

SB 1092 STAFF MEASURE SUMMARY

Senate Committee On Finance and Revenue

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Meeting Dates: 5/9

WHAT THE MEASURE DOES:

Requires the Department of Revenue (DOR) to waive all estate tax penalties and interest imposed due to late tax returns, late payments, or failure to file an estate tax return, for estates of decedents with dates of death in 2018 through 2023. Requires DOR to refund the penalty or interest if it has already been paid. Takes effect on the 91st day following adjournment sine die.

ISSUES DISCUSSED:

EFFECT OF AMENDMENT:

No amendment.

BACKGROUND:

For the Oregon Estate Tax, returns and payments were due nine months after the date of the decedent's death if the date of death was prior to January 1, 2022. The due date is 12 months after death for decedents with dates of death in 2022 or later.

ORS 118.260 imposes a delinquency penalty of 5 percent of tax if an estate tax return is filed after the due date, or if any tax is paid after the due date (either the late filing or late payment penalty applies, but not both). There may also be a failure to file penalty of 20 percent if a return is not filed within three months of the due date. Interest is charged for payments that are not made by the due date, including any payments extended in special circumstances. The interest rate currently for calendar year 2023 begins at 6% annual interest and increases another 4% sixty days after assessment. Rates are set annually, and the initial rate was 4% for 2021 and 2022.

SB 1092 would require Department of Revenue to waive penalties and interest related to late returns, failure to file a return, or late payments under Oregon's estate tax, and refund payments already made for those penalties or interest for estates of decedents dying in 2018 through 2023.