

House Bill 4038

Sponsored by Representative WRIGHT (Pre-session filed.)

SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure **as introduced**. The statement includes a measure digest written in compliance with applicable readability standards.

Digest: The Act would give a credit against taxes to employers whose rate for 2025 is less than their rate for the year before. (Flesch Readability Score: 65.7).

Provides a credit against an employer's 2025 unemployment insurance taxes if the employer's tax rate for 2025 is less than the employer's tax rate for 2022, 2023 and 2024 as determined in accordance with Enrolled House Bill 3389 (2021).

Takes effect on the 91st day following adjournment sine die.

A BILL FOR AN ACT

1
2 Relating to employer taxes; and prescribing an effective date.

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

4 **SECTION 1. Section 2 of this 2024 Act is added to and made a part of ORS chapter 657.**

5 **SECTION 2. (1)(a) Any employer whose tax rate for calendar year 2025 is less than the**
6 **employer's tax rate for calendar year 2024 shall receive a nonrefundable credit against the**
7 **taxes due from the employer for calendar year 2025 according to the schedule set forth in**
8 **subsection (2) of this section.**

9 **(b) This section does not apply to an employer who did not have a tax rate determined**
10 **in accordance with ORS 657.430, 657.435 or 657.480 for calendar year 2022.**

11 **(2) If the decrease in the tax rate described in subsection (1) of this section was:**

12 **(a) At least 0.5 percentage points and not more than 1.0 percentage point, 25 percent of**
13 **the taxes due from the employer for calendar year 2025 shall be credited.**

14 **(b) More than 1.0 percentage point and not more than 1.5 percentage points, 50 percent**
15 **of the taxes due from the employer for calendar year 2025 shall be credited.**

16 **(c) More than 1.5 percentage points and not more than 2.0 percentage points, 75 percent**
17 **of the taxes due from the employer for calendar year 2025 shall be credited.**

18 **(d) More than 2.0 percentage points, 100 percent of the taxes due from the employer for**
19 **calendar year 2025 shall be credited.**

20 **(3) An employer is not eligible for the credit against taxes under this section unless the**
21 **employer:**

22 **(a) Files all wage reports due under ORS 657.571 for calendar years 2024 and 2025 in a**
23 **timely manner;**

24 **(b) Pays all tax liabilities imposed under this chapter for calendar years 2024 and 2025 in**
25 **a timely manner; and**

26 **(c) As of January 1, 2025:**

27 **(A) Had paid all outstanding unemployment insurance taxes and related liabilities; or**

28 **(B) Had paid all outstanding amounts due according to the terms of a payment plan ac-**

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

1 cepted by the Director of the Employment Department for repayment of all outstanding
2 amounts described in subparagraph (A) of this paragraph.

3 **SECTION 3.** Section 2 of this 2024 Act is repealed on January 2, 2028.

4 **SECTION 4.** This 2024 Act takes effect on the 91st day after the date on which the 2024
5 regular session of the Eighty-second Legislative Assembly adjourns sine die.

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