns to stop for review because the withholding the employee claimed does not match in agency records.

KPM #2	Percent of Personal Income Tax Returns Filed Electronically -
	Data Collection Period: Jan 01 - Aug 01

\* Upward Trend = positive result



Report Year	2018	2019	2020	2021	2022
<b>Percent of Personal Income Tax Returns Filed Electronically</b>					
Actual	88%	89%	91.30%	90.70%	93.10%
Target	88%	90%	90%	90%	91%

#### How Are We Doing

The agency is exceeding this target. Over this reporting period, the agency had a 93.1 percent rate of returns filed electronically which is an increase from last fiscal year's rate of 90.7 percent. The agency tends to see an increase in electronic filing during a "kicker" year.

Filing Method	Count	Percent
Electronic	1,926,665	93.1%
Paper	142,154	6.9%

E-filing is preferred over other methods of filing. These returns are more accurate because they are software-generated, less costly for the agency to handle, quicker to process, and require less handling and storage than paper returns.

#### Factors Affecting Results

The agency takes several steps that are designed to encourage e-filing:

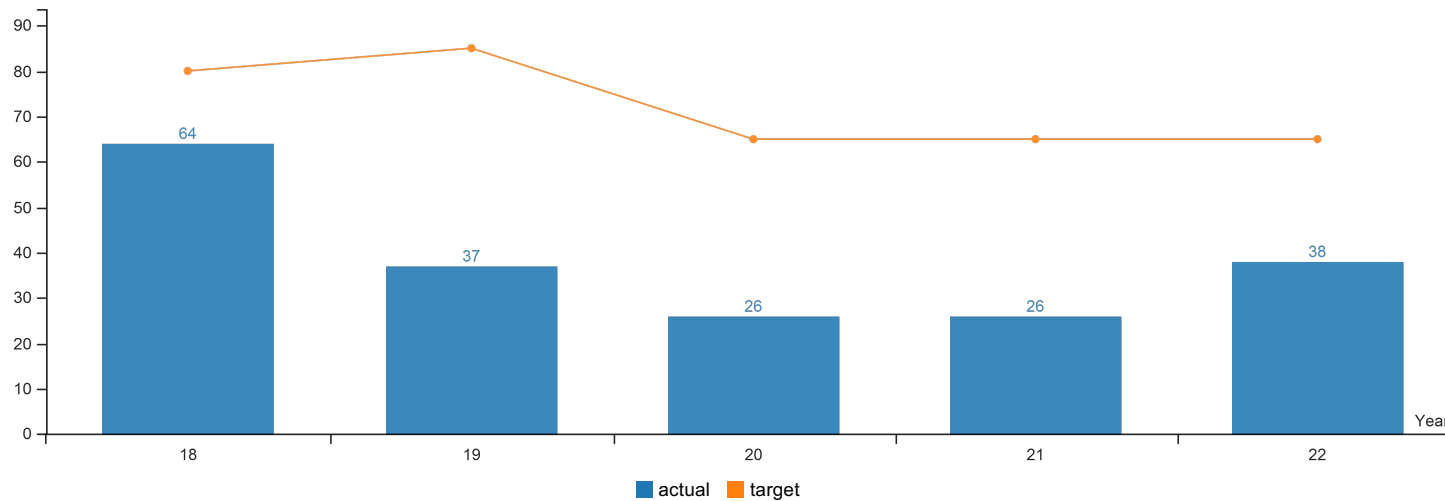
- **Promotion.** Like the IRS, the agency discusses e-file in its publications, press releases, social media, and on its website to promote the accuracy and typically quicker refunds for e-filing.



- **Free File Alliance.** Revenue participates in the Free File Alliance where taxpayers meeting certain income, age, veteran, and return-type criteria can e-file for free. The agency posts a list of software companies offering free services on its website.
- **E-file mandate.** Like the IRS, the agency has an e-file mandate for tax practitioners. There is no penalty for non-compliance, but the agency sends a reminder letter each year to those practitioners who didn't file their clients' returns electronically.

KPM #3	Employee Training Per Year (percent receiving 20 hours per year). -
	Data Collection Period: Jul 01 - Jun 30

\* Upward Trend = positive result



Report Year	2018	2019	2020	2021	2022
<b>Employee Training Per Year (percent receiving 20 hours per year)</b>					
Actual	64%	37%	26%	26%	38%
Target	80%	85%	65%	65%	65%

**How Are We Doing**

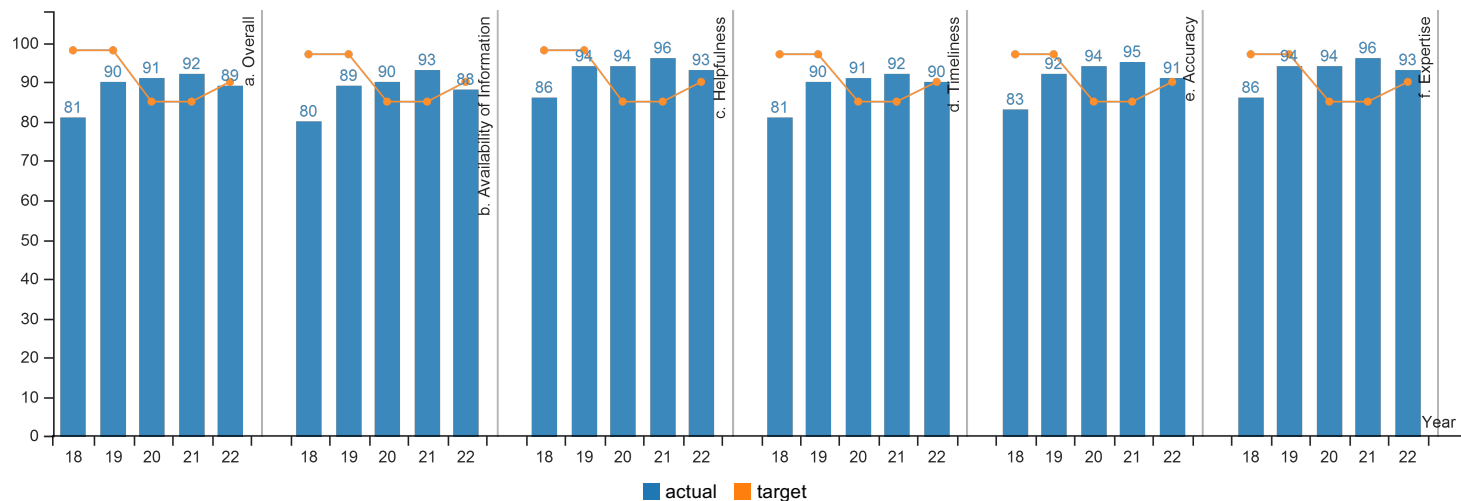
The agency is not meeting this target. However, the agency did make progress and increased training hours by 12 points from 2021. The agency does well at meeting all required training elements that can be assigned through the human resource system for trainings such as Respectful Workplace and Federal Tax Information (FTI). The agency recently contracted with outside training vendors to offer additional training opportunities for all employees. The agency’s strategic plan prioritizes employee training and plans to build a comprehensive employee training program that enhances recruitment and retention, and positions employees to achieve success, including opportunities for promotion. Additionally, the agency strategic plan prioritizes building a comprehensive new manager training and support program that provides timely training, resources, and tools needed to complete manager tasks, and teaches leadership skills and management best practices. The agency acknowledges it will be challenging to make demonstrative inroads towards meeting the agency’s target and strategic goals without training resources and staff dedicated to maintaining focus on training. Revenue Human Resources will continue to request additional positions to allow the agency to be more responsive to its training needs, proactively plan and design training programs for employee personal and professional development, and offer enough in-house, no-cost, targeted training to continue improving performance in this key performance measure.

**Factors Affecting Results**

While the agency did not anticipate meeting the target for 2022, it performed to the level it expected, considering resource constraints. Lack of dedicated training resources, interruptions due to the pandemic, and challenges of learning to work remotely have made progress slower than desired. Currently, the agency struggles to capture all completed training into the Workday Learning system as the Human Resources Unit (HR) has been the designated source to enter all training records manually for employees. Reliance on this information being submitted or submitted timely to HR may contribute to lower training hours captured. To address this issue, the agency is in the process of updating this policy to allow employees or managers to self-report trainings into the Workday system. This policy change will assist the agency in ensuring all training completions are captured in Workday.

The strategic plan goals and training policy changes will provide more autonomy for employees and managers to create professional growth goals or plans that involve training to enhance knowledge, skills, or abilities.

KPM #4 Customer Service - Percent of customers rating their satisfaction with the agency's customer service as "good"; or "excellent" based on overall experience, timeliness, accuracy, helpfulness, expertise, and availability of information.  
 Data Collection Period: Jul 01 - Jun 30



Report Year	2018	2019	2020	2021	2022
<b>a. Overall</b>					
Actual	81%	90%	91%	92%	89%
Target	98%	98%	85%	85%	90%
<b>b. Availability of Information</b>					
Actual	80%	89%	90%	93%	88%
Target	97%	97%	85%	85%	90%
<b>c. Helpfulness</b>					
Actual	86%	94%	94%	96%	93%
Target	98%	98%	85%	85%	90%
<b>d. Timeliness</b>					
Actual	81%	90%	91%	92%	90%
Target	97%	97%	85%	85%	90%
<b>e. Accuracy</b>					
Actual	83%	92%	94%	95%	91%
Target	97%	97%	85%	85%	90%
<b>f. Expertise</b>					
Actual	86%	94%	94%	96%	93%
Target	97%	97%	85%	85%	90%

How Are We Doing

The agency is not meeting this target. The agency's customer service ratings decreased in all six categories in 2022. Helpfulness and expertise continue to be the highest scoring categories with a rating of 93 percent. Availability of information decreased to 88 percent and overall experience decreased to 89 percent, not meeting the new target.

This measure provides information on customers' assessment of agency performance related to key drivers of customer satisfaction. While the agency recognizes that paying taxes may not make taxpayers happy, it is important they rate their experiences with the agency as satisfactory. During the 2021 session, the Oregon Legislature modified the targets in all categories from 85 to 90 percent, beginning in 2022.

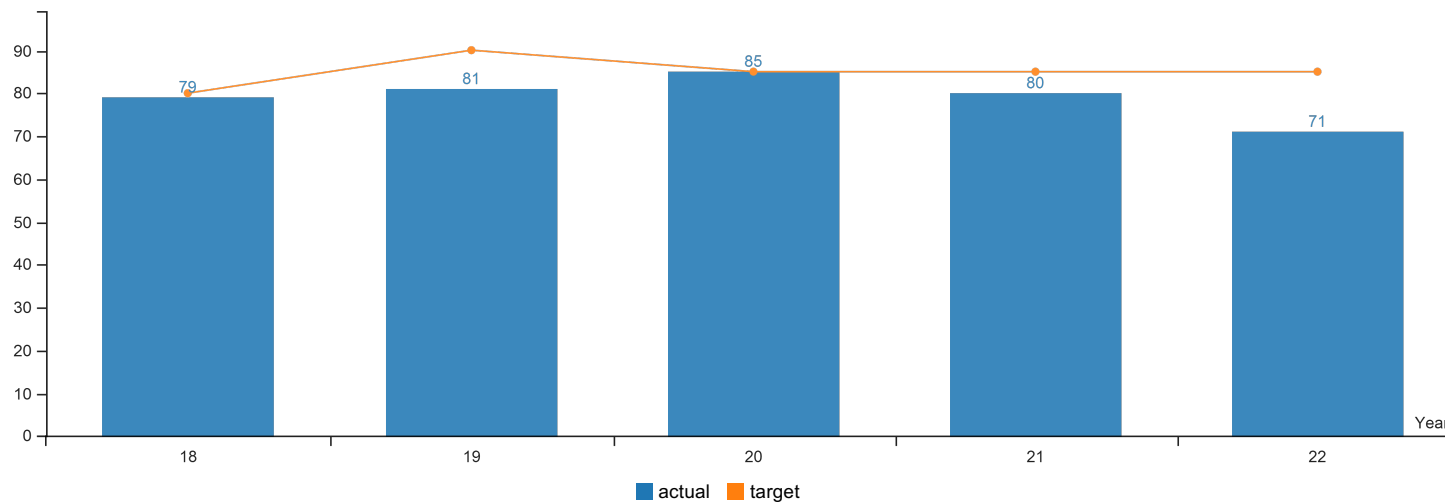
The data is collected from a survey. Taxpayers can take the survey by telephone or online. About 99 percent of the surveys are by telephone. The responses are from several different tax programs but predominantly from the Personal Income Tax Program.

**Factors Affecting Results**

Prior to November 2021, department representatives would offer the customer service survey to callers at the end of the call. The first half of the fiscal year, the department had over 10,000 surveys taken over the phone. The department implemented a new Interactive Voice Response (IVR) system which offered all callers at the beginning of their call an opportunity to take a survey at the end of the call. This change was to ensure that every caller was offered a survey. After implementation, the number of surveys taken dropped. The department believes that callers are forgetting that they chose to take the survey and are hanging up before they are transferred. In response, the department has trained representatives to end the call with a message to stay on the line if the caller opted for the survey.

KPM #5	Effective Taxpayer Assistance - Provide effective taxpayer assistance through a combination of direct assistance and electronic self-help services.
	Data Collection Period: Jul 01 - Jun 30

\* Upward Trend = positive result



Report Year	2018	2019	2020	2021	2022
<b>Effective Taxpayer Assistance</b>					
Actual	79	81	85	80	71
Target	80	90	85	85	85

#### How Are We Doing

We are not meeting this target. Performance decreased by 9 points from last fiscal year. The significant change was largely attributed to the increase in average call wait times and the decrease in the customer service rating.

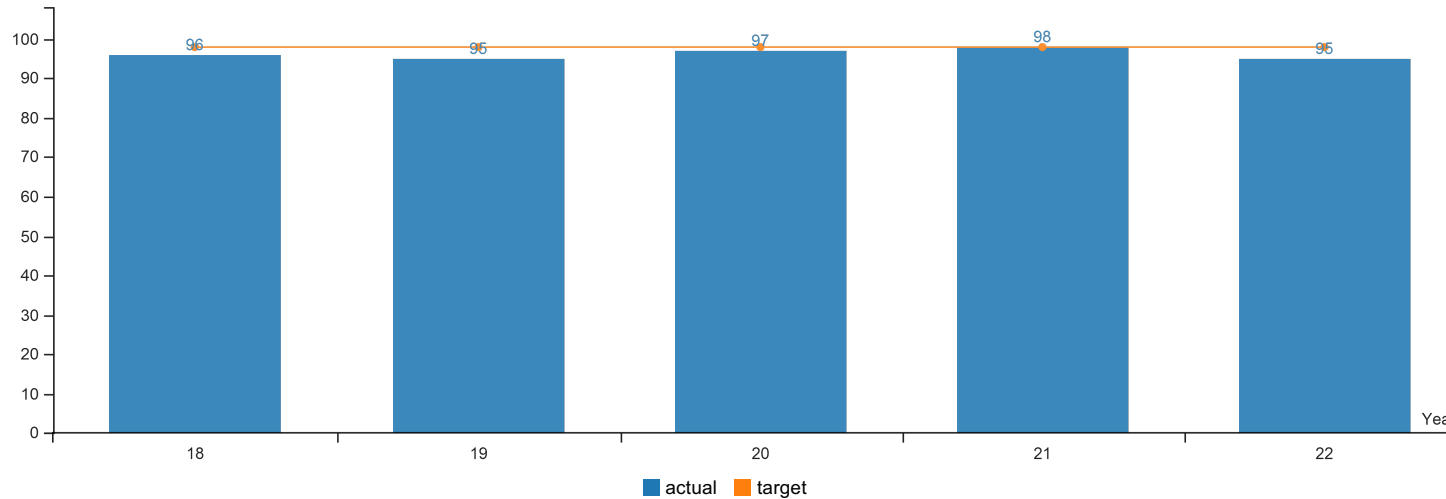
#### Factors Affecting Results

The results of this measure are affected by the performance of three components that form this composite measure. Each component is weighted:

- **Call wait time (40 percent weight).** Calls with a five-minute or less wait time made up 57 percent of total calls, down from 83 percent in 2021.
- **Where's My Refund inquiries (50 percent weight).** The percentage of "successful" inquiries made through phone or web applications was 79 percent, which reflects a 3 point increase from 2021. Successful inquiries are defined as any response other than "not found," which means the return is not in the system when the taxpayer asks. The agency instructs taxpayers to wait two weeks after they file before requesting a status update.
- **Customer service rating (10 percent weight).** The percentage of customers rating agency service as "good" or "excellent" is 90 percent, down from 92 percent in 2021.

KPM #6	Appraisal Program Equity and Uniformity - We will measure the degree to which county appraisal program equity and uniformity is achieved by determining the percentage of study areas statewide with real market values that are within accepted appraisal standards.
	Data Collection Period: Jul 01 - Jun 30

\* Upward Trend = positive result



Report Year	2018	2019	2020	2021	2022
<b>Appraisal Uniformity</b>					
Actual	96%	95%	97%	98%	95%
Target	98%	98%	98%	98%	98%

#### How Are We Doing

The agency is not meeting this target. Prior to 2018, the agency had consistently met or exceeded established targets for this measure. In 2018, the target was increased to 98 percent and performance was at 96 percent, slightly below the target but consistent with previous years' performance levels. Statewide county appraisal performance has failed to meet the 98 percent target.

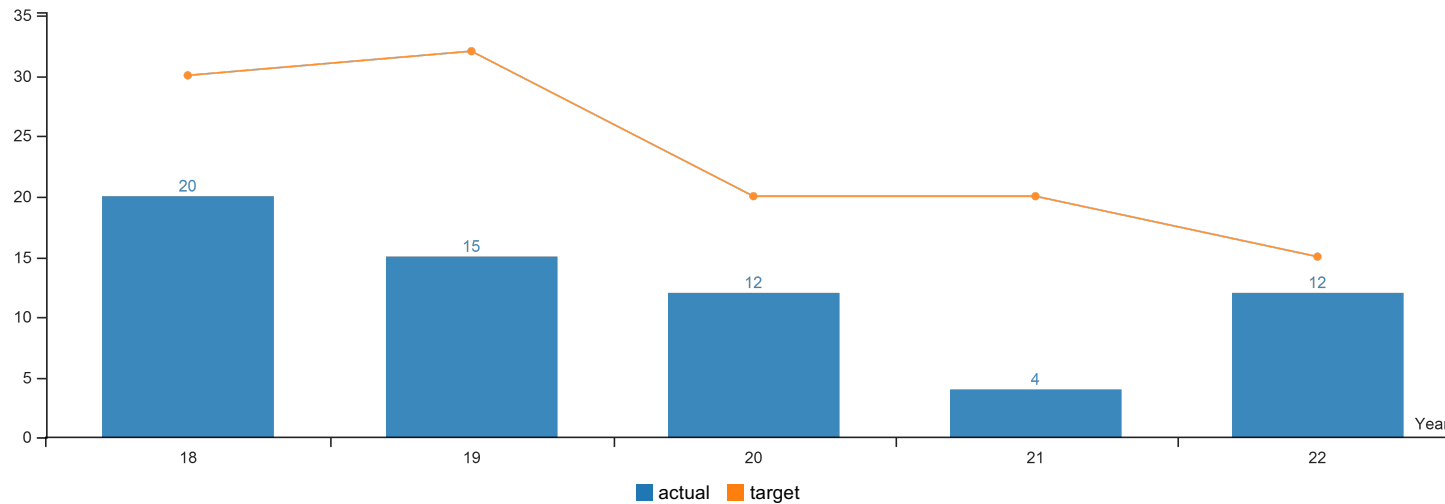
#### Factors Affecting Results

The number of county appraisals that meet this standard are tracked and reported as a percentage annually in the Ratio Report (as directed by statute). While the counties self-report results, the department has instituted a process of reviewing the data and calculations provided by each county. Revenue makes official recommendations and can order adjustments to county processes to ensure standards are met. County performance may be impacted by county budget constraints, system conversions and turnover. When evaluating performance results and setting the target, these factors are considered. This current rating period the agency observed three (3) counties with a lower-than-average COD.

The agency considers this an effective outcome measure because the primary goal of the Support, Assistance, and Oversight (SAO) Section is to support and monitor the performance of assessment and taxation at the local government level. This is accomplished by providing training, teaching best practices, and reviewing processes of county appraisal programs statewide.

KPM #7	Appraisal Value Uniformity - We will demonstrate our ability to deliver high quality business results by measuring appraisal equity and uniformity for DOR industrial accounts.
	Data Collection Period: Jul 01 - Jun 30

\* Upward Trend = negative result



Report Year	2018	2019	2020	2021	2022
<b>Appraisal Value Uniformity</b>					
Actual	20%	15%	12%	4%	12%
Target	30%	32%	20%	20%	15%

### How Are We Doing

The agency is exceeding this target. The reported metric is the measure of variance between the values from site-specific appraisals and the values from the annual mass-appraisal program of processing taxpayer-filed industrial property returns. Performance for 2022 was 12 percent, well below the target of 20 percent, indicating a high degree of equity and uniformity in appraisals.

Measuring the coefficient of dispersion (COD) is an appraisal industry-standard metric for uniformity. The metric is reliant on market sale transactions. The COD is essentially the average difference a group of numbers has from the median. In the last five years, the agency hasn't had a large enough sampling of usable sale transactions, so, the agency used site-specific appraisals to calculate results.

### Factors Affecting Results

The agency is required to appraise Oregon's highly complex industrial properties that are engaged in processing and manufacturing activities. These properties don't sell often. When they do, many factors make it difficult to compare the sales price to assessment roll values. Therefore, the limited number of sales transactions has decreased the reliability of this indicator.

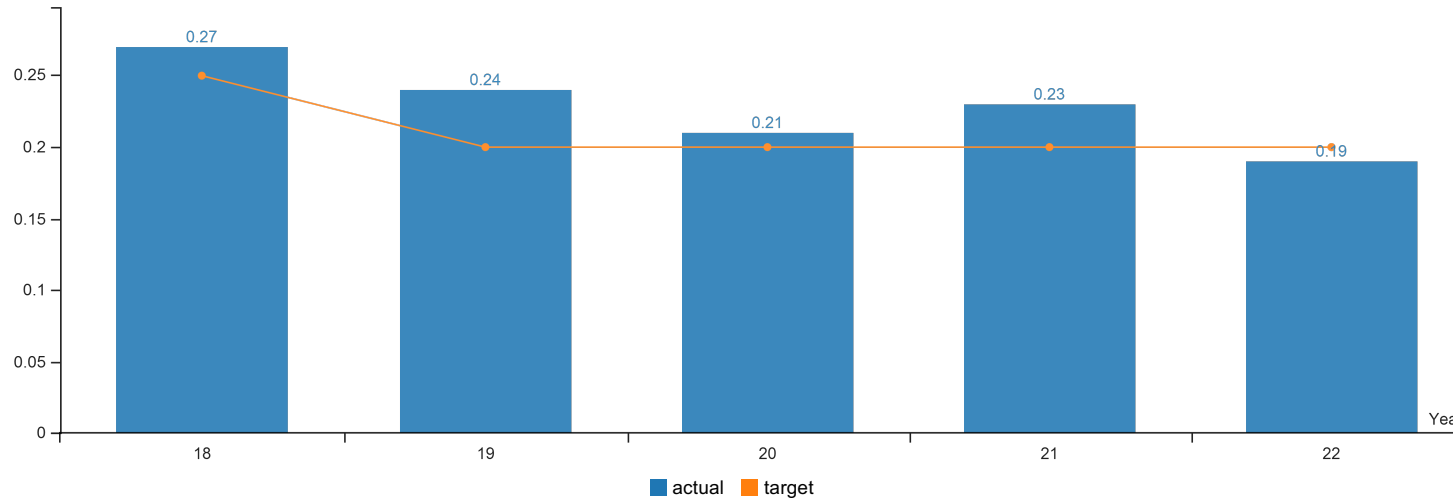
Some properties have valuation issues, including omitted property, taxpayer reporting errors (duplicates, age of assets, failure to report), and reclassification of assets. These issues can create a greater separation between the value determined via Revenue's mass appraisal process and the value determined via the site-specific appraisal process, resulting in a higher coefficient of dispersion (COD) and greater deviation between real market value (RMV) and the roll value.



In 2017, the agency refined its business strategy and set a goal to appraise industrial sites on an eight-year cycle. Through the implementation of the agency's eight-year appraisal cycle, the agency should continue to see a reduction in the deviation between roll values and RMV.

KPM #8	Direct Enforcement Dollars Cost of Funds - We will demonstrate our efficiency and effectiveness at funding services that preserve and enhance the quality of life for all citizens by measuring the cost of funds (COF) for every direct enforcement dollar received by our agency.
	Data Collection Period: Jul 01 - Jun 30

\* Upward Trend = negative result



Report Year	2018	2019	2020	2021	2022
<b>Cost of Direct Enforcement Funds</b>					
Actual	\$0.27	\$0.24	\$0.21	\$0.23	\$0.19
Target	\$0.25	\$0.20	\$0.20	\$0.20	\$0.20

#### How Are We Doing

The agency is exceeding this target. The agency's cost of funds for direct enforcement for fiscal year 2022 (FY 2022) was \$0.19. For this measure, a lower value is better. This represents a decrease from the 2021 cost of \$0.23. Dollars received increased from \$224.9 million in 2021 to \$293.4 million in 2022. Funding for enforcement functions in the Legislatively Adopted Budget (LAB) increased to \$54.2 million in 2022. Due to reporting changes, budgetary numbers are identified using individual positions instead of work units. It is unknown what the impact of this is on the final measure, but it is a change from previous reporting periods.

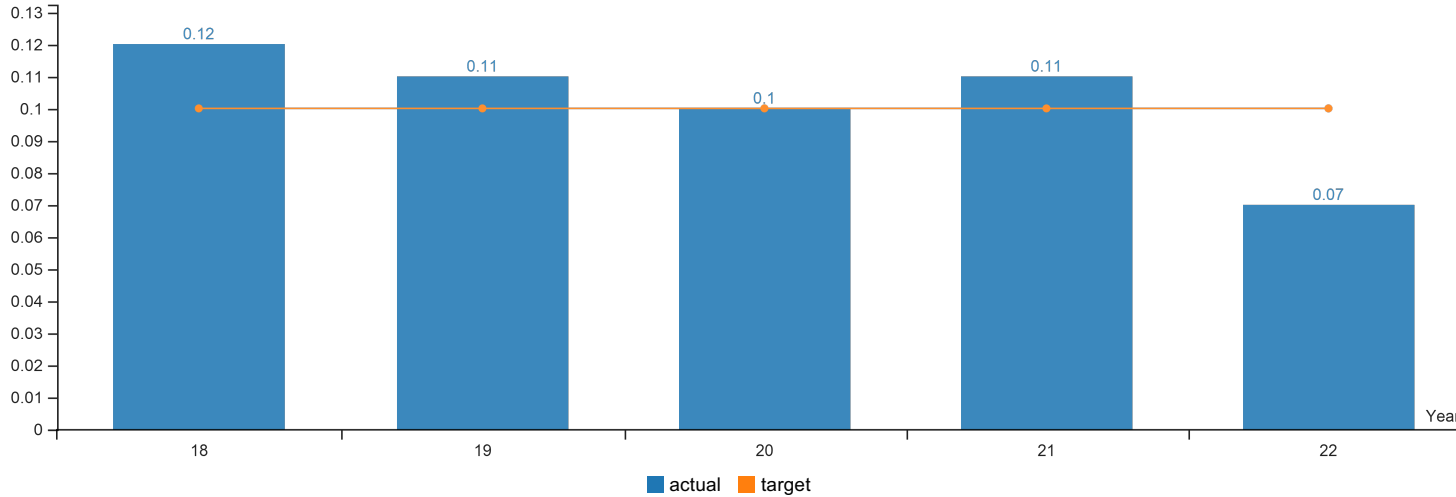
#### Factors Affecting Results

Many factors impact the cost of funds. Some of the external factors affecting enforcement revenue include the health of the overall economy and the labor market participation rate. However, the agency doesn't have a way to measure the impact of those factors on its activities. Internal factors influencing enforcement revenue include:

- **Corporate Activity Tax.** Corporate Activity Tax receipts and LAB for new CAT enforcement positions are included in this measure for the first time which increased the dollars brought in for the agency.
- **Personal Income Tax.** Audit staff were able to increase enforcement activities as COVID restrictions were lifted.
- **Corporation Section.** The Corporation section has a lot of volatility in the amount of enforcement revenue received. In many years a single audit payment can make a large difference in enforcement revenue which is difficult to predict.

KPM #9	Collection Dollars Cost of Funds - We will demonstrate our efficiency and effectiveness at funding services that preserve and enhance the quality of life for all citizens by measuring the cost of funds (COF) for every dollar collected by our agency.
	Data Collection Period: Jul 01 - Jun 30

\* Upward Trend = negative result



Report Year	2018	2019	2020	2021	2022
<b>Cost of Collections Funds</b>					
Actual	\$0.12	\$0.11	\$0.10	\$0.11	\$0.07
Target	\$0.10	\$0.10	\$0.10	\$0.10	\$0.10

#### How Are We Doing

The agency is exceeding this target. The cost of funds for collections for FY 2022 was \$0.07. For this measure, a lower value is better. This represents a decrease from the FY 2021 cost of \$0.11. Dollars collected increased from \$224.9 million in 2021 to \$293.4 million in 2022. Funding for the collections function in the Legislatively Adopted Budget (LAB) decreased to \$19.0 million in 2022. Due to reporting changes, budgetary numbers are identified using individual positions instead of work units. It is unknown what the impact of this is on the final measure, but it is a change from previous reporting periods.

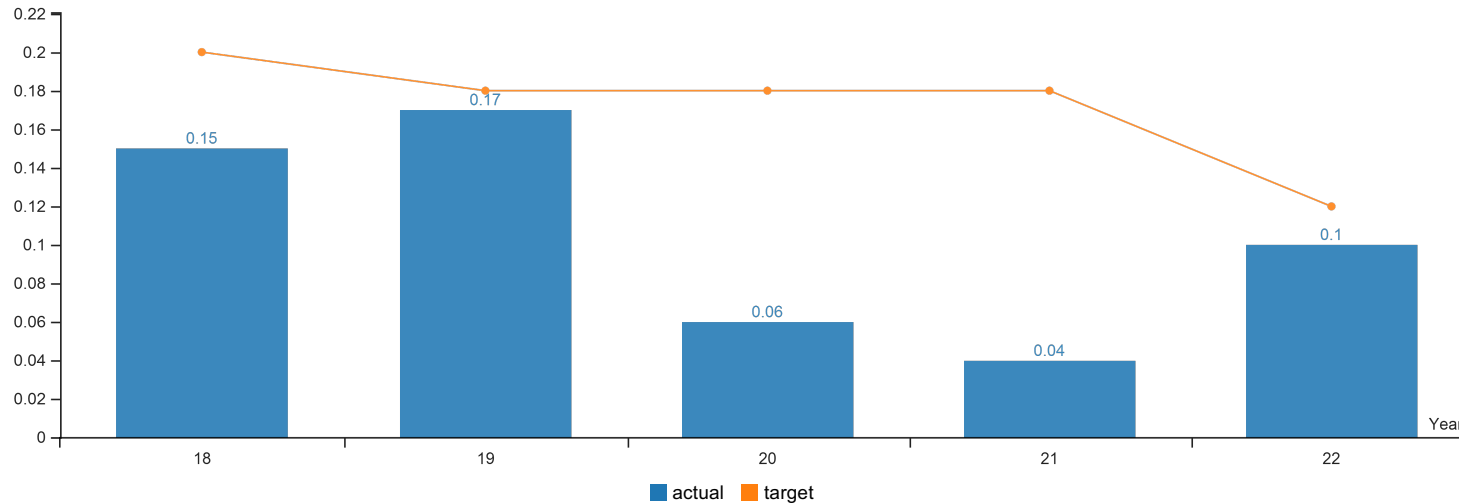
#### Factors Affecting Results

Many factors impact the cost of funds. Some of the external factors that affect enforcement revenue include the health of the overall economy and the labor market participation rate. However, the agency doesn't have a way to measure the impact of those factors on its activities. Internal factors influencing enforcement revenue include:

- **Corporate Activity Tax.** Corporate Activity Tax receipts and LAB for new CAT enforcement positions are included in this measure for the first time which increased the dollars brought in for the agency.
- **Personal Income Tax.** Audit staff were able to increase enforcement activities as COVID restrictions were lifted.
- **Corporation Section.** The Corporation section has a lot of volatility in its enforcement revenue received. In many years a single audit payment can make a large difference in enforcement revenue which is difficult to predict.

KPM #10	Cost of Assessments - We will demonstrate our efficiency and effectiveness of our suspense, audit and filing enforcement functions by measuring the cost of every audit and filing enforcement dollar assessed.
	Data Collection Period: Jul 01 - Jun 30

\* Upward Trend = negative result



Report Year	2018	2019	2020	2021	2022
<b>Cost of Assessments</b>					
Actual	\$0.15	\$0.17	\$0.06	\$0.04	\$0.10
Target	\$0.20	\$0.18	\$0.18	\$0.18	\$0.12

#### How Are We Doing

The agency is exceeding this target. In 2022, the cost of assessments increased to \$0.10. For this measure, a lower value is better. This represents an increase from the FY 2021 costs of \$0.06. This was mostly due to decreased assessments in the withholding and corporation sections. Assessed dollars decreased from \$629.8 million in 2021 to \$354.9 million in 2022 due to a more usual level of assessments in the withholding and corporation sections. Funding for audit and filing enforcement functions in the agency's Legislatively Adopted Budget increased to \$35.2 million in 2022.

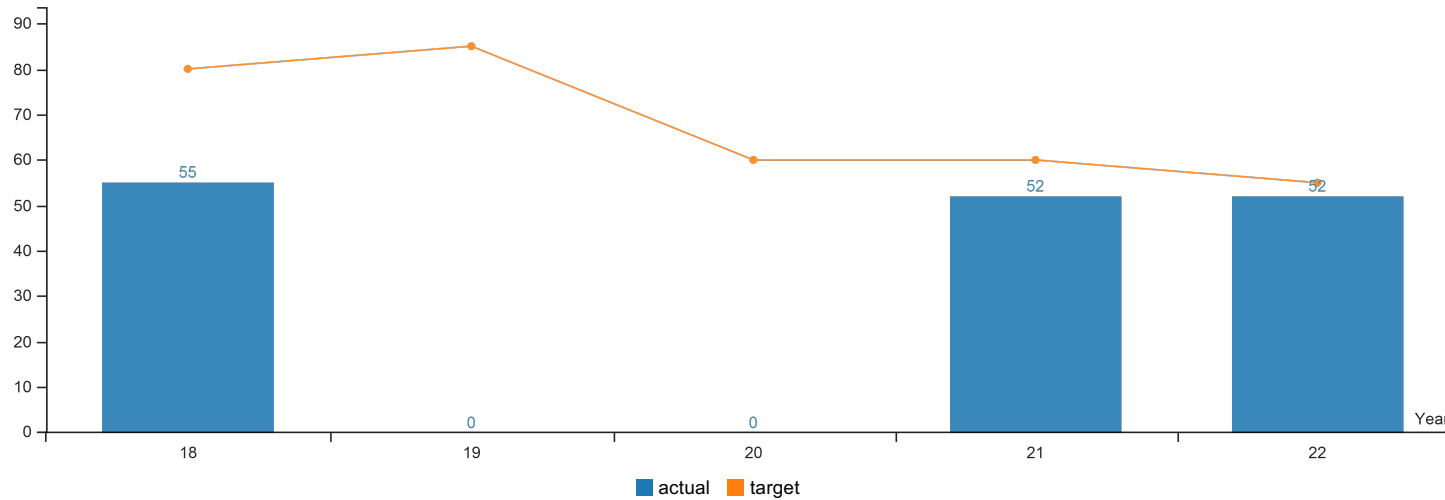
This measure is calculated using both audit and filing enforcement data. The filing enforcement portion includes "failure to file" data, which is a department estimate of owed revenues. This estimate is typically quite different than actual monies owed, which is determined when the taxpayer files.

#### Factors Affecting Results

Many factors impact the cost of assessments. Dollars billed can fluctuate year to year especially with filing enforcement billings. Last fiscal year the Withholding Section had a large failure to file assessment which dramatically shifted the dollars billed.

KPM #11	Employee Engagement - Percentage of employees considered actively engaged by a standardized survey.
	Data Collection Period: Jul 01 - Jun 30

\* Upward Trend = positive result



Report Year	2018	2019	2020	2021	2022
<b>Employee Engagement</b>					
Actual	55			52	52
Target	80	85	60	60	55

#### How Are We Doing

The agency is not meeting this target. In 2013, the agency contracted with the Department of Administrative Services to access an employee engagement tool used by several other state agencies. This tool was used to report results from 2013 to 2018. In 2018, the Department of Administrative Services stopped using this tool and the Department of Revenue followed suit.

In August 2020, the agency began conducting a survey using Gallup Consulting's Q12 employee engagement survey, the most widely used survey of this type used in the world. Gallup's survey identifies key elements that exist in every high-performing work environment. The department achieved a response rate of 71 percent which was three points less than last fiscal year. While the agency did not meet the target for this KPM, Gallup estimates that typically 33 percent of employees in the United States are actively engaged in businesses using their models. The agency's rate of 52 percent is 19 points higher than this average.

#### Factors Affecting Results

There are many potential impacts on employee engagement. The most recent survey was taken during the unprecedented time of the COVID-19 pandemic which likely influenced the results. This survey began one day after Governor Kate Brown announced a vaccine mandate for state employees, including the Department of Revenue. These events likely influenced the results in ways too soon to understand.

15% Reduction Options (ORS 291.216)

Agency		2023-25 CSL		233,474,771	160,723,309	394,198,080	1,109	1,050.78			
Priority	Division	Activity or Program	Reduction Description	GF	OF	TF	POS	FTE	Position Number	Impact of Reduction	Effective Date
1	PTD - NPH	Nonprofit Housing for the Elderly - <b>Special Payments</b>	Non profit allocation is 100% pass-through dollars to the counties. This reduction will cause properties to remain exempt and the local taxing districts' receipts will be reduced.	3,639,677		3,639,677				This will eliminate the reimbursement of local taxing districts for the revenue lost through the NPH exemption.	
2	PTD	SAO	4049-TDS2	218,185	4,453	222,638	1	1.00	4049000	Eliminate training coordinator, reallocate duties to General Program team. Indirect revenue impact. This position designs online training and recommends training opportunities for state and county appraisers. Adequately trained appraisers are crucial for accurate values for taxation.	
2	PTD	SAO	4079-AA3-Timber	277,619	5,666	283,285	1	1.00	4079000	Appraiser reduction on timber tax team. This position mails and processes timber tax returns for FPHT and STF timber tax programs. Direct revenue impact	
2	PTD		0 S&S reduction	18,000	-	18,000	0	-			0
2	PTAC	PIT	RA1 5404 - Gresham	151,195	3,086	154,281	1	1.00	5404000	Reduction in collections. Higher classifications will be needed for customer service in field offices.	
2	PTAC	PIT	TA1 5269 - WVF1	245,768	5,016	250,784	1	1.00	5269000	Less audits of personal income tax returns completed.	
2	PTAC	PIT	TA1 5391 - WVF1	187,609	3,829	191,438	1	1.00	5391000	Less audits of personal income tax returns completed.	
2	PTAC	PIT	TA1 5643 - Bend	209,890	4,283	214,173	1	1.00	5643000	Less audits of personal income tax returns completed.	
2	PTAC	PIT	TA1 5369 - Eugene	187,609	3,829	191,438	1	1.00	5369000	Less audits of personal income tax returns completed.	
2	PTAC	PIT	TA1 5119 - Gresham	187,609	3,829	191,438	1	1.00	5119000	Less audits of personal income tax returns completed.	
2	PTAC	PIT	TA1 5517 - Medford	187,609	3,829	191,438	1	1.00	5517000	Less audits of personal income tax returns completed.	
2	PTAC	PIT	TA1 5646 - Portland	187,609	3,829	191,438	1	1.00	5646000	Less audits of personal income tax returns completed.	
2	PTAC	PIT	AS1 5397 - in PFP	142,100	2,900	145,000	1	1.00	5397000	This position is in a PFP to create AS2 positions. Loss of AS2 position will be reduced compliance work and increase in processing time for returns.	
2	PTAC	PIT	AS1 5030 - in PFP	142,100	2,900	145,000	1	1.00	5030000	This position is in a PFP to create AS2 positions. Loss of AS2 position will be reduced compliance work and increase in processing time for returns.	
2	PTAC	PIT	AS1 3564 - in PFP	142,100	2,900	145,000	1	1.00	3564000	This position is in a PFP to create AS2 positions. Loss of AS2 position will be reduced compliance work and increase in processing time for returns.	
2	PTAC	PIT	AS1 5483 - in PFP	142,100	2,900	145,000	1	1.00	5483000	This position is in a PFP to create AS2 positions. Loss of AS2 position will be reduced compliance work and increase in processing time for returns.	
2	PTAC	PIT	AS1 3530 - in PFP	142,100	2,900	145,000	1	1.00	3530000	This position is in a PFP to create AS2 positions. Loss of AS2 position will be reduced compliance work and increase in processing time for returns.	
2	PTAC	PIT	RA1 5005 - in PFP	142,100	2,900	145,000	1	1.00	5005000	This position is in a PFP to create AS2 positions. Loss of AS2 position will be reduced compliance work and increase in processing time for returns.	
2	PTAC	PIT	TA2 5524 - WVF1	201,949	4,121	206,070	1	1.00	5524000	Less complex audits for personal income tax returns completed.	
2	PTAC	PIT	TA2 5694 - MEDC	218,185	4,453	222,638	1	1.00	5694000	Less complex audits for personal income tax returns completed.	
2	PTAC	PIT	Services and Supplies for 16 positions	225,411	4,600	230,011	0	-			0
2	Bus	006-07	Corp TA2 (6448)	203,464	10,709	214,173	1	1.00	6448000	Will reduce number of large multi-state corporations who are audited, directly reducing GF revenues	
2	Bus	006-07	Corp TA2 (6449)	203,464	10,709	214,173	1	1.00	6449000	Will reduce number of large multi-state corporations who are audited, directly reducing GF revenues	
2	Bus	006-02	Withholding CS2 (6535)	168,025	82,759	250,784	1	1.00	6535000	Will reduce enforcement activities related to employers filing payroll taxes.	
2	Bus	006-07	Corp TA2 (6437)	203,464	10,709	214,173	1	1.00	6437000	Will reduce number of large multi-state corporations who are audited, directly reducing GF revenues	
2	Bus	006-02	Withholding CS2 (6537)	168,025	82,759	250,784	1	1.00	6537000	Will reduce enforcement activities related to employers filing payroll taxes.	
2	Bus	006-02	Withholding CS2 (6630)	-	191,438	191,438	1	1.00	6630000	Will reduce enforcement activities related to employers filing payroll taxes.	
2	Bus	006-02	Withholding CS2 (6447)	134,753	56,685	191,438	1	1.00	6447000	Will reduce enforcement activities related to employers filing payroll taxes.	
2	Bus		0 Withholding OS1 (6384)	-	159,542	159,542	1	1.00	6427000	Will reduce the number of new and updated employer registrations processed, this leads to incorrect notices being sent including billings. Impacts other state agencies and other divisions with Revenue and creates more work overall.	
2	Bus	006-02	Withholding PA1 (6405)	-	222,638	222,638	1	1.00	6405000	Will reduce taxpayer support activities, increase call wait times and increase response time for taxpayer resolution.	
2	Bus		0 S&S / capital outlay (\$12,350 GF/\$6,650 OF per position)	111,150	59,850	171,000	0	-			0
2	Collections	RSS-CAP	Administrative Specialist 1	-	184,091	184,091	1	1.00	6636000	Reduction in response time to our partner private collection firms and monitoring of compliance efforts.	
2	Collections	RSS-CAP	Position S&S	-	10,655	10,655	0	-			0
2	Collections	RSS-OAA	Revenue Agent 1	-	145,000	145,000	1	1.00	6114000	Reduction in collections of client agency debt as well as a decrease in representatives to assist customers in explaining what they owe. Increased call wait times.	
2	Collections	RSS-OAA	Position S&S	-	24,550	24,550	0	-			0
2	Collections	RSS-OAA	Revenue Agent 1	-	145,000	145,000	1	1.00	6385000	Reduction in collections of client agency debt as well as a decrease in representatives to assist customers in explaining what they owe. Increased call wait times.	
2	Collections	RSS-OAA	Position S&S	-	24,550	24,550	0	-			0

Agency Priority	Division	Activity or Program	Reduction Description	GF	OF	TF	POS	FTE	Position Number	Impact of Reduction	Effective Date
2	Collections	RSS-OAA	Revenue Agent 1	-	145,000	145,000	1	1.00	6500000	Reduction in collections of client agency debt as well as a decrease in representatives to assist customers in explaining what they owe. Increased call wait times.	
2	Collections	RSS-OAA	Position S&S	-	24,550	24,550	0	-			0
2	Collections	RSS-OAA	Revenue Agent 1	-	149,414	149,414	1	1.00	6560000	Reduction in collections of client agency debt as well as a decrease in representatives to assist customers in explaining what they owe. Increased call wait times.	
2	Collections	RSS-OAA	Position S&S	-	24,550	24,550	0	-			0
2	Collections	TCS--Individual Collections	Revenue Agent 1	142,100	2,900	145,000	1	1.00	6271000	Decrease in direct collection activity and associated revenue reduction. Reduction in number of debtor accounts touched. Inability to keep up with our call volume for customers resulting in increased call wait times and reduced customer service. Other higher classifications may need to handle the workload from these positions.	
2	Collections	TCS--Individual Collections	Position S&S	24,059	491	24,550	0	-			0
2	Collections	TCS--Individual Collections	Revenue Agent 1	142,100	2,900	145,000	1	1.00	6358000	Decrease in direct collection activity and associated revenue reduction. Reduction in number of debtor accounts touched. Inability to keep up with our call volume for customers resulting in increased call wait times and reduced customer service. Other higher classifications may need to handle the workload from these positions.	
2	Collections	TCS--Individual Collections	Position S&S	24,059	491	24,550	0	-			0
2	Collections	TCS--Individual Collections	Revenue Agent 1	142,100	2,900	145,000	1	1.00	6052000	Decrease in direct collection activity and associated revenue reduction. Reduction in number of debtor accounts touched. Inability to keep up with our call volume for customers resulting in increased call wait times and reduced customer service. Other higher classifications may need to handle the workload from these positions.	
2	Collections	TCS--Individual Collections	Position S&S	24,059	491	24,550	0	-			0
2	Collections	TCS--Individual Collections	Revenue Agent 1	142,100	2,900	145,000	1	1.00	5632000	Decrease in direct collection activity and associated revenue reduction. Reduction in number of debtor accounts touched. Inability to keep up with our call volume for customers resulting in increased call wait times and reduced customer service. Other higher classifications may need to handle the workload from these positions.	
2	Collections	TCS--Individual Collections	Position S&S	24,059	491	24,550	0	-			0
2	Collections	TCS-Business collections	Revenue Agent 1	156,351	3,191	159,542	1	1.00	6364000	Decrease in direct collection activity and associated revenue reduction. Reduction in number of debtor accounts touched. Inability to keep up with our call volume for customers resulting in increased call wait times and reduced customer service. Other higher classifications may need to handle the workload from these positions.	
2	Collections	TCS-Business collections	Position S&S	24,059	491	24,550	0	-			0
2	Collections	TCS-Business collections	Revenue Agent 1	140,525	-	140,525	1	1.00	6570000	Decrease in direct collection activity and associated revenue reduction. Reduction in number of debtor accounts touched. Inability to keep up with our call volume for customers resulting in increased call wait times and reduced customer service. Other higher classifications may need to handle the workload from these positions.	
2	Collections	TCS-Business collections	Position S&S	24,550	-	24,550	0	-			0
2	Collections	RSS--FST	Revenue Agent 1	162,011	3,306	165,317	1	1.00	5659000	Increase of processing time of financials statements which would cause a delayed response to debtors that are experiencing a financial hardship.	
2	Collections	RSS--FST	Position S&S	24,059	491	24,550	0	-			0
2	Collections	TCS-Business collections	Revenue Agent 1	180,409	3,682	184,091	1	1.00	5658000	Decrease in direct collection activity and associated revenue reduction. Reduction in number of debtor accounts touched. Inability to keep up with our call volume for customers resulting in increased call wait times and reduced customer service. Other higher classifications may need to handle the workload from these positions.	
2	Collections	TCS-Business collections	Position S&S	24,059	491	24,550	0	-			0
2	Collections	TCS--Individual Collections	Revenue Agent 1	-	149,414	149,414	1	1.00	6030000	Decrease in direct collection activity and associated revenue reduction. Reduction in number of debtor accounts touched. Inability to keep up with our call volume for customers resulting in increased call wait times and reduced customer service. Other higher classifications may need to handle the workload from these positions.	
2	Collections	TCS--Individual Collections	Position S&S	-	24,550	24,550	0	-			0
2	Collections	TCS--Individual Collections	Revenue Agent 1	142,100	2,900	145,000	1	1.00	6117000	Decrease in direct collection activity and associated revenue reduction. Reduction in number of debtor accounts touched. Inability to keep up with our call volume for customers resulting in increased call wait times and reduced customer service. Other higher classifications may need to handle the workload from these positions.	

Agency Priority	Division	Activity or Program	Reduction Description	GF	OF	TF	POS	FTE	Position Number	Impact of Reduction	Effective Date
2	Collections	TCS--Individual Collections	Position S&S	24,059	491	24,550	0	-			0
2	Collections	TCS--Individual Collections	Revenue Agent 1	142,100	2,900	145,000	1	1.00	6134000	Decrease in direct collection activity and associated revenue reduction. Reduction in number of debtor accounts touched. Inability to keep up with our call volume for customers resulting in increased call wait times and reduced customer service. Other higher classifications may need to handle the workload from these positions.	
2	Collections	TCS--Individual Collections	Position S&S	24,059	491	24,550	0	-			0
2	CAT	15000-008-01	CAT TA2 (8035)	-	214,173	214,173	1	1.00	8035000	Will reduce number of CAT businesses who are audited, directly reducing OF revenues to be transferred to the Fund for Student Success	
2	CAT	15000-008-01	CAT TA2 (8038)	-	214,173	214,173	1	1.00	8038000	Will reduce number of CAT businesses who are audited, directly reducing OF revenues to be transferred to the Fund for Student Success	
2	CAT	15000-008-01	CAT TA2 (8037)	-	214,173	214,173	1	1.00	8037000	Will reduce number of CAT businesses who are audited, directly reducing OF revenues to be transferred to the Fund for Student Success	
2	CAT	15000-008-01	CAT RA2 (8112)	-	154,281	154,281	1	1.00	8112000	Will reduce the department's ability to collect past due taxes from CAT taxpayers including performing liable entity determinations to ensure the debt is assigned to the appropriate person	
2	CAT	15000-008-01	CAT PC OS2 (8128) This pos. is in POP 107 move to IT 009-04	-	51,337	51,337	1	0.38	8128000	Will increase the time to complete processing center duties related to the CAT program such as processing tax returns accurately and efficiently.	
2	CAT	15000-008-01	CAT PC DEO (8130) This pos. is in POP 107 move to IT 009-04	-	32,561	32,561	1	0.25	8130000	Will increase the time to complete processing center data entry duties related to the CAT program payments and returns.	
2	CAT		0 S&S / capital outlay (\$19,000 OF per position)	-	114,000	114,000	0	-			0
2	MJ	014-01	TA2 (5691)	-	283,285	283,285	1	1.00	5691000	Will reduce number of Marijuana audits, directly reducing OF revenues that are shared with other state agencies and local governments.	
3	PTD	SAO	4341-OPA3-ORMAP	301,707	6,157	307,864	1	1.00	4341000	Eliminates position responsible for administration of the Oregon Map Project (ORMAP) and is also the division rules coordinator. Redistributes work to remaining OPA3/4.	
3	PTD	SAO	4110-AA3-gen programs	201,949	4,121	206,070	1	1.00	4110000	Reduction of appraiser on training team for DOR and county appraisers. This position designs online training classes for state and county appraisers. Adequately trained appraisers are crucial for accurate values for taxation. Indirect revenue impact.	
3	PTD	SAO	4133-AA3-CMART	209,890	4,283	214,173	1	1.00	4133000	Reduce level of support and review of county operations, CAFFA grant administration, Ratio Review, and assistance to counties. Indirect revenue impact.	
3	PTD		0 S&S reduction	42,000	-	42,000	0	-			0
3	PTAC	PIT	TA2 5361 - WVF2	255,990	5,224	261,214	1	1.00	5361000	Less complex audits for personal income tax returns completed.	
3	PTAC	PIT	PSR3 2387 - TSU3	167,965	3,428	171,393	1	1.00	2387000	Increased call wait times and decreased customer service to taxpayers.	
3	PTAC	PIT	PSR3 5696 - Seasonal	78,175	1,595	79,770	1	0.50	5696000	Increased call wait times and decreased customer service to taxpayers during processing season.	
3	PTAC	PIT	PSR3 5698 - Seasonal	67,079	1,369	68,448	1	0.50	5698000	Increased call wait times and decreased customer service to taxpayers during processing season.	
3	PTAC	PIT	PSR3 5699 - Seasonal	67,079	1,369	68,448	1	0.50	5699000	Increased call wait times and decreased customer service to taxpayers during processing season.	
3	PTAC	PIT	PSR3 5700 - Seasonal	67,079	1,369	68,448	1	0.50	5700000	Increased call wait times and decreased customer service to taxpayers during processing season.	
3	PTAC	PIT	PSR3 5706 - Seasonal	68,448	-	68,448	1	0.50	5706000	Increased call wait times and decreased customer service to taxpayers during processing season.	
3	PTAC	PIT	PSR3 5707 - Seasonal	68,448	-	68,448	1	0.50	5707000	Increased call wait times and decreased customer service to taxpayers during processing season.	
3	PTAC	PIT	PSR3 5708 - Seasonal	68,448	-	68,448	1	0.50	5708000	Increased call wait times and decreased customer service to taxpayers during processing season.	
3	PTAC	PIT	PSR3 5709 - Seasonal	68,448	-	68,448	1	0.50	5709000	Increased call wait times and decreased customer service to taxpayers during processing season.	
3	PTAC	PIT	OS2 5703 - Seasonal	55,899	1,141	57,040	1	0.42	5703000	Delayed handling of paper correspondence during processing season, increasing time to refund.	
3	PTAC	PIT	OS2 5704 - Seasonal	55,899	1,141	57,040	1	0.42	5704000	Delayed handling of paper correspondence during processing season, increasing time to refund.	
3	PTAC	PIT	OS2 5705 - Seasonal	55,899	1,141	57,040	1	0.42	5705000	Delayed handling of paper correspondence during processing season, increasing time to refund.	
3	PTAC	PIT	AS1 5357 - Refund Protection	180,409	3,682	184,091	1	1.00	5357000	Increased processing time for personal income tax return and increase in time to receive refund.	
3	PTAC	PIT	AS1 5267 - ADP	180,409	3,682	184,091	1	1.00	5267000	Increased processing time for personal income tax returns. Decrease in compliance work (RAR and CP2000).	
3	PTAC	PIT	AS1 5464 - ADP	180,409	3,682	184,091	1	1.00	5464000	Increased processing time for personal income tax returns. Decrease in compliance work (RAR and CP2000).	



Agency Priority	Division	Activity or Program	Reduction Description	GF	OF	TF	POS	FTE	Position Number	Impact of Reduction	Effective Date
3	PTAC	PIT	AS1 5429 - ADP	180,409	3,682	184,091	1	1.00	5429000	Increased processing time for personal income tax returns. Decrease in compliance work (RAR and CP2000).	
3	PTAC	PIT	AS1 5025 - ADP	173,861	3,548	177,409	1	1.00	5025000	Increased processing time for personal income tax returns. Decrease in compliance work (RAR and CP2000).	
3	PTAC	PIT	AS1 3583 - ADP	180,409	3,682	184,091	1	1.00	3583000	Increased processing time for personal income tax returns. Decrease in compliance work (RAR and CP2000).	
3	PTAC	PIT	AS1 5400 - ADP	180,409	3,682	184,091	1	1.00	5400000	Increased processing time for personal income tax returns. Decrease in compliance work (RAR and CP2000).	
3	PTAC	PIT	AS1 5028 - ADP	180,409	3,682	184,091	1	1.00	5028000	Increased processing time for personal income tax returns. Decrease in compliance work (RAR and CP2000).	
3	PTAC	PIT	AS1 5019 - ADP	180,409	3,682	184,091	1	1.00	5019000	Increased processing time for personal income tax returns. Decrease in compliance work (RAR and CP2000).	
3	PTAC	PIT	Supervisor 1 5489 - ADP	244,228	4,984	249,212	1	1.00	5489000	Reduction in supervision for return processing and employees	
3	PTAC	PIT	S&S for 12 permanent full time positions	240,497	4,461	244,959	0	-			0
3	Bus	006-07	Corp TA2 (5306)	203,464	10,709	214,173	1	1.00	5306000	Will reduce number of large multi-state corporations who are audited, directly reducing GF revenues	
3	Bus		0 Withholding OS1 (6011)	159,542	-	159,542	1	1.00	6011000	Will reduce the number of new and updated employer registrations processed, this leads to incorrect notices being sent including billings. Impacts other state agencies and other divisions with Revenue and creates more work overall.	
3	Bus	006-07	Corp TA2 (6566)	214,173	-	214,173	1	1.00	6566000	Will reduce number of large multi-state corporations who are audited, directly reducing GF revenues	
3	Bus	006-07	Corp TA1 (5035)	203,464	10,709	214,173	1	1.00	5035000	Reduced audits and related compliance activities	
3	Bus	006-02	Withholding CS2 (6411)	146,569	52,034	198,603	1	1.00	6411000	Will reduce enforcement activities related to employers filing payroll taxes.	
3	Bus	006-02	Withholding AS1 (5265)	156,351	3,191	159,542	1	1.00	5265000	Will reduce taxpayer support activities, increase call wait times and increase response time for taxpayer resolution.	
3	Bus	006-08	Withholding TA2 (6510)	-	283,285	283,285	1	1.00	6510000	Will reduce number of tobacco audits, directly reducing OF revenues	
3	Bus	006-02	Withholding PSR4 (6615)	-	198,603	198,603	1	1.00	6615000	Will reduce taxpayer support activities, increase call wait times and increase response time for taxpayer resolution.	
3	Bus		0 S&S / capital outlay (\$12,350 GF/\$6,650 OF per position)	111,150	59,850	171,000	0	-			-
3	Collections	TCS--Individual Collections	Supervisor 1	225,030	4,592	229,622	1	1.00	5474000	Increased manager-to-staff ratios with diminished collection productivity and reduced capacity for management of program operational responsibilities	
3	Collections	TCS--Individual Collections	Position S&S	11,765	240	12,005	0	-			0
3	Collections	RSS-OAA	Revenue Agent 1	-	177,409	177,409	1	1.00	6228000	Reduction in collections of client agency debt as well as a decrease in representatives to assist customers in explaining what they owe. Increased call wait times.	
3	Collections	RSS-OAA	Position S&S	-	24,550	24,550	0	-			0
3	Collections	RSS-OAA	Revenue Agent 1	-	165,317	165,317	1	1.00	6240000	Reduction in collections of client agency debt as well as a decrease in representatives to assist customers in explaining what they owe. Increased call wait times.	
3	Collections	RSS-OAA	Position S&S	-	24,550	24,550	0	-			0
3	Collections	RSS-OAA	Revenue Agent 1	-	154,281	154,281	1	1.00	6386000	Reduction in collections of client agency debt as well as a decrease in representatives to assist customers in explaining what they owe. Increased call wait times.	
3	Collections	RSS-OAA	Position S&S	-	24,550	24,550	0	-			0
3	Collections	RSS-OAA	Revenue Agent 1	-	154,281	154,281	1	1.00	6031000	Reduction in collections of client agency debt as well as a decrease in representatives to assist customers in explaining what they owe. Increased call wait times.	
3	Collections	RSS-OAA	Position S&S	-	24,550	24,550	0	-			0
3	Collections	TCS-Business collections	Revenue Agent 1	165,317	-	165,317	1	1.00	6571000	Decrease in direct collection activity and associated revenue reduction. Reduction in number of debtor accounts touched. Inability to keep up with our call volume for customers resulting in increased call wait times and reduced customer service. Other higher classifications may need to handle the workload from these positions.	
3	Collections	TCS-Business collections	Position S&S	24,550	-	24,550	0	-			0
3	Collections	TCS--Individual Collections	Revenue Agent 1	137,715	2,811	140,525	1	1.00	5494000	Decrease in direct collection activity and associated revenue reduction. Reduction in number of debtor accounts touched. Inability to keep up with our call volume for customers resulting in increased call wait times and reduced customer service. Other higher classifications may need to handle the workload from these positions.	
3	Collections	TCS--Individual Collections	Position S&S	24,059	491	24,550	0	-			0

Agency Priority	Division	Activity or Program	Reduction Description	GF	OF	TF	POS	FTE	Position Number	Impact of Reduction	Effective Date
3	Collections	TCS--Individual Collections	Revenue Agent 1	156,351	3,191	159,542	1	1.00	6113000	Decrease in direct collection activity and associated revenue reduction. Reduction in number of debtor accounts touched. Inability to keep up with our call volume for customers resulting in increased call wait times and reduced customer service. Other higher classifications may need to handle the workload from these positions.	
3	Collections	TCS--Individual Collections	Position S&S	24,059	491	24,550	0	-			0
3	Collections	TCS--Individual Collections	Revenue Agent 1	162,011	3,306	165,317	1	1.00	6444000	Decrease in direct collection activity and associated revenue reduction. Reduction in number of debtor accounts touched. Inability to keep up with our call volume for customers resulting in increased call wait times and reduced customer service. Other higher classifications may need to handle the workload from these positions.	
3	Collections	TCS--Individual Collections	Position S&S	24,059	491	24,550	0	-			0
3	Collections	TCS--Individual Collections	Revenue Agent 1	142,100	2,900	145,000	1	1.00	6363000	Decrease in direct collection activity and associated revenue reduction. Reduction in number of debtor accounts touched. Inability to keep up with our call volume for customers resulting in increased call wait times and reduced customer service. Other higher classifications may need to handle the workload from these positions.	
3	Collections	TCS--Individual Collections	Position S&S	24,059	491	24,550	0	-			0
3	Collections	TCS--Individual Collections	Revenue Agent 1	142,100	2,900	145,000	1	1.00	6132000	Decrease in direct collection activity and associated revenue reduction. Reduction in number of debtor accounts touched. Inability to keep up with our call volume for customers resulting in increased call wait times and reduced customer service. Other higher classifications may need to handle the workload from these positions.	
3	Collections	TCS--Individual Collections	Position S&S	24,059	491	24,550	0	-			0
3	Collections	TCS--Individual Collections	Revenue Agent 1	180,409	3,682	184,091	1	1.00	5657000	Decrease in direct collection activity and associated revenue reduction. Reduction in number of debtor accounts touched. Inability to keep up with our call volume for customers resulting in increased call wait times and reduced customer service. Other higher classifications may need to handle the workload from these positions.	
3	Collections	TCS--Individual Collections	Position S&S	24,059	491	24,550	0	-			0
3	Collections	TCS--Individual Collections	Revenue Agent 1	137,715	2,811	140,525	1	1.00	5450000	Decrease in direct collection activity and associated revenue reduction. Reduction in number of debtor accounts touched. Inability to keep up with our call volume for customers resulting in increased call wait times and reduced customer service. Other higher classifications may need to handle the workload from these positions.	
3	Collections	TCS--Individual Collections	Position S&S	24,059	491	24,550	0	-			0
3	Collections	TCS--Individual Collections	Revenue Agent 1	137,715	2,811	140,525	1	1.00	5485000	Decrease in direct collection activity and associated revenue reduction. Reduction in number of debtor accounts touched. Inability to keep up with our call volume for customers resulting in increased call wait times and reduced customer service. Other higher classifications may need to handle the workload from these positions.	
3	Collections	TCS--Individual Collections	Position S&S	24,059	491	24,550	0	-			0
3	CAT	15000-008-01	CAT OPA2 (8049)	-	222,638	222,638	1	1.00	8049000	Will decrease the amount of policy and system work related to the CAT program that is essential to ensure taxpayers have what they need to voluntarily comply with the tax.	
3	CAT	15000-008-01	CAT TA2 (8040)	-	214,173	214,173	1	1.00	8040000	Will reduce number of CAT businesses who are audited, directly reducing OF revenues to be transferred to the Fund for Student Success	
3	CAT	15000-008-01	CAT AS2 (8072)	-	159,542	159,542	1	1.00	8072000	Will reduce taxpayer support activities, increase call wait times and increase return processing time and response time for taxpayer resolution.	
3	CAT	15000-008-01	CAT RA2 (8111)	-	198,603	198,603	1	1.00	8111000	Will reduce the department's ability to collect past due taxes from CAT taxpayers including performing liable entity determinations to ensure the debt is assigned to the appropriate person	
3	CAT	15000-008-01	CAT PC DEO (8129) This pos. is in POP 107 move to IT 009-04	-	32,561	32,561	1	0.25	8129000	Will increase the time to complete processing center data entry duties related to the CAT program payments and returns.	
3	CAT		0 S&S / capital outlay (\$19,000 OF per position)	-	95,000	95,000	0	-			0
3	MJ		0 S&S / capital outlay (\$50,000 per position)	-	50,000	50,000	0	-			0
3	MJ	014-01	AS1 (3629)	-	145,000	145,000	1	1.00	3629000	Elimination of the positions will increase wait times for taxpayers and jeopardize best practices for cash handling.	
3	MJ		0 S&S / capital outlay (\$50,000 per position)	-	50,000	50,000	0	-			0
4	PTD	SAO	4147-AS1	142,100	2,900	145,000	1	1.00	4147000	Eliminates support resource for central assessment team. Shifts duties to appraisers to complete. Indirect revenue impact.	
4	PTD	SAO	4032-PA1-Bopta	227,044	4,634	231,678	1	1.00	4032000	Eliminates position that provides training to Board of Property Tax Appeals members. Work will be reassigned to others with an impact to the quality of services provided.	

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4	PTD	Valuation	4223 - VAL-Appraiser Analyst 2	120,155	78,448	198,603	1	1.00	4223000	Reduction of appraisal resource to conduct annual appraisals. Direct revenue impact. This positions appraises, and processes property tax returns. Reduction of this position will result in delays in processing tax returns and decreased revenues.	
4	PTD	Valuation	4198 -VAL- Appraiser Analyst 3	171,387	111,898	283,285	1	1.00	4198000	Reduction of appraisal resource to conduct annual appraisals. Direct revenue impact. This positions appraises, and processes property tax returns. Reduction of this position will result in delays in processing tax returns and decreased revenues.	
4	PTD	Valuation	4243 - VAL-Appraiser Analyst 4	145,908	95,263	241,171	1	1.00	4243000	Reduction of appraisal resource to conduct annual appraisals. Direct revenue impact. This positions appraises, and processes property tax returns. Reduction of this position will result in delays in processing tax returns and decreased revenues. Also, this will significantly impact our ability to defend our values in tax court.	
4	PTD	Valuation	4246 -VAL- Appraiser Analyst 3	129,575	84,598	214,173	1	1.00	4246000	Reduction of appraisal resource to conduct annual appraisals. Direct revenue impact. This positions appraises, and processes property tax returns. Reduction of this position will result in delays in processing tax returns and decreased revenues.	
4	PTD		0 S&S reduction	5,000	-	5,000	0	-			
4	PTAC	PIT	TA1 5092 - WVF1	201,949	4,121	206,070	1	1.00	5092000	Less audits of personal income tax returns completed.	
4	PTAC	PIT	TA1 5083 - WVF1	236,348	4,823	241,171	1	1.00	5083000	Less audits of personal income tax returns completed.	
4	PTAC	PIT	TA1 5571 - WVF1	245,768	5,016	250,784	1	1.00	5571000	Less audits of personal income tax returns completed.	
4	PTAC	PIT	TA1 5388 - WVF1	180,409	3,682	184,091	1	1.00	5388000	Less audits of personal income tax returns completed.	
4	PTAC	PIT	TA1 5102 - WVF1	187,609	3,829	191,438	1	1.00	5102000	Less audits of personal income tax returns completed.	
4	PTAC	PIT	TA1 5070 - WVF1	180,409	3,682	184,091	1	1.00	5070000	Less audits of personal income tax returns completed.	
4	PTAC	PIT	TA1 5081 - WVF1	187,609	3,829	191,438	1	1.00	5081000	Less audits of personal income tax returns completed.	
4	PTAC	PIT	TA1 5396 - WVF1	245,768	5,016	250,784	1	1.00	5396000	Less audits of personal income tax returns completed.	
4	PTAC	PIT	TA1 5370 - WVF1	187,609	3,829	191,438	1	1.00	5370000	Less audits of personal income tax returns completed.	
4	PTAC	PIT	TA1 5141 - WVF1	245,768	5,016	250,784	1	1.00	5141000	Less audits of personal income tax returns completed.	
4	PTAC	PIT	TA1 5623 - WVF1	250,784	-	250,784	1	1.00	5623000	Less audits of personal income tax returns completed.	
4	PTAC	PIT	TA1 5641 - WVF1	245,768	5,016	250,784	1	1.00	5641000	Less audits of personal income tax returns completed.	
4	PTAC	PIT	Supervisor 2 5165 - WVF1	254,420	5,192	259,612	1	1.00	5165000	Reduction in supervision for audit processes and employees.	
4	PTAC	PIT	S&S for 13 positions	228,017	4,244	232,262	0	-			0
4	Bus	006-07	Corp OS1 (5206)	130,053	6,845	136,898	1	1.00	5206000	Reduced administrative and customer support	
4	Bus	006-07	Corp TA2 (6581)	214,173	-	214,173	1	1.00	6581000	Will reduce number of large multi-state corporations who are audited, directly reducing GF revenues	
4	Bus	006-02	Withholding CS2 (6536)	168,025	82,759	250,784	1	1.00	6536000	Will reduce enforcement activities related to employers filing payroll taxes.	
4	Bus	006-07	Corp Manager 1 (5154)	236,751	12,461	249,212	1	1.00	5154000	Will reduce program support activities as well as maintain appropriate staff to manager ratio.	
4	Bus	006-02	Withholding Supervisor 1 (6540)	136,628	67,295	203,923	1	1.00		Will reduce program support activities as well as maintain appropriate staff to manager ratio.	
4	Bus	006-07	Corp TA2 (6575)	214,173	-	214,173	1	1.00	6575000	Will reduce number of large multi-state corporations who are audited, directly reducing GF revenues	
4	Bus	006-02	Withholding TA1 (6654)	-	191,438	191,438	1	1.00	6654000	Reduced audits and related compliance activities	
4	Bus	006-02	Withholding CS1 (6512)	-	177,409	177,409	1	1.00	6512000	Will reduce number of tobacco inspections, directly reducing OF revenues	
4	Bus		0 Withholding PSR4 (6058)	-	191,438	191,438	1	1.00	6058000	Will increase call wait times for Oregon employers and lead to slower processing times for account updates which leads to incorrect notices, including billings, being sent to taxpayers. Impacts other state agencies and other divisions in the department and creates more work overall.	
4	Bus		0 S&S / capital outlay (\$12,350 GF/\$6,650 OF per position)	98,800	53,200	152,000	0	-			0
4	Collections	TCS-Business collections	Revenue Agent 1	162,011	3,306	165,317	1	1.00	6129000	Decrease in direct collection activity and associated revenue reduction. Reduction in number of debtor accounts touched. Inability to keep up with our call volume for customers resulting in increased call wait times and reduced customer service. Other higher classifications may need to handle the workload from these positions.	
4	Collections	TCS--Individual Collections	Position S&S	24,059	491	24,550	0	-			0
4	Collections	RSS-OAA	Revenue Agent 1	-	140,525	140,525	1	1.00	6483000	Reduction in collections of client agency debt as well as a decrease in representatives to assist customers in explaining what they owe. Increased call wait times.	
4	Collections	RSS-OAA	Position S&S	-	24,550	24,550	0	-			0
4	Collections	RSS-OAA	Revenue Agent 1	-	184,091	184,091	1	1.00	6486000	Reduction in collections of client agency debt as well as a decrease in representatives to assist customers in explaining what they owe. Increased call wait times.	
4	Collections	RSS-OAA	Position S&S	-	24,550	24,550	0	-			0

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4	Collections	TCS--Individual Collections	Revenue Agent 1	156,351	3,191	159,542	1	1.00	5486000	Decrease in direct collection activity and associated revenue reduction. Reduction in number of debtor accounts touched. Inability to keep up with our call volume for customers resulting in increased call wait times and reduced customer service. Other higher classifications may need to handle the workload from these positions.	
4	Collections	TCS--Individual Collections	Position S&S	24,059	491	24,550	0	-			0
4	Collections	TCS--Individual Collections	Revenue Agent 1	137,715	2,811	140,525	1	1.00	5479000	Decrease in direct collection activity and associated revenue reduction. Reduction in number of debtor accounts touched. Inability to keep up with our call volume for customers resulting in increased call wait times and reduced customer service. Other higher classifications may need to handle the workload from these positions.	
4	Collections	TCS--Individual Collections	Position S&S	24,059	491	24,550	0	-			0
4	Collections	Recovery Services	Supervisor 2	-	293,896	293,896	1	1.00	6530000	Increased manager-to-staff ratios with diminished collection productivity and reduced capacity for management of program operational responsibilities.	
4	Collections	Recovery Services	Position S&S	-	12,005	12,005	0	-			0
4	Collections	RSS-OAA	Revenue Agent 1	-	145,000	145,000	1	1.00	6482000	Reduction in collections of client agency debt as well as a decrease in representatives to assist customers in explaining what they owe. Increased call wait times.	
4	Collections	RSS-OAA	Position S&S	-	24,550	24,550	0	-			0
4	Collections	RSS-OAA	Revenue Agent 1	-	177,409	177,409	1	1.00	6502000	Reduction in collections of client agency debt as well as a decrease in representatives to assist customers in explaining what they owe. Increased call wait times.	
4	Collections	RSS-OAA	Position S&S	-	24,550	24,550	0	-			0
4	Collections	RSS-OAA	Revenue Agent 1	-	171,393	171,393	1	1.00	6485000	Reduction in collections of client agency debt as well as a decrease in representatives to assist customers in explaining what they owe. Increased call wait times.	
4	Collections	RSS-OAA	Position S&S	-	24,550	24,550	0	-			0
4	Collections	RSS-Support	Office Specialist 1	134,160	2,738	136,898	1	1.00	5296000	Increase of processing client agency debt in suspense which results in delayed collections.	
4	Collections	RSS-Support	Position S&S	24,059	491	24,550	0	-			0
4	Collections	RSS-Support	Office Specialist 1	134,160	2,738	136,898	1	1.00	5381000	Delay in capacity to conduct support related work including sorting, scanning, and documenting mail Higher level positions will be needed to assist to keep up with timeliness.	
4	Collections	RSS-Support	Position S&S	24,059	491	24,550	0	-			0
4	Collections	RSS-Support	Office Specialist 1	156,351	3,191	159,542	1	1.00	6013000	Delay in capacity to conduct support related work including sorting, scanning, and documenting mail Higher level positions will be needed to assist to keep up with timeliness.	
4	Collections	RSS-Support	Position S&S	24,059	491	24,550	0	-			0
4	Collections	TCS--Individual Collections	Revenue Agent 2	162,011	3,306	165,317	1	1.00	5596000	Decrease in direct collection activity and associated revenue reduction. Reduction in number of debtor accounts touched, advanced collection actions taken and field visits to identify assets and collect in person. Increased call wait times. Other higher classifications may have to perform this work.	
4	Collections	TCS--Individual Collections	Position S&S	24,059	491	24,550	0	-			0
4	Collections	TCS--Individual Collections	Revenue Agent 2	194,631	3,972	198,603	1	1.00	5584000	Decrease in direct collection activity and associated revenue reduction. Reduction in number of debtor accounts touched, advanced collection actions taken and field visits to identify assets and collect in person. Increased call wait times. Other higher classifications may have to perform this work.	
4	Collections	TCS--Individual Collections	Position S&S	24,059	491	24,550	0	-			0
4	Collections	TCS--Individual Collections	Revenue Agent 2	187,609	3,829	191,438	1	1.00	5583000	Decrease in direct collection activity and associated revenue reduction. Reduction in number of debtor accounts touched, advanced collection actions taken and field visits to identify assets and collect in person. Increased call wait times. Other higher classifications may have to perform this work.	
4	Collections	TCS--Individual Collections	Position S&S	24,059	491	24,550	0	-			0
4	Collections	TCS--Advanced Collections	Revenue Agent 3	162,011	3,306	165,317	1	1.00	6349000	This position is part of a PFP that would reorganize the division to balance the new division's workload. If these positions are given up, the PFP would be pulled. We would not be able to create four Revenue Agent 2 positions to assist our customers who have both tax and non-tax debt. We would not create new OPA positions so we would not have the skills and knowledge in the rest of the division to support the ability to do real-time, complex, or statistical data analysis, research of collections law or provide timely information to management on which to base program policy and operational decisions that affect the entire division. We would not be able to handle court cases timely that could result in loss to the state due to missed deadlines and default judgments.	
4	Collections	TCS--Advanced Collections	Position S&S	24,059	491	24,550	0	-			0

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4	Collections	TCS--Advanced Collections	Supervisor 2	288,018	5,878	293,896	1	1.00	5157000	Increased manager-to-staff ratios with diminished collection productivity and reduced capacity for management of program operational responsibilities.	
4	Collections	Recovery Services	Position S&S	22,544	460	23,004	0	-			0
4	Collections	TCS--Advanced Collections	Revenue Agent 3	209,890	4,283	214,173	1	1.00	5576000	Decrease in direct collection activity and associated revenue reduction. Reduction in number of debtor accounts touched, advanced collection actions taken and field visits to identify assets and collect in person.	
4	Collections	TCS--Advanced Collections	Position S&S	24,059	491	24,550	0	-			0
4	CAT	15000-008-01	CAT TA2 (8039)	-	214,173	214,173	1	1.00	8039000	Will reduce number of CAT businesses who are audited, directly reducing OF revenues to be transferred to the Fund for Student Success	
4	CAT	15000-008-01	CAT TA2 (8034)	-	214,173	214,173	1	1.00	8034000	Will reduce number of CAT businesses who are audited, directly reducing OF revenues to be transferred to the Fund for Student Success	
4	CAT	15000-008-01	CAT TA2 (8033)	-	214,173	214,173	1	1.00	8033000	Will reduce number of CAT businesses who are audited, directly reducing OF revenues to be transferred to the Fund for Student Success	
4	CAT	15000-008-01	CAT ISS4 (8137)	-	238,117	238,117	1	1.00	8137000	Will reduce the amount of computer support for agency employees.	
4	CAT		0 S&S / capital outlay (\$19,000 OF per position)	-	76,000	76,000	0	-			0
4	MJ	014-01	TA2 (5692)	-	206,070	206,070	1	1.00	5692000	Will reduce number of Marijuana audits, directly reducing OF revenues that are shared with other state agencies and local governments.	
4	MJ		0 S&S / capital outlay (\$50,000 per position)	-	50,000	50,000	0	-			0
5	PTD	Val	4051 - Appraiser/Analyst 3 - Central Assessment	171,387	111,898	283,285	1	1.00	4051000	Contributes to the elimination of the Centrally Assessed appraisal program within the Valuation Section and has direct revenue impact. This is an Appraiser/Analyst 3 position for a skilled, professional level appraiser with specialized training in unitary valuation for high value, complex, centrally-assessed utility properties as defined by ORS 308.505.	
5	PTD	Val	4135 - Appraiser/Analyst 3 - Central Assessment	171,387	111,898	283,285	1	1.00	4135000	Contributes to the elimination of the Centrally Assessed appraisal program within the Valuation Section and has direct revenue impact. This is an Appraiser/Analyst 3 position for a skilled, professional level appraiser with specialized training in unitary valuation for high value, complex, centrally-assessed utility properties as defined by ORS 308.505.	
5	PTD	Val	4137 - Appraiser/Analyst 3 - Central Assessment	171,387	111,898	283,285	1	1.00	4137000	Contributes to the elimination of the Centrally Assessed appraisal program within the Valuation Section and has direct revenue impact. This is an Appraiser/Analyst 3 position for a skilled, professional level appraiser with specialized training in unitary valuation for high value, complex, centrally-assessed utility properties as defined by ORS 308.505.	
5	PTD	Val	4130 - Appraiser/Analyst 3 - Central Assessment	164,455	107,372	271,827	1	1.00	4130000	Contributes to the elimination of the Centrally Assessed appraisal program within the Valuation Section and has direct revenue impact. This is an Appraiser/Analyst 3 position for a skilled, professional level appraiser with specialized training in unitary valuation for high value, complex, centrally-assessed utility properties as defined by ORS 308.505.	
5	PTD	Val	4337 - Appraiser/Analyst 3 - Central Assessment	151,724	99,060	250,784	1	1.00	4337000	Contributes to the elimination of the Centrally Assessed appraisal program within the Valuation Section and has direct revenue impact. This is an Appraiser/Analyst 3 position for a skilled, professional level appraiser with specialized training in unitary valuation for high value, complex, centrally-assessed utility properties as defined by ORS 308.505.	
5	PTD	Val	4080 - Appraiser/Analyst 3 - Central Assessment	151,724	99,060	250,784	1	1.00	4080000	Contributes to the elimination of the Centrally Assessed appraisal program within the Valuation Section and has direct revenue impact. This is an Appraiser/Analyst 3 position for a skilled, professional level appraiser with specialized training in unitary valuation for high value, complex, centrally-assessed utility properties as defined by ORS 308.505.	
5	PTD	Val	4129 - Appraiser/Analyst 4 - Central Assessment	193,994	126,658	320,652	1	1.00	4129000	Contributes to the elimination of the Centrally Assessed appraisal program within the Valuation Section. This reduction eliminates one of two Team Leaders on the CA team. Team leaders typically have the most experience, knowledge, and skills within the appraiser/analyst classification. Direct Revenue Impact.	
5	PTD	Val	4204 - Appraiser/Analyst 4 - Central Assessment	193,994	126,658	320,652	1	1.00	4204000	Contributes to the elimination of the Centrally Assessed appraisal program within the Valuation Section. This reduction eliminates one of two Team Leaders on the CA team. Team leaders typically have the most experience, knowledge, and skills within the appraiser/analyst classification. Direct Revenue Impact.	
5	PTD		0 S&S reduction	103,500	-	103,500	0	-			0
5	PTAC	PIT	AS1 5531 - ADP1 (currently double filled)	140,650	4,350	145,000	1	1.00	5531000	Increased processing time for personal income tax returns. Decrease in compliance work (RAR and CP2000).	
5	PTAC	PIT	OPA3 5720 - Policy	115,838	-	115,838	1	0.50	5720000	Decreased project management assistance for the division	
5	PTAC	PIT	RA1 5407 - Medford	173,861	3,548	177,409	1	1.00	5407000	This position is in a PFP to create AS2 positions. Loss of AS2 position will be reduced compliance work and increase in processing time for returns.	
5	PTAC	PIT	RA1 6345 - Bend	142,100	2,900	145,000	1	1.00	6345000	This position is in a PFP to create AS2 positions. Loss of AS2 position will be reduced compliance work and increase in processing time for returns.	

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5	PTAC	PIT		TA2 5523 - Conference	255,990	5,224	261,214	1	1.00	5523000	Increased wait time for conference (appeal) completion	
5	PTAC	PIT		TA1 5374 - WVF2	236,348	4,823	241,171	1	1.00	5374000	Less audits of personal income tax returns completed.	
5	PTAC	PIT		TA1 5093 - WVF2	236,348	4,823	241,171	1	1.00	5093000	Less audits of personal income tax returns completed.	
5	PTAC	PIT		TA1 5085 - Portland	245,768	5,016	250,784	1	1.00	5085000	Less audits of personal income tax returns completed.	
5	PTAC	PIT		TA1 5540 - Portland	184,091	-	184,091	1	1.00	5540000	Less audits of personal income tax returns completed.	
5	PTAC	PIT		TA1 5642 - Bend	187,609	3,829	191,438	1	1.00	5642000	Less audits of personal income tax returns completed.	
5	PTAC	PIT		TA1 5086 - Bend	201,949	4,121	206,070	1	1.00	5086000	Less audits of personal income tax returns completed.	
5	PTAC	PIT		TA1 5289 - Gresham	180,409	3,682	184,091	1	1.00	5289000	Less audits of personal income tax returns completed.	
5	Bus	006-02		Withholding OPA2 (6667)	231,678	-	231,678	1	1.00	6667000	These first two positions were provided to support the psilocybin tax program, removing these will end our ability to support the psilocybin tax program.	
5	Bus	006-02		Withholding AS2 (6666)	159,542	-	159,542	1	1.00	6666000	These first two positions were provided to support the psilocybin tax program, removing these will end our ability to support the psilocybin tax program and the revenue that would support program operations at OHA.	
5	Bus	006-06		SPA OPA2 (6618)	-	206,070	206,070	1	1.00	6618000	Positions 6615, 6616, 6617, and 6618 were provided to implement and support the bicycle excise tax, vehicle use tax, and vehicle privilege tax. Removing all four positions will end our ability to support these transportation programs and their funding that provides needed resources to transportation in the state.	
5	Bus	006-06		SPA PA1 (6616)	-	214,173	214,173	1	1.00	6616000	Positions 6615, 6616, 6617, and 6618 were provided to implement and support the bicycle excise tax, vehicle use tax, and vehicle privilege tax. Removing all four positions will end our ability to support these transportation programs and their funding that provides needed resources to transportation in the state.	
5	Bus	006-07		Corp TA1 (6574)	191,438	-	191,438	1	1.00	6574000	Reduced audits and related compliance activities, removing a second TA1 in the Corp Section will severely limit our ability to support local transit self-employment programs.	
5	Bus	006-07		Corp AS1 (6573)	184,091	-	184,091	1	1.00	6573000	Reduced taxpayer support in corporation and estate programs, longer return processing, and reduced compliance activities.	
5	Collections	Admin		Other Services & Supplies	500,000	952,391	1,452,391	0	-			0
5	Collections	Admin		Agency Program Related S&S	500,000	-	500,000	0	-			0
5	Collections	TCS-Individual Collections		Revenue Agent 1	162,011	3,306	165,317	1	1.00	5438000	Decrease in direct collection activity and associated revenue reduction. Reduction in number of debtor accounts touched. Inability to keep up with our call volume for customers resulting in increased call wait times and reduced customer service. Other higher classifications may need to handle the workload from these positions.	
5	Collections	TCS-Individual Collections		Position S&S	12,961	265	13,225	0	-			0
5	Collections	TCS-Individual Collections		Revenue Agent 1	142,100	2,900	145,000	1	1.00	5471000	Decrease in direct collection activity and associated revenue reduction. Reduction in number of debtor accounts touched. Inability to keep up with our call volume for customers resulting in increased call wait times and reduced customer service. Other higher classifications may need to handle the workload from these positions.	
5	Collections	TCS-Individual Collections		Position S&S	11,368	232	11,600	0	-			0
5	Collections	TCS-Individual Collections		Revenue Agent 1	180,409	3,682	184,091	1	1.00	5478000	Decrease in direct collection activity and associated revenue reduction. Reduction in number of debtor accounts touched. Inability to keep up with our call volume for customers resulting in increased call wait times and reduced customer service. Other higher classifications may need to handle the workload from these positions.	
5	Collections	TCS-Individual Collections		Position S&S	14,433	295	14,727	0	-			0
5	Collections	TCS-Individual Collections		Revenue Agent 1	184,091	-	184,091	1	1.00	5555000	Decrease in direct collection activity and associated revenue reduction. Reduction in number of debtor accounts touched. Inability to keep up with our call volume for customers resulting in increased call wait times and reduced customer service. Other higher classifications may need to handle the workload from these positions.	
5	Collections	TCS-Individual Collections		Position S&S	14,727	-	14,727	0	-			0
5	Collections	TCS-Individual Collections		Revenue Supervisor 1	189,079	-	189,079	1	1.00	6100000	Decrease in direct collection activity and associated revenue reduction. Reduction in number of debtor accounts touched. Inability to keep up with our call volume for customers resulting in increased call wait times and reduced customer service. Other higher classifications may need to handle the workload from these positions.	
5	Collections	TCS-Individual Collections		Position S&S	15,126	-	15,126	0	-			0
6	PTD	SAO		4085- AA3 CMART	266,390	5,437	271,827	1	1.00	4085000	Reduce level of support and review of county operations, CAFFA grant administration, Ratio Review, and assistance to counties. Indirect revenue impact.	
6	PTD	SAO		4242- AA3 CMART	277,619	5,666	283,285	1	1.00	4242000	Reduce level of support and review of county operations, CAFFA grant administration, Ratio Review, and assistance to counties. Indirect revenue impact.	

Agency Priority	Division	Activity or Program	Reduction Description	GF	OF	TF	POS	FTE	Position Number	Impact of Reduction	Effective Date
6	PTD	SAO	4252-OPA3 FT&E	301,707	6,157	307,864	1	1.00	4252000	Reduces level of support for our finance, taxation and exemptions team, including providing local budget law support and tax collection support.	
6	PTD	Val	4268 - Appraiser/Analyst 3 - Central Assessment	124,672	81,398	206,070	1	1.00	4268000	Contributes to the elimination of the Centrally Assessed appraisal program within the Valuation Section. This is an Appraiser/Analyst 3 position for a skilled, professional level appraiser with specialized training in unitary valuation for high value, complex, centrally-assessed utility properties as defined by ORS 308.505.	
6	PTAC	PIT	RA1 5462 - Eugene	180,409	3,682	184,091	1	1.00	5462000	Reduced customer service in the Eugene Field Office. Decrease in direct collection activity and associated revenue reduction.	
6	PTAC	PIT	AS2 5602 - ADP2	201,949	4,121	206,070	1	1.00	5602000	Increased processing time for personal income tax returns.	
6	PTAC	PIT	AS2 5616 - ADP2	201,949	4,121	206,070	1	1.00	5616000	Increased processing time for personal income tax returns.	
6	PTAC	PIT	AS2 5611 - ADP2	156,351	3,191	159,542	1	1.00	5611000	Increased processing time for personal income tax returns.	
6	PTAC	PIT	AS2 3532 - ADP2	201,949	4,121	206,070	1	1.00	3532000	Increased processing time for personal income tax returns.	
6	PTAC	PIT	AS1 6376 - RPR	162,011	3,306	165,317	1	1.00	6376000	Increased wait time for refund review.	
6	PTAC	PIT	TA1 5099 - Gresham	180,409	3,682	184,091	1	1.00	5099000	Less audits of personal income tax returns completed.	
6	PTAC	PIT	TA1 5454 - Gresham	180,409	3,682	184,091	1	1.00	5454000	Less audits of personal income tax returns completed.	
6	PTAC	PIT	AS1 5511 - Gresham	180,409	3,682	184,091	1	1.00	5511000	Compliance checks will need to be done by a higher level employee. Reduced customer service for in person taxpayers in Gresham.	
6	PTAC	PIT	PSR4 5603 - TSU2	167,965	3,428	171,393	1	1.00	5603000	Reduced support for our public service representatives on the phone.	
6	PTAC	PIT	TA2 5722 - MEDC	107,086	-	107,086	1	0.50	5722000	Less audits of complex income tax returns completed.	
6	PTAC	PIT	S&S for 23 positions	57,353	5,556	62,908	0	-			0
6	Bus	006-07	Corp TA2 (5191)	203,464	10,709	214,173	1	1.00	5191000	Will reduce number of large multi-state corporations who are audited, directly reducing GF revenues	
6	Bus	006-02	Withholding PSR4 (6034)	138,067	68,003	206,070	1	1.00	6036000	Will increase call wait times for Oregon employers and lead to slower processing times for account updates which leads to incorrect notices, including billings, being sent to taxpayers. Impacts other state agencies and other divisions in the department and creates more work overall.	
6	Bus	006-06	SPA AS2 (6617)	-	154,281	154,281	1	1.00	6617000	Positions 6615, 6616, 6617, and 6618 were provided to implement and support the bicycle excise tax, vehicle use tax, and vehicle privilege tax. Removing all four positions will end our ability to support these transportation programs and their funding that provides needed resources to transportation in the state.	
6	Bus	006-07	Corp TA2 (6436)	203,464	10,709	214,173	1	1.00	6436000	Will reduce number of large multi-state corporations who are audited, directly reducing GF revenues	
6	Bus	006-07	Corp TA2 (6579)	283,285	-	283,285	1	1.00	6579000	Will reduce number of large multi-state corporations who are audited, directly reducing GF revenues	
6	Bus	006-12	Abolish Mutlistate Tax Commission membership	-	319,906	319,906	0	-		Ends membership with Multistate Tax Commission and participation in audit and nexus programs, directly reducing GF revenues from lost audit opportunities. Also limits Oregon's opportunity to participate in MTC processes that work towards consistent statutory language.	
6	Bus	All	S&S / capital outlay (\$4,777 GF/\$4,010 OF, per position)	52,547	44,110	96,657	0	-			0
7	PTD	Pass-through special payments	CAFFA pass-through OTHER FUNDS governed by ORS 294.184 and 294.178- not general fund dollars		8,191,434	8,191,434				These are pass through dollars, therefore the department has no other options to meet this reduction.	
7	Senior Def	Pass-through special payments	311.676 State to pay counties amount equivalent to deferred taxes. (1) Upon determining the amount of deferred taxes on tax-deferred property for the tax year, subject to available funds, the Department of Revenue shall pay to the respective county tax collectors an amount equivalent to the deferred taxes, less three percent, from the revolving account established under ORS 311.701.	-	3,157,247.3	3,157,247	-	-		This units staffing level has been optimized to provide adequate services to our program participants, as well as process new applications and evaluate current participants for compliance with program requirements. Program reductions will immediately impact response times to inquiries from taxpayers as well as existing participants in the program. Application processing would be impaired with reductions in current staffing. If new applications aren't processed timely, the state will not pay taxes on eligible participants which could result in foreclosure on senior citizens homes. The department is also required to recertify existing program participants every other year. If we don't have resources to perform this task it could result in delayed payments, or payments on properties that the state should no longer allow to participate.	
				35,021,216	24,108,497	59,129,712	206	197.14			
				5%	11,673,739	8,036,165	19,709,904				
				10%	23,347,477	16,072,331	39,419,808				
				15%	35,021,216	24,108,496	59,129,712				
				(0)	0	0					

Total Agency Required Reduction

## Appendix E: Summary of Proposed Technology and Capital Construction Projects

### Information Technology Projects and Investments

The Oregon Department of Revenue's Information Technology Division has the following projects that affect the 2023-25 budget:

- *ACED Integration to Workday*: Integrate the Appraiser Continuing Education Database (ACED) into WorkDay so that Workday is the single application for tracking continuing education credits as well as training.
- *Bulk Approval of Audits*: Obtaining new functionality in GenTax to filter pending audits by user (auditor/AS1/AS2), program area, and audit type, then bulk approve the filtered results. Reviewers will be able to focus their review to the areas where it is necessary. Audits with small risk, such as CP2000s and RARs could be quickly bulk approved. Seasoned auditors could be reviewed differently than new auditors.
- *Collections Scoring*: Program GenTax to score debts to triage accounts based on level of work needed to be performed on the account. The scoring that is currently in place is overly simplistic. Cases with a higher probability for successful collections have the same assignment priority to a revenue agent as collection cases that historically have a much lower probability for successful collections (i.e., estimated returns, poor payment history, older debt), as the current risk score only assigns cases to the appropriate work queue and doesn't prioritize cases based on collectability or debtor behavior. Agents end up spending time working collection cases that will likely resolve on their own (i.e., self-assessed debt), when efforts should be focused on those who are less likely to pay or need staff intervention to nudge payments. Revenue agents' efforts will be more focused on accounts that will benefit from staff contact and collection actions rather than on accounts that are likely to self-resolve or be picked up by auto-processes.
- *Conference Room Technology Upgrade*: The upgrade of select conference rooms to current hybrid/remote-compatible communications tools will provide sufficient availability of meeting spaces with current technology available to facilitate meetings with both on-site and external attendees. This will update or replace older technology to meet current system requirements and provide simpler accessibility via Teams and other online meeting tools. Upgrades will provide improved audio and video to enable all attendees to have a more equivalent meeting experience than is currently available via the Mondopads. The project will include determination of specific rooms for upgrades and the specific improvements needed for each.
- *CoPIGA*: This project would allow the department to make audit adjustments based on adjustments that were made by the City of Portland and to pursue filing enforcement leads based on information provided. It would allow City of Portland to do the same based on the department's adjustments and data. This improves productivity and reduces cost because we don't need to reaudit the tax return which not only saves the department time, but saves the taxpayer time as well. This is similar to our RAR program with the IRS.
- *Correspondence and Letters*: DOR customers tell us that our notices are unclear, confusing, inconsistent with each other, and sometimes duplicative. DOJ has expressed concern about an added risk in appeals due to the inconsistency and lack of clarity in notices. In addition, DOR notices aren't provided in enough languages to support Oregonians' needs where the IRS publishes forms in eight languages, including English, and other Oregon agencies provide letters



and notices in additional languages. Phase 1 of this project will improve clarity of nearly 500 GenTax letters and evaluate and adjust the order and timing in which those notices are sent, to align with statutory requirements. Changes implemented in Phase 1 are expected to reduce existing risks in appeals. Phase 2 will include translating the letters and notices to additional languages.

- *GenTax Correspondence Configuration*: This project is designed to expedite the manual mail sorting and distribution process and eliminate the transfer of paper by imaging the documents in Quick Modules, and creating a work item automatically in GenTax, with the image already attached. This would save time in getting the documents ready for review and appropriate dispensation, create a tracking method, and place better physical controls over the documents we receive. The project will assign priorities to the work items, based upon feedback from the program area. It will further read the QR code on GenTax originated letters and provide that information. This will allow the area to expedite the processing of more urgent correspondence versus the time required to sort the paper items. By imaging the documents electronically, it will further lessen the chance of lost or delayed paper, and better align with the increase in remote working which has less staff in the building to handle the paper.
- *LegOp Replacement*: LegOp is a program that was developed within the agency to store legal opinions received from Attorney General staff on tax issues. Opinions received are converted into Adobe PDF files, uploaded to the program, and indexed for ease of retrieval at a later date. The program was created some time ago and has been used by the personal income, corporation, and property tax programs. It is awkward to use, extremely limited in search capabilities, and no current DOR employees are familiar with the programming to update for new tax programs or improve its usefulness. A recent review by DOR internal audit staff during a PTAC Governance audit recommended replacing the program with a more robust document management system to handle not only legal opinions, but any document that might prove useful such as appeal and tax court cases, legislative bills, and inner agency agreements.
- *Move OAA NSF Fees*: Currently, non-sufficient funds (NSF) penalties (also known as penalties for dishonored checks) are assessed on accounts, including OAA accounts, when a dishonored payment occurs within two years of a prior dishonored payment. Since NSF penalties are charged by DOR and not by the client agencies that send debt to OAA, these penalties should not be reported as balances owed to OAA client agencies but rather balances owed to the department. The same can be said for the collection activities associated to those bill items. Reporting NSF penalties under OAA creates reporting problems for the department and client agencies and is hampering our ability to have effective collection processes. It will allow balances to be reported correctly, which will improve the accuracy of the accounts receivable as these NSF penalties should be included on what we report in LFO. The OAA reports to client agencies will be accurate which will reduce confusion and discrepancies since client agencies don't show NSF penalties as part of their debt balance. It will help reduce balance corrections or reconciliations to resolve confusion with OAA client agencies, specifically with OJD. OJD will send OAA balance replacement records on accounts with NSF fees added to reduce the OAA balance to match their balance not knowing the increase is due to an NSF fee. This will stop the system from holding a client agencies Payment Advice (payment made directly at the assigning agency) to pay an NSF. It will create a clearer collection process for NSF fees due to the fee

sitting on a Misc. Debts account type where it can then be assigned and collected separately. This will also allow staff to write-off or cancellation uncollectible NSF fees.

- *NOCA Modification:* The Withholding and Payroll Tax Section (WPTS) has identified an existing process that could be made more efficient with configuration updates to the Notice of Credit Allocation (NOCA) case. Currently, taxpayers are not requesting refunds for excess payments after receiving a NOCA letter following the end of a quarter. In many cases, this is causing credits to repeatedly roll forward to subsequent periods since there is not a balance due and the credit cannot be applied. Sending out notices, period after period, for these same credits is costing the agency, and state, money and time. To put this in perspective, since Gentax roll-out in 2016, 62.4% of payroll accounts that have had a NOCA expire because they didn't answer. Looking at all accounts, 29,628 of about 160K accounts or about 18.5% of total withholding accounts have received a NOCA at any point. This project will adjust the NOCA case to allow the credit to carry forward once to a subsequent period, then automatically refund of the credit that would otherwise generate a second or subsequent NOCA. Additionally, the project will require altering existing Gentax programming, refund rules updates within Gentax, and policy updates to OAR 150-316-0275.
- *One Stop Shop:* Some customers owe multiple debt types (e.g., an individual who also owes business debt or an individual who owes tax and non-tax debt). Customers must process multiple payments and/or management multiple payment agreements. This is true both when the customer performs the request on ROL or when the customer calls the department. When the customer calls the department and owes on multiple debt types, the customer must be transferred to another area after receiving assistance for the first debt type. This causes poor customer service, poor use of agency resources, longer wait times, loss of collections. This project would resolve all those issues by creating a single point of contact for taxpayers who owe multiple debt types. We want customers, no matter what type of debt they owe, to be able to set up one payment plan incorporating both tax and non-tax debt.
- *OpenScope Data Availability:* Call center data can only be accessed through an interface that is slow and difficult to use. The data is limited in scope. In order to expand the scope, we must submit tickets to the vendor. Call center data can only be accessed by select people who have the license to the manager module. The project will help to lift the barrier to data in OpenScope by having our own server store the phone center data. We will be able to use the data without restrictions and analyze and make decisions that enforce a well-established customer-oriented call center. We will be able to identify and set key performance measures and accurately report on those.
- *W4 Case with Working Paper and Calculator:* Some taxpayers will claim they are exempt from withholding in order to increase the amount of their paycheck and/or in an attempt to avoid taxation. If these taxpayers file a return, they usually owe more than they can pay by the due date and are moved to collections. Taxpayers that don't file a return are contacted through filing enforcement and, when assessed, have greater penalties than if they filed timely. The department has authority through administrative rule 150-316-0290 to correct employee withholding statements and exemption certificates in certain circumstances. The department also has authority under ORS 316.177 to impose a penalty of \$500 when an employee instructs their employer to withhold an amount of tax from their pay or claim exemption from withholding that has no reasonable basis. This project will: create a case in GenTax to calculate,

track and report withholding determinations; create a work type to be used for discovery leads to assign to staff; create a method to impose the penalty under ORS 316.177; create or re-use letters in GenTax to send to employers and employees to set withholding, redetermine withholding, and release from withholding.

- *ELVIS Industrial*: The Valuation Section lacks a comprehensive computerized system that integrates all the data necessary to effectively manage and perform its appraisal responsibilities. The Valuation Section is spending significant time on inefficient manual processes and on disparate applications that inhibit the ability to perform appraisals. These inefficiencies are problematic as current staffing levels have not kept pace with the growth in the workload with which the Valuation Section is responsible. This results in long-term program instability that necessitates the need to invest in modern appraisal tools that will improve the efficiency, accuracy, and transparency of the Valuation Section's complex appraisal program. The objective of this modernization project is to obtain an integrated and cohesive application platform resulting in a reduced reliance on paper files, eliminate wasted processing steps and improving overall taxpayer, county and DOR personnel experience and satisfaction.
- *Agriculture Overtime*: The Legislature passed House Bill (HB) 4002 in February 2022. The bill prohibits employers from permitting or requiring agricultural workers to work an excess of maximum allowable hours unless workers are compensated for overtime hours worked. The bill requires DOR to create a refundable tax credit program, with associated applications forms for the income or corporate tax. The credit is for a percentage of wages paid as overtime pay to agricultural workers for calendar years 2023 to 2028. DOR needs to implement an electronic application process through ROL by 1/1/2024. Must process the applications, deny or approve, provide appeal rights, and ultimately provide notice of the credit allowed by 6/1/2024. An immediate filing extension is granted and a three-year net operating loss carryback. The credit will be loaded into the Business Manager (BCM), if the credit exceeds the limit, DOR must apportion the total credit amongst all applicants.
- *Finance Project*: There are three components in this project. One, there is a lag between when the cash /check is inputted into Gentax, and when the funds are received into the bank. Finance and Banking and IT spend an amazing amount of time trying to reconcile the differences between Gentax reports and bank records, and many of the variances are system lags or nonsufficient funds. When funds are not received, an employee has to correct the GenTax record. This could be resolved by introducing a cash and check pending screen, used by California, Tennessee, and Colorado. When checks are scanned or cash is inputted into the GenTax system, they are in pending status until the funds have cleared the bank. The second component is that there are data integrity issues on how quite a few tax streams map back to the RA/GL, which is the source of financial reporting and distributions. Most of these issues require a manual work around which consumes a lot of staff time. Further, the GenTax system does not interface with the state's main accounting record, SFMA, which requires manual entry and risks human error. Finally, the Department of Revenue has a very difficult time reconciling its system to bank reports, which is a long-standing finding of the Secretary of State. Reporting is one of the roots of that issue. Further, simple financial reporting is incredibly manual and can take an employee days to compile. Oneoff questions on disbursements, refunds, and revenues are very difficult for Finance to answer by pulling information out of GenTax. Even though the target date is 6/30/23, there will be work continuing in next biennium.

- *Implement Purge Functionality in GenTax:* Purge functionality is in GenTax vers. 12.
- *Processing Center Data Availability:* This project is designed to solve the problem of being able to access and retain our data from the Quick Modules and INFOpoll databases. The request for project is to find a way to obtain and store data from the INFOPoll and Quick Modules databases. This would help Processing Center to be able to make better data informed decisions, help Application Developers fix Quick Modules issues, and keep better retention of our data to look at historical trends. This will also allow us to provide data about our front-end processing systems quicker as a member of Processing Center Operations would have access to query the data when needed.
- *Various Cybersecurity Projects*
- *Agency Onboarding Simplification:* Currently documenting the business flow for onboarding. HR and IT will then simplify the process and update the appropriate systems to redesign the employee onboarding process at DOR. We'd like to key off Workday if possible and automate the ordering of equipment, set up of userids, key card requests, etc.
- *Call Center Projects for Customer Experience Center of Excellence:* Implement functionality in voice system per COE Director's schedule (call recording, screen pops, chat, etc.).
- *Legacy Application Decommissioning:* Decommissioning legacy applications that are not aligned with our technical architecture.

### **Proposed Capital Construction Project**

#### *Policy Option Package 102 - Revenue Building Revenue Building Design and Construction*

The purpose of this policy option package is to improve the safety and security of tax collection activities. The Department of Revenue and Department of Administrative Services (DAS) recently completed an architectural and engineering study of the Revenue Building in Salem, to improve the security and modernize the workspace with basic amenities. In addition, DAS recently completed a seismic evaluation of the building. Together these studies identify the need for a seismic retrofit, security and operational improvements to the resiliency and function of the building. The department and DAS continue to work with architectural and engineering consultants to create a combined comprehensive project for the Revenue Building, to be managed by DAS. The seismic retrofit is not currently planned by DAS to begin within the next ten years.

This request will seek a six-year Capital Construction limitation to allow for upgrading and improvements to the Revenue Building. Progress will be monitored by both DAS and DOR staff to ensure this project is meeting the scope, budget and schedule.

## DOR Project Prioritization Criteria

Criteria	Low (1)	Medium Low (2)	Medium (3)	Medium High (4)	High (5)
<p><b>Strategic Goal Alignment</b> [score low - high] Weight 20%</p> <p>See graphic below:</p> <ul style="list-style-type: none"> <li>• Optimize Collections Efforts</li> <li>• Enhance Taxpayer Assistance</li> <li>• Cultivate Operational Excellence</li> </ul>	<ul style="list-style-type: none"> <li>• Project does not directly support any strategic goals</li> </ul>	<ul style="list-style-type: none"> <li>• Somewhat supports 1 or 2 goals of the strategic plan</li> </ul>	<ul style="list-style-type: none"> <li>• Supports 1-2 goals of the strategic plan, <b>OR</b></li> <li>• Somewhat supports all three goals of the strategic plan</li> </ul>	<ul style="list-style-type: none"> <li>• Strongly supports at least 2 goals of the strategic plan, <b>OR</b></li> <li>• Supports all three goals of the strategic plan</li> </ul>	<ul style="list-style-type: none"> <li>• Strongly supports all three goals of the strategic plan</li> </ul>
<p><b>Value to the Business or Customer</b> [score low - high] Weight 45%</p>	<ul style="list-style-type: none"> <li>• Project is “Nice to have” to a group of users or customers</li> </ul>	<ul style="list-style-type: none"> <li>• Project is “Nice to have” to all users or customers, <b>OR</b></li> <li>• Enables productivity improvements</li> </ul>	<ul style="list-style-type: none"> <li>• Project will improve customer satisfaction, <b>OR</b></li> <li>• Fixes a business obstacle, <b>OR</b></li> <li>• Enables new services, capabilities, or productivity improvements</li> </ul>	<ul style="list-style-type: none"> <li>• Project is a “Must Have” to a group of users or customers, <b>OR</b></li> <li>• Fixes an important sore point, <b>OR</b> business obstacle, or</li> <li>• Enables a significant new service, capability, or productivity improvement</li> </ul>	<ul style="list-style-type: none"> <li>• Project is a “Must Have” to all users or customers, <b>OR</b></li> <li>• Will significantly improve customer satisfaction, <b>OR</b></li> <li>• Fixes more than one important bottleneck, sore point, or business obstacle, <b>OR</b></li> <li>• Enables or mandates multiple significant new services or tax program, capabilities, or productivity improvements</li> </ul>
<p><b>Risk Reduction to Business</b> [score low - high] Weight 20%</p>	<ul style="list-style-type: none"> <li>• No risk reduction.</li> </ul>	<ul style="list-style-type: none"> <li>• Minimal lowering of one area of operational, compliance, financial, or</li> </ul>	<ul style="list-style-type: none"> <li>• Moderate lowering of one or two areas of operational, compliance, financial, or</li> </ul>	<ul style="list-style-type: none"> <li>• Lowering of multiple areas or significant lowering of one operational, compliance, financial, or</li> </ul>	<ul style="list-style-type: none"> <li>• Significant lowering of multiple areas of operational, compliance, financial, or</li> </ul>

## DOR Project Prioritization Criteria

		reputational risk to the agency	reputational risk to the agency	reputational risk to the agency	reputational risk to the agency
<b>Project Timing</b> [score low - high] Weight 15%	<ul style="list-style-type: none"> <li>Project has no desired end date – whenever it is done is fine</li> </ul>	<ul style="list-style-type: none"> <li>Project has an approximate desired end date, but it is a “nice to have”</li> </ul>	<ul style="list-style-type: none"> <li>Project will require a steady pace by project resources and has a targeted desired end date</li> </ul>	<ul style="list-style-type: none"> <li>Project will require a quick and steady pace by project resources and the target completion date is a dependency for other projects</li> </ul>	<ul style="list-style-type: none"> <li>Project will require an unusually fast pace by many people and the target completion date is firm</li> </ul>

**Mandate override:** project is required by Agency Director, Deputy Director, CIO, legislative, State or Federal mandate, policy, or law.

UPDATED OTHER FUNDS ENDING BALANCES FOR THE 2021-23 & 2023-25 BIENNIA

Agency: Department of Revenue  
 Contact Person (Name & Phone #): Melody Charpentier (503-375-8656)

(a) Other Fund Type	(b) Program Area (SCR)	(c) Treasury Fund #/Name	(d) Category/Description	(e) Constitutional and/or Statutory reference	(f) 2021-23 Ending Balance		(g) 2023-25 Ending Balance		(j) Comments
					In LAB	Revised	In CSL	Revised	
Limited	15000-000 (Agency OF)								
Limited	15000-004 (PTD)	Susp Acct 15091 / OrMap/OLIS Susp Acct 15025 / County Assessor Function Funding *	ORMAP CAFFA	ORS 306.132 ORS 294.184	963,692 0	964,844 0	0 0	0 0	
Limited	15000-005 (PTAC)				0	0	0	0	
Limited	15000-006 (Bus)				0	0	0	0	
Limited	15000-007 (Col)	Susp Acct 15091 / Other Agency Fees Earned		ORS 293.250	1,589,998	1,589,998	0	0	
Limited	15000-008 (Corp Div)	Susp Acct 15037 / Corp Activity Tax		HB 3427	3,306,093	(69,913,907)	346,385,608	500,000	Negative ending balance due to error in Feb Session ORBITS entries, DAS is working on correction. We assume an ending balance of \$500K OR 21-23. CSL balance due to timing of payment; all payments will be within the biennium with a \$500K ending balance per statute to cover any outstanding refund requests.
Limited	15000-009 (ITSD)				0	0	0	0	
Limited	15000-014 (MU)	SFMS Cash Fund 26100 / Marijuana		SB1544	37,478,937	37,478,937	1,307,550	1,307,550	
Limited	15000-025 (Sr Deferral)	Susp Acct 15005 / Senior Citizen Deferral		ORS 311.701	49,400,849	49,400,849	75,946,670	75,946,670	
Limited	15000-070 (Rev Clearing)				11,392,735	9,797,925	0	0	Revenues are distributed per statute
Limited		Susp Acct 15091 / Multi-State Corporation *		ORS 305.655	*	*	*	*	* Any administrative expenses
Limited		Susp Acct 15091 / Other Tobacco Tax *		ORS 323.500	*	*	*	*	come out of the revenue stream
Limited		Susp Acct 15091 / Cigarette Tobacco Tax *		ORS 323.440	*	*	*	*	and the rest of the revenues are
Limited		Susp Acct 15091 / Amusement Device Tax *		ORS 320.011	*	*	*	*	distributed by statute. Any
Limited		Susp Acct 15091 / Charitable Checkoffs *		ORS 305.749	*	*	*	*	amounts left on June 30, 2023 or June 30, 2025 are
Limited		Susp Acct 15091 / Forest Products Harvest Tax *		ORS 321.152	*	*	*	*	distributed by statute in the next
Limited		Susp Acct 15091 / Petroleum Load Fee *		ORS 465.127	*	*	*	*	month.
Limited		Susp Acct 15091 / Haz Substance Fee *		ORS 453.412	*	*	*	*	
Limited		Susp Acct 15091 / Misc Receipts *		ORS 305.085	*	*	*	*	
Limited		Susp Acct 15091 / Emergency Communication *		Oregon Laws 1981 Chap 533, Sec 17	*	*	*	*	
Limited		Susp Acct 15091 / Electric Coop *		ORS 308.805	*	*	*	*	
Limited		Susp Acct 15091 / Private Rail Car *		ORS 308.515	*	*	*	*	
Limited		Susp Acct 15091 / Gas & Oil Production *		ORS 324.120	*	*	*	*	
Limited		Susp Acct 15091 / Tri-Met Self Employ *		ORS 305.620	*	*	*	*	
Limited		Susp Acct 15091 / Tri-Met Payroll *		ORS 305.620	*	*	*	*	
Limited		Susp Acct 15091 / Lane Transit Self Employ *		ORS 305.620	*	*	*	*	
Limited		Susp Acct 15091 / Lane Transit Payroll *		ORS 305.620	*	*	*	*	
Limited		SFMS Cash Fund 24000 / Criminal Fines (CFAA) *		ORS 137.300	*	*	*	*	
Limited		Susp Acct 15091 / Transit Lodging *		ORS 320.305	*	*	*	*	
Limited		Susp Acct 15025 / Housing (County Assessment & Taxation Fund) *		ORS 294.187	*	*	*	*	
Limited		Susp Acct 15091 / Bicycle Excise *		ORS 320.415	*	*	*	*	
Limited		Susp Acct 15091 / Vehicle Privilege *		ORS 320.405	*	*	*	*	
Limited		Susp Acct 15091 / Vehicle Use *		ORS 320.410	*	*	*	*	

**Objective:** Provide updated Other Funds ending balance information for potential use in the development of the 2023-25 legislatively adopted budget.

**Instructions:**

- Column (a): Select one of the following: Limited, Nonlimited, Capital Improvement, Capital Construction, Debt Service, or Debt Service Nonlimited.
- Column (b): Select the appropriate Summary Cross Reference number and name from those included in the 2021-23 Legislatively Approved Budget. If this changed from previous structures, please note the change in Comments (Column (j)).
- Column (c): Select the appropriate, statutorily established Treasury Fund name and account number where fund balance resides. If the official fund or account name is different than the commonly used reference, please include the working title of the fund or account in Column (j).
- Column (d): Select one of the following: Operations, Trust Fund, Grant Fund, Investment Pool, Loan Program, or Other. If "Other", please specify. If "Operations", in Comments (Column (j)), specify the number of months the reserve covers, the methodology used to determine the reserve amount, and the minimum need for cash flow purposes.
- Column (e): List the Constitutional, Federal, or Statutory references that establishes or limits the use of the funds.
- Columns (f) and (h): Use the appropriate, audited amount from the 2021-23 Legislatively Approved Budget and the 2023-25 Current Service Level at the Agency Request Budget level.
- Columns (g) and (i): Provide updated ending balances based on revised expenditure patterns or revenue trends. The revised column (i) should assume 2023-25 Current Service Level expenditures, considering the updated 2021-23 ending balance and any updated 2023-25 revenue projections. Do not include adjustments for reduction options that have been submitted. Provide a description of revisions in Comments (Column (j)).
- Column (j): **Please note any reasons for significant changes in balances previously reported during the 2021 session.**

Additional Materials: If the revised ending balances (Columns (g) or (i)) reflect a variance greater than 5% or \$50,000 from the amounts included in the LAB (Columns (f) or (h)), attach supporting memo or spreadsheet to detail the revised forecast.

**2021-23 ARPA ENDING BALANCES**

Agency: Department of Revenue  
 Contact Person (Name & Phone #):

(a) SCR	(b) Program Description	(c) 2021-23 LAB	(d) 2021-23		(f) 2023-25 POP		(h) Comments
			(e) Ending Balance	Amount Obligated	Y/N	POP #	
15000-005-08-00-00000	One Time Assistance Payment (OTAP)	147,000,000	5,060,400	-	N		Unspent funds will be reverted to DAS for other ARPA eligible programs; refunds eligible until 6/30/23 to submit

- Instructions:**
- Column (a): Select the appropriate Summary Cross Reference number and name from those included in the 2021-23 Legislatively Approved Budget.
  - Column (b): List American Rescue Plan Act (ARPA) balances by legislatively approved uses and/or specified transfers to agency programs.
  - Column (c): Provide the expenditure limitation approved for the ARPA funds transferred to the agency in the 2021-23 Legislatively Approved Budget.
  - Column (d): Enter the total estimated balance of ARPA funds that will be unspent at the close of the 2021-23 biennium.
  - Column (e): Enter the amount of the unspent ARPA balance obligated to a project/program through an award, grant agreement, or other contract as of June 30, 2023.
  - Column (f) and (g): Indicate whether the 2023-25 Agency Request Budget includes a policy option package (POP) to utilize the ARPA funds carrying forward into the 2023-25 biennium, and if so, provide the POP number.
  - (h) Please provided any additional information related to ARPA ending balances.



Program Prioritization for 2023-25

Agency Name: Department of Revenue																					
2023-25 Biennium																					
Agency Number: 15000																					
Program 1																					
Program/Division Priorities for 2023-25 Biennium																					
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22
DCR	Priority (ranked with highest priority first)	Agency Initials	Program or Activity Initials	Program Unit/Activity Description	Identify Key Performance Measure(s)	Primary Purpose Program-Activity Code	GF	LF	OF	NL-OF	FF	NL-FF	TOTAL FUNDS	Pos.	FTE	New or Enhanced Program (Y/N)	Included as Reduction Option (Y/N)	Legal Req. Code (C, D, FM, FO, S)	Legal Citation	Explain What is Mandatory (for C, FM, and FO Only)	Comments on Proposed Changes to CSL included in Agency Request
	Agency	Prgrm/ Div																			
005-08-00-00000	1	PTAC	DOR	PTAC	Program Services	1,2,4,5,6,7,9,10							\$ 20,542,977	94	88.18		Y	S	ORS 305.015 ORS 305.025 ORS Chapters 305, 314, 315, 316, and 317		
006-02-00-00000	2	BUS	DOR	BUS	Withholding & Payroll Tax		20,119,244		423,733				\$ 15,431,133	74	71.96	Y	Y	S	ORS 316		POP 105
006-07-00-00000	3	BUS	DOR	BUS	Corporation and Estate	6			505,076				\$ 14,168,567	52	51.64	Y	Y	S	ORS 118, 305, 314, 316, 317, 318		POP 105
006-12-00-00000	4	BUS	DOR	BUS	Multistate Tax Commission		13,663,491						\$ 333,342	0	0.00		Y	S	ORS 305.685		
008-01-00-00000	5	CAT	DOR	CAT	Corporate Activity Tax								\$ 16,471,392	50	50.00	Y	Y	S	ORS 317A		POP 107
005-05-00-00000	6	PTAC	DOR	PTAC	Compliance	5, 7, 8,9,10		38,236,890	907,818				\$ 39,144,707	164	161.50		Y	S	ORS 305.015 ORS 305.025 ORS Chapters 305, 314, 315, 316, and 317		
004-05-00-00000	7	PTD	DOR	PTD	Industrial Valuation and Central Assessment	2, 3, 8							\$ 12,475,004	43	43.00		Y	S	ORS 307.010; ORS 307.020; ORS 308.205; ORS 308.232; ORS 308.235; ORS 308.290; ORS 308.408; ORS 308.411; ORS 308.413; ORS 308.515; ORS 308.550; ORS 308.555; ORS 308.565		
030-04-00-00000	8	CSR E/MS	DOR		Core Systems Replacement Operations & Maintenance		7,876,607		4,598,397				\$ 11,614,159	5	4.52	Y	Y	S			POP 101
007-04-00-00000	9	COLL	DOR	COLL	Operations Administration Group		1,110,517		640,429				\$ 1,750,946	7	6.50		Y	S	ORS 305.015-.025 ORS 305, 314, 316, and 317 ORS 293.250 ORS 190.240		
007-05-00-00000	10	COLL	DOR	COLL	Tax Collections		25,960,672		1,830,005				\$ 27,790,677	146	144.89		Y	S	ORS 316.032; ORS 323		
004-03-00-00000	11	PTD	DOR	PTD	Cadastral Information Systems Unit	2, 3, 8		2,273,526	1,671,522				\$ 3,945,048	7	7.00		Y	S	ORS 306.120-132; ORS 305.115; ORS 308.225-317		
004-06-00-00000	12	PTD	DOR	PTD	County Support, Assistance and Oversight	2, 3, 8		5,316,604	41,106,245				\$ 46,422,849	18	18.00		Y	S	ORS 308.010; ORS 306.150; ORS 294.461; ORS 294.510; ORS 306.245 ORS 310.060 ORS 311.250 ORS 307.010-307.990 ORS 2850-125 ORS 294.175 ORS 309.200 ORS 309.203 ORS 306.115 ORS 306.120 ORS 306.152 ORS 308.010 ORS 306.115 ORS 324.070 ORS 294.495-294.520		
004-07-00-00000	13	PTD	DOR	PTD	Forestland Valuation and Timber Taxes	2, 3, 8		\$ 2,276,466	74,737				\$ 2,351,203	9	8.25		Y	S	ORS 321.005 ORS 321.700 ORS 321.210 ORS 308A.092 ORS 321.257 ORS 321.805 ORS 321.833		

Program/Division Priorities for 2023-25 Biennium																						
DCR	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22
DCR	Priority (ranked with highest priority first)	Agency Initials	Program or Activity Initials	Program Unit/Activity Description	Identify Key Performance Measure(s)	Primary Purpose Program-Activity Code	GF	LF	OF	NL-OF	FF	NL-FF	TOTAL FUNDS	Pos.	FTE	New or Enhanced Program (V/N)	Included as Reduction Option (V/N)	Legal Req. Code (C, D, FM, FO, S)	Legal Citation	Explain What is Mandatory (for C, FM, and FO Only)	Comments on Proposed Changes to CSL included in Agency Request	
	Agcy	Prgrm/ Div																				
006-08-00-00000	14	BUS	DOR	BUS	Cigarette and Tobacco Programs								\$ 3,941,460	13	12.50		Y	S	ORS 323.005-323.482 ORS 323.740 ORS 323.850-823.862 MSA ORS 180.400-180.494 ORS 323.500-323.645			
014-01-00-00000	15	MJ	DOR	MJ	Marijuana Program				3,941,460				\$ 4,066,450	10	10.00	Y	Y	S	ORS 475C, ORS 475B		POP 107	
006-06-00-00000	16	BUS	DOR	BUS	Special Programs								\$ 4,099,541	17	16.50		Y	S	ORS 320.300-320.350 ORS 305.620. ORS 403.200-403.250 ORS 465.101-465.131 ORS 320.005-320.150 ORS 453.396-453.414 ORS 320.400-320.490 ORS 320.400-320.490 ORS 320.400-320.490 ORS 307.870-890 ORS 468B 427-437			
025-03-00-00000	17a	Sr Deferral	DOR	Sr Deferral	Sr Citizens Prop Tax Deferral SP		524,269		3,575,272				\$ 35,095,335	0	0.00		Y	S	ORS 311.666-311.701			
025-02-00-00000	17b	Sr Deferral	DOR	Sr Deferral	Sr Citizens Prop Tax Deferral OF				1,905,866				\$ 1,905,866	6	7.75		Y	S				
007-03-00-00000	18	COLL	DOR	COLL	Recovery Services				4,437,485				\$ 18,432,870	95	95.00		Y	S	ORS Chapter 18			
019-01-00-00000	19	NPH	DOR	NPH	Non-Profit Housing for Elderly Persons				3,639,677				\$ 3,639,677	0	0.00		Y	S	ORS 310.630-310.706			
003-01-00-00000		ASD	DOR	ASD	Director's Office		4	4,959,208	1,640,043				\$ 6,599,251	22	21.76	Y	N				POP 102, 103, 107	
003-03-00-00000		ASD	DOR	ASD	Financial Services		4	22,799,712	6,338,644				\$ 29,138,356	22	22.00	Y	N				POP 107	
003-04-00-00000		ASD	DOR	ASD	Human Resources		4	2,765,683	965,351				\$ 3,731,034	14	13.52	Y	N				POP 103, 107	
003-07-00-00000		ASD	DOR	ASD	Communications		4	1,855,095	614,602				\$ 2,469,697	9	8.52	Y	N				POP 103, 107	
003-08-00-00000		ASD	DOR	ASD	General Services		4	2,609,950	3,217,081				\$ 5,827,031	9	9.00	Y	N				POP 107	
003-11-00-00000		ASD	DOR	ASD	Research		4	4,687,155	1,147,662				\$ 5,834,817	21	19.68	Y	N				POP 105, 107	
003-12-00-00000		ASD	DOR	ASD	Audit		4	585,089	130,137				\$ 724,225	2	2.00	Y	N				POP 106, 107	
004-01-00-00000		PTD	DOR	PTD	Property Tax Division Administration		4	3,413,287	280,994				\$ 3,694,281	3	3.00		Y					
005-01-00-00000		PTAC	DOR	PTAC	Personal Tax and Compliance Div Admin		4	4,529,131	123,359				\$ 4,652,490	2	2.00		Y					
006-01-00-00000		BUS	DOR	BUS	Business Division Administration		4	3,323,991	692,761				\$ 4,016,751	2	2.00	Y	Y				POP 105	
007-02-00-00000		COLL	DOR	COLL	Collections Division Administration		4	4,108,018	2,235,354				\$ 6,343,372	1	1.00		Y		ORS 305.015-.025 ORS 305, 314, 316, and 317 ORS 293.250 ORS 190.240			
009-01-00-00000		IT	DOR	IT	Information Tehcnology Services-CIO Admin		4	6,670,864	1,652,670				\$ 8,323,534	4	4.00	Y	N				POP 106, 107	
009-02-00-00000		IT	DOR	IT	Engineering Services		4	4,669,662	1,773,265				\$ 6,442,927	22	21.52	Y	N				POP 106, 107	
009-03-00-00000		IT	DOR	IT	GenTax Projects & New Development		4	901,977	367,139				\$ 1,269,116	4	4.00	Y	N				POP 104, 106, 107	
009-04-00-00000		IT	DOR	IT	Processing Center		4	18,755,896	4,445,941				\$ 23,201,837	164	120.58	Y	N				POP 106, 107	
009-05-00-00000		IT	DOR	IT	Support Services		4	3,222,068	1,219,325				\$ 4,441,393	17	16.88	Y	N				POP 106, 107	
009-06-00-00000		IT	DOR	IT	GenTax Ops and Maint		4	14,554,829	3,816,613				\$ 18,371,443	39	38.76	Y	N				POP 106, 107	
								249,636,301	-	169,068,458	-	-	\$ 288,523,477	1,169	1,107.51							

**7. Primary Purpose Program/Activity Exists**

- 1 Civil Justice
- 2 Community Development
- 3 Consumer Protection
- 4 Administrative Function
- 5 Criminal Justice
- 6 Economic Development
- 7 Education & Skill Development
- 8 Emergency Services
- 9 Environmental Protection
- 10 Public Health
- 11 Recreation, Heritage, or Cultural
- 12 Social Support

**19. Legal Requirement Code**

- C Constitutional
- D Debt Service
- FM Federal - Mandatory
- FO Federal - Optional (once you choose to participate, certain requirements exist)
- S Statutory

Within each Program/Division area, prioritize each Budget Program Unit (Activities) by detail budget level in ORBITS

**Document criteria used to prioritize activities:**

- Large Funding Stream over \$100million.
- Impact to General Fund
- Long term Health of tax programs.
- Core business function.
- Administrative efficiency
- Statutorily Required.
- Business Continuity Plan
- Customer Focused.
- DCR level

Audit Response Report

Date Range: February 2020 – December 2022

Created: January 2023

<u>Audit Name:</u>	Selected Financial Accounts for the Year ended June 30, 2019, <a href="#">150-2019-12-01</a>
<u>Objective:</u>	This audit work was not a comprehensive financial audit of the department but was performed as part of our annual audit of the State of Oregon's financial statements. We audited accounts that we determined to be material to the State of Oregon's financial statements.
<u>Recommendations:</u>	No Recommendations were delivered at the conclusion of this audit work.
<u>Mgmt. Responses:</u>	Response not Required
<u>Audit Name:</u>	Change of Director <a href="#">150-2021-01-01</a>
<u>Objective:</u>	Ensure appropriate actions were taken to protect state assets when the former director resigned and to ensure state retention policies were followed.
<u>Recommendations:</u>	Department management review travel reimbursements to ensure compliance with state policy and maintain a record of property assigned to state employees to ensure property is returned.
<u>Mgmt. Responses:</u>	Recommendation closed after adjustments made to Executive exit process steps.
<u>Audit Name:</u>	Selected Financial Accounts for the year ended June 30, 2021, <a href="#">150-2022-01-01</a>
<u>Objective:</u>	This audit work was not a comprehensive financial audit of the department but was performed as part of our annual audit of the State of Oregon's financial statements. We audited accounts that we determined to be material to the State of Oregon's financial statements.
<u>Recommendations:</u>	No Recommendations were delivered at the conclusion of this audit work.
<u>Mgmt. Responses:</u>	Response not Required
<u>Audit Name:</u>	Without Legislative Action the Mortgage Interest Deduction Will Remain Regressive and Inequitable
<u>Report No. 2022-11</u>	
<u>Objective:</u>	This audit had two objectives: <ul style="list-style-type: none"><li>• Determine the distribution and equity of the MID in Oregon by income, geography, and race and ethnicity.</li><li>• Determine the current level of review the MID receives and who should be accountable for assessing its effectiveness.</li></ul>
<u>Recommendations:</u>	While the auditee was the Department of Revenue, the two recommendations are directed to the Legislature.
<u>Mgmt. Responses:</u>	Response not required

## Appendix J: Impact of Recent Changes to Agency Budget or Management Flexibility

Prior to 2013, the Oregon Department of Revenue's legislatively approved budget had a single General Fund and a single Other Funds budget authority for core agency funding. In 2013, the Legislature split this single budget authority into five separate appropriations. Today, the department's budget is up to 11 budget authorities.

Splitting of the budget has created an inefficient and cumbersome process, diverting the agency's resources from its core mission. The inflexibility created by having 11 appropriations for similar work creates operational complications for department operations at times. This is especially true when the department is asked to implement new tax programs. Listed below are a few examples of operational problems created by our limited budget structure:

- Corporate Activity Tax (CAT) Budget: During the last biennium, we had to borrow budget authority from the Collections Division to pay expenditures while waiting for the Legislature to act. We had the revenue but no budget authority. This caused extra accounting and budget work, increasing the possibility for human error by having to reverse all the expenditures to categorize them correctly once budget authority was established for the Corporation Division.
- New Tax Programs: When the Legislature creates new tax programs, such as the Heavy Equipment Rental Tax, that are anticipating Other Funds revenue in the future there is a real need for upfront General Fund investment to build the infrastructure until revenue from the new tax is received. The separate budget authorities do not allow the department to provide the upfront General Fund without legislative approval.
- In the event of allotment reductions, our largest revenue generating program, Personal Income Tax, is forced to take the largest reductions. This is not prudent, especially during an economic downturn. Since most of the agency's work is administering tax programs, the artificial constraints within the budget prevent flexibility to maximize revenue generation for Oregon.

## Agency Span of Control as of 7/1/2021 @ 12:07 PM

Agency	Agency Max Supervisory ratio	Total # EEs *	Total # Non-supervisory EEs	÷	Total # Supervisory EEs	Total # EEs not assigned a Representation **	1	:	Adjusted Actual Ratio	Actual ratio
Bureau of Labor and Industries	(1:8)	12	107	÷	14	0	1	:	8	7.64
Department of Administrative Services	(1:10)	1026	931	÷	95	0	1	:	10	9.80
Department of Agriculture	(1:8)	816	765	÷	51	0	1	:	15	15.00
Department of Consumer and Business Services	(1:11)	987	903	÷	84	0	1	:	11	10.75
Department of Corrections	(1:10)	5081	4662	÷	418	1	1	:	11	11.15
Department of Environmental Quality	(1:10.25)	870	796	÷	74	0	1	:	11	10.76
Department of Fish and Wildlife	(1:6)	1458	1266	÷	191	1	1	:	7	6.63
Department of Human Services	(1:8.39)	11107	10100	÷	998	9	1	:	10	10.12
Department of Justice	(1:11.88)	1638	1512	÷	124	2	1	:	12	12.19
Department of Public Safety Standards and Training	(1:27)	451	432	÷	16	3	1	:	27	27.00
Department of Revenue	(1:11)	1136	1041	÷	95	0	1	:	11	10.96
Department of State Lands	(1:8)	146	132	÷	14	0	1	:	9	9.43
Department of Transportation	(1:11)	5777	5392	÷	448	0	1	:	12	12.04
Employment Department	(1:11)	3041	2833	÷	208	0	1	:	14	13.62
Forestry Department	(1:7)	1625	1460	÷	165	0	1	:	14	13.62
Higher Education Coordinating Commission	(1:7)	167	148	÷	19	0	1	:	9	8.85
Oregon Business Development Department	(1:9)	170	152	÷	18	0	1	:	8	7.79
Oregon Department of Education	(1:9)	1001	910	÷	84	7	1	:	11	10.83
Oregon Health Authority	(1:8.6)	5389	4953	÷	453	1	1	:	11	10.93
Oregon Housing and Community Services	(1:9)	409	369	÷	40	0	1	:	9	9.23
Oregon Liquor Control Commission	(1:11)	411	384	÷	27	0	1	:	14	14.22
Oregon State Department of Police	1:12	1571	1430	÷	136	5	1	:	11	10.51
Oregon Youth Authority	(1:9)	1086	987	÷	99	0	1	:	10	9.97
Parks and Recreation Department	(1:8)	903	820	÷	83	0	1	:	10	9.88
Public Employees Retirement System	(1:10)	420	385	÷	35	0	1	:	11	11.00
Public Utility Commission of Oregon	(1:5)	132	112	÷	20	0	1	:	6	5.60
State of Oregon Military Department	(1:10)	608	556	÷	52	0	1	:	11	10.69
Water Resources Department	(1:8)	191	173	÷	18	0	1	:	10	9.61
Veteran Affairs		109	92	÷	17	0	1	:	5	5.41

\* This total number includes positions which were flagged by Workday as NOT having a Repr code assigned. Each position was reviewed and assigned to a supervisory or non supervisory category.

\*\* These numbers are showing up in Workday as not having a Repr code assigned. They were reallocated to a supervisory or non-supervisory category and folded into the Total on column C. Ratio within Maximum supervisory ratio

Ratio not within Maximum supervisory ratio





# PROPOSED SUPERVISORY SPAN OF CONTROL REPORT

In accordance with the requirements of ORS 291.227, ( Department of Revenue ) presents this report to the Joint Ways and Means Committee regarding the agency's Proposed Maximum Supervisory Ratio for the 2019-2021 biennium.

## Supervisory Ratio for the last quarter of 2017-2019 biennium

The agency actual supervisory ratio as of 7/1/2021 is 1: 11

(Date)

(Enter ratio from last Published DAS CHRO Supervisory Ratio )

### The Agency actual supervisory ratio is calculated using the following calculation;

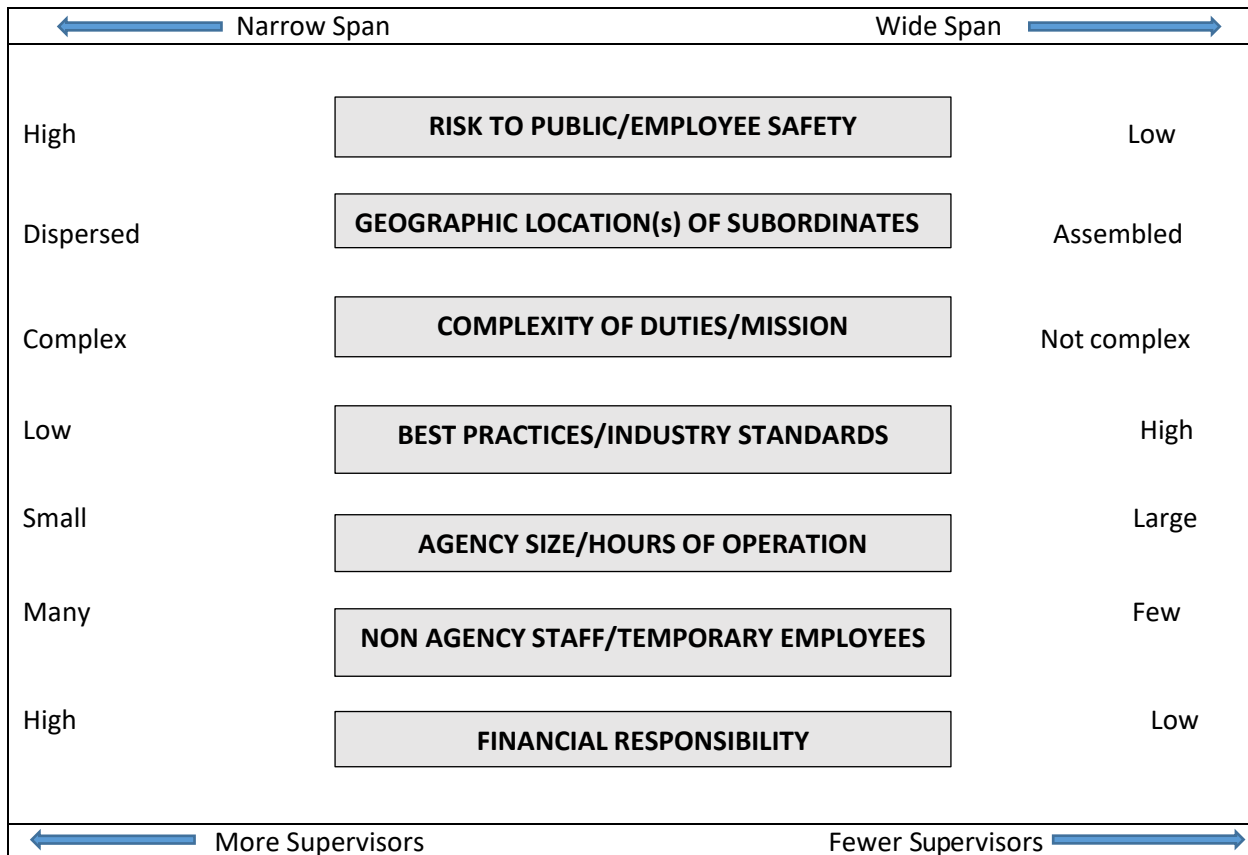
$$\frac{99}{\text{(Total supervisors)}} = \frac{93}{\text{(Employee in a supervisory role)}} + \frac{7}{\text{(Vacancies that if filled would perform a supervisory role)}} - \frac{1}{\text{(Agency head)}}$$

$$\frac{1,126}{\text{(Total non-supervisors)}} = \frac{912}{\text{(Employee in a non-supervisory role)}} + \frac{214}{\text{(Vacancies that if filled would perform a non- supervisory role)}}$$

### The agency has a current actual supervisory ratio of-

$$1: \frac{11}{\text{(Actual span of control)}} = \frac{1,126}{\text{(Total non - Supervisors)}} / \frac{99}{\text{(Total Supervisors)}}$$

When determining an agency maximum supervisory ratio all agencies shall begin of a baseline supervisory ratio of 1:11, and based upon some or all of the following factors may adjust the ratio up or down to fit the needs of the agency.



**Ratio Adjustment Factors**

Is safety of the public or of State employees a factor to be considered in determining the agency maximum supervisory ratio?

Y/N

Explain how and why this factor impacts the agency maximum supervisory ratio upwards or downward from 1:11-

No

Is geographical location of the agency's employees a factor to be considered in determining the agency maximum supervisory ratio? Y/N

Explain how and why this factor impacts the agency maximum supervisory ratio upwards or downward from 1:11-

DOR is a geographically dispersed agency headquartered in Salem, with five field offices in Bend, Eugene, Medford, Portland, and Gresham. We also have a remote call center in Fossil. Currently, this is managed within the 1:11 ratio.



Is the complexity of the agency's duties a factor to be considered in determining the agency maximum supervisory ratio? Y/N

Explain how and why this factor impacts the agency maximum supervisory ratio upwards or downward from 1:11-  
DOR manages approximately 65 tax and fee programs which are varied and complex. Currently, this is managed within the 1:11 ratio.

Are there industry best practices and standards that should be a factor when determining the agency maximum supervisory ratio? Y/N

Explain how and why this factor impacts the agency maximum supervisory ratio upwards or downward from 1:11-  
Currently, this is managed within the 1:11 ratio.

Is size and hours of operation of the agency a factor to be considered in determining the agency maximum supervisory ratio?  
Y/N

Explain how and why this factor impacts the agency maximum supervisory ratio upwards or downward from 1:11-

No

Are there unique personnel needs of the agency, including the agency's use of volunteers or seasonal or temporary employees, or exercise of supervisory authority by agency supervisory employees over personnel who are not agency employees a factor to be considered in determining the agency maximum supervisory ratio? Y/N

Explain how and why this factor impacts the agency maximum supervisory ratio upwards or downward from 1:11-

DOR utilizes seasonal personnel to accomplish the processing needs of the tax season. Additionally, the agency uses private collection firms to assist collecting debts. Currently, this is managed within the 1:11 ratio.

Is the financial scope and responsibility of the agency a factor to be considered in determining the agency maximum supervisory ratio? Y/N

Explain how and why this factor impacts the agency maximum supervisory ratio upwards or downward from 1:11-  
Yes. The agency processed approximately \$34 billion in payments during the 2019-21 biennium. Additionally, we assisted our local entities by generating an additional \$15 billion in revenues. Currently, this is managed within the 1:11 ratio.

Based upon the described factors above the agency proposes a Maximum Supervisory Ratio of 1: 11.

Unions Requiring Notification \_\_\_\_\_

Date unions notified \_\_\_\_\_

Submitted by: \_\_\_\_\_

Date: \_\_\_\_\_

Signature Line \_\_\_\_\_

Date \_\_\_\_\_

Signature Line \_\_\_\_\_

Date \_\_\_\_\_

Signature Line \_\_\_\_\_

Date \_\_\_\_\_

Signature Line \_\_\_\_\_

Date \_\_\_\_\_