



Oregon

Tina Kotek, Governor

Department of Revenue
955 Center St NE
Salem, OR 97301-2555
www.oregon.gov/dor

November 3, 2025

The Honorable Senator Kate Lieber, Co-Chair
The Honorable Representative Tawna Sanchez, Co-Chair
Interim Joint Committee on Ways and Means
900 Court St. NE, H-178
Salem, OR 97301

Re: 2025-27 Agency Budget Reduction Options – Department of Revenue

Dear Senator Lieber and Representative Sanchez:

In response to the October 1, 2025, instructions from the Legislative Fiscal Officer, the Department of Revenue (DOR) submits the attached list of new and expanded programs and proposed reductions of up to 5% from our legislatively adopted budget (LAB).

DOR's core mission is to collect the revenue that Oregon counts on. We do this by administering, alone or in some cases in collaboration with other entities, 64 revenue streams. While most of these are various taxes or fees, we also act as a debt collector for other agencies, collecting not just delinquent taxes for programs we administer, but also debts other governmental entities refer to us.

In fiscal year 2025, DOR brought in over \$20.4 billion in revenue that went to the State of Oregon, counties, local transit authorities, and others to fulfill their functions in serving Oregonians. Because our mission and work focus on bringing in revenue, we have been careful to create reduction options that minimize any reductions to the revenue we collect. We recognize that if we cut expenditures to meet the current budget situation, but at the expense of reducing the amount of revenue we collect, it can create even more severe budget challenges going forward for the State of Oregon and others for whom we collect revenue.

In developing reduction options, we looked at those developed as part of the 2025-27 budget process, factoring in what changed through adoption of our LAB, as well as changes in our operations and the overall environment in which we operate. Some key principles include the following:

- Focus on DOR's core work and functions, looking for any newer programs or functions that might be able to be reduced with less impact to the public.
- Prioritize bringing in revenue accurately and securely, and providing the best possible customer service to taxpayers and those who rely on the revenue and data we collect.
- Identify reductions that do not significantly impact our ability to collect revenue in the short- or long-term.

Together, we collect the revenue that Oregon counts on.

- Include some ongoing savings for DOR, for example, reducing lease costs.
- Include some one-time savings that are not repeatable, either because they are cost-shifting from this biennium to next, or because the impacts that can be managed once cannot be sustained. An example is a one-time, one-year deferral of IT hardware replacement to create one-time savings.
- To achieve 5% reductions, we would have to reduce staffing levels. Because our staff are essential to bringing in the revenue streams we collect, and because it can take a lot of time and money for employees to be trained and become fully proficient, these staff reductions are the least desirable cuts to propose.
- When staff reductions are proposed, we balanced the impact on revenue collection and customer service. Processing tax returns for people eligible for a refund is very important to those taxpayers. Fewer staff doing that, or answering their inquiries, creates increased problems for those taxpayers, resulting in more complaints to DOR, the Taxpayer Advocates Office, Legislators, the Governor's Office, and others. We balanced minimizing those impacts with more significant decreases in future revenue that could result from fewer employees doing audits and other tax compliance work, or from fewer employees collecting on outstanding debts, for example.
- Many reductions are apportioned out between General Fund and various Other Funds.
- Of the new and expanded programs we identified, three warrant a few additional comments:
 - In 2025, a \$150,000 General Funds appropriation was made for DOR to contract with someone to do additional outreach about the Oregon Property Tax Deferral for Disabled and Senior Homeowners Program. The procurement process was about to start when we received instructions to identify the 5% cuts. We paused that procurement effort to give the Legislature time to reexamine this appropriation. If the decision is made to continue with this program, the required report will likely show that work is still underway given the pause to permit the Legislature to have time to review this appropriation.
 - The Taxpayer Advocates Office is fully functioning and offers an important service to individual taxpayers who are having issues with DOR, and in identifying and helping DOR remediate processes or policies that make things more difficult for taxpayers. We think it would be more harmful than helpful to reduce or eliminate this function.
 - Similarly, the Internal Controls Office is fully implemented and is comprised of several functions that are essential and have existed for many years or decades at DOR, such as ensuring our customers' sensitive personal information stays confidential. It also has some newer functions that help provide controls to identify, manage, and remediate risks to revenue, data, technology, buildings, and staff. Given the evolving threats to the information and revenue we collect,

and the high dollar amounts we handle, these internal controls are an important safeguard and way to protect the revenue we collect.

Some of the proposed opportunities to reduce spending would require statutory changes. We have done our best to summarize at a high level the impacts involved with various reductions so you can make informed decisions as you contend with a difficult budget environment. We are happy to discuss further or provide any additional information we can that could assist you with that work.

Sincerely,

David K. Gerstenfeld
Director

Department of Revenue (DOR)																
2025-27 Biennium																
2025-27 LAB				267,928,066	-	163,451,960	-	-	-	-	431,380,026	1149	1094.45			
Detail of Reductions to 2025-27 Legislatively Adopted Budget																
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17
Priority (ranked most to least preferred)		Agency	SCR or Activity Initials	Program Unit/Activity Description	GF	LF	OF	NL-OF	FF	NL-FF	TOTAL FUNDS	Pos.	FTE	Gov. Reduction Target Yes / No	One-Time Yes / No	Describe the reduction and associated impact on services and outcomes. Please identify the source of Other Funds reductions.
Dept	Prgm/Div															
1	A			Facilities - Giving up PSOB storage room (\$851.32/mo) (Approval April 2026 forward)	12,514		255				\$ 12,770			Yes	No	Space for storage no longer needed
1	B			Facilities - Giving up COOP storage (\$37.06/mo) (Approval April 2026 forward)	428		128				\$ 556			Yes	No	Space for storage no longer needed
1	C			Facilities - Giving up space in Revenue Building	1,027,418		472,582				\$ 1,500,000			Yes	No	Evaluate the need for physical space as DOR remains a hybrid working remote
1	D			Facilities - Giving up space in PSOB	Still working on this one						\$ -			Yes	No	Evaluate the need for physical space as DOR remains a hybrid working remote
1	E			IT - Adjust contract with FAST to match to fiscal year	800,000		228,256				\$ 1,028,256			Yes	Yes	Align contract with fiscal year to ensure proper budget coverage
1	F			Eliminate soft (43) and cell (18) phones	61,272		19,008				\$ 80,280			Yes	No	Assume 18 month savings by eliminating soft and cell phones that are no longer being used
1	G			DO - Comms Director Vacancy 5 weeks	15,101		5,063				\$ 20,164			Yes	Yes	Savings from Comms Director leaving and hiring a new Comms Director.
1	H			DO - Comms Director 4 steps lower 19 months	104,818		35,147				\$ 139,965			Yes	Yes	New Comms Director starts at a lower step than previous Comms Director
2				PTD - Outreach for Senior Deferral Program	150,000						\$ 150,000			Yes	No	may require legislative action. As part of HB 3506 (2025), the Legislature allocated \$150,000 from the General Fund to the Department of Revenue specifically to expand outreach and awareness of the property tax deferral program. This would remove the funding to perform the outreach leaving us with existing DOR resources to perform this work.
3	A			DO - Cancel All-Staff In-Person Conference	55,200		9,800				\$ 65,000			Yes	Yes	Eliminating an in-person conference should not have a direct impact on operations but may have an impact on employee morale
3	B			PTAC - Cancel Outreach (All County Fairs including State Fair, AG Fest, Western Oregon tour)	26,081		8,619				\$ 34,700			Yes	Yes	Impact on efforts to connect/answer questions from the public. These are opportunities that DOR has seen positive feedback
3	C			PTAC - Move 10/2025 Auditor Workshop from in-person to virtual	17,346		354				\$ 17,700			Yes	Yes	No direct impact to operations but employees morale may be impacted as in-person conferences allows everyone to get together
3	D			Bus - Cancel Business Division conference and section training for OSBP and WOTF	25,000		16,667				\$ 41,667			Yes	Yes	No direct impact to operations but employees morale may be impacted as in-person conferences provides needed training and development to employees and allows for team building.
3	E			Research - Eliminate travel	9,000		3,000				\$ 12,000			Yes	Yes	Reducing out-of-state travel for Research reduces our training opportunities for staff.
3	F			PTD - Eliminate Travel	71,451		12,609				\$ 84,060			Yes	Yes	This reduction eliminates funding for staff to travel out of state to collaborate in person and receive training with peers in other states .
3	G			PTAC reduce instate travel/training/field work	4,900		100				\$ 5,000			Yes	Yes	
3	H			DO - Out of state travel	9,000		3,000				\$ 12,000			Yes	Yes	Director's Office employees would not attend out-of-state tax administrator conferences and would not learn from other states' best practices.

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																Dept
3	I			Coll - Reduce Out of State Travel	50,000						\$ 50,000			Yes	Yes	Management will not attend out-of-state tax administrator conferences and would not learn from other states' best practices. Staff training will be reduced and KPM may be missed.
3	J			Coll - Eliminate Offsite Conference	20,000						\$ 20,000			Yes	Yes	
3	K			FS - Reduce travel (instate and out of state)	67,500		22,500				\$ 90,000			Yes	Yes	
4				IT - Hold new GenTax for Zyn Tax (ISS6) (3777) for 18 months	160,076		36,096				\$ 196,172			Yes	Yes	
5				Coll - Reduce Prof Services	100,000		50,000				\$ 150,000			Yes	Yes	Fewer contracts for services will be entered into. In this case, training for employees from outside contractors will be reduced.
6	A			CAT - Reduce Agency Program Related S&S			128,989				\$ 128,989			Yes	Yes	We do not anticipate using agency program related S&S this biennium
6	B			Coll - Reduce S&S	1,000,000		390,000				\$ 1,390,000			Yes	Yes	Reduce Services and Supplies
6	C			FS - Reduce S&S	435,926		145,309				\$ 581,235			Yes	Yes	Reduce Services and Supplies
7				DO - Employee Training	37,500		12,500				\$ 50,000			Yes	Yes	No direct impact to operations but employees morale may be impacted as training provides development to employees and allows for team building.
8	A			MJ - Reduce Capital Outlay			222,912				\$ 222,912			Yes	Yes	We do not anticipate using capital outlay funds this biennium.
8	B			CAT - Reduce Capital Outlay			254,504				\$ 254,504			Yes	Yes	We do not anticipate using capital outlay funds this biennium.
9				CAT - Reduce Office Expense			306,069				\$ 306,069			Yes	Yes	Based on office expense spending last biennium we believe this category is currently overfunded.
10				IT - PC Refresh 4 years to 5 years	699,767		202,108				\$ 901,875			Yes	Yes	Elongate the PC refresh cycle may cause laptops to fail or software upgrades to older machines to not be available
11				Bus - Vacancy Savings	391,564		134,342				\$ 525,906			Yes	Yes	Vacancy savings built into LAB \$758k GF/\$478k OF. With estimate of \$1.5M GF salary pot according to current projected spending the division will underspend by \$786k GF in personal services. This will require us to hold vacancies longer, especially positions that support GF programs impacting customer service, revenue generation, and account maintenance.
12				Coll - Vacancy Savings (assume 60 days)	1,000,000		100,000				\$ 1,100,000			Yes	Yes	Delays and decreases in direct collection activity and associated revenue reduction from tax program revenue streams. Reduction in number of delinquent accounts touched timely. 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 while they are held vacant.

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Dept	Prgm/ Div															
13	A			PTD - Non-Profit Housing	189,627						\$ 189,627			Yes	No	may require legislative action. A partial or total reduction of this appropriation will reduce the reimbursement to local taxing districts for administering this exemption and negatively impact counties, cities, and schools. The Legislative Assembly found the benefits of this program to be significant enough that it made this the only property tax exemption program funded by ORS 307-241. The average rent reduction due to this program in \$40 per unit.
13	B			PTD - Senior Deferral			1,307,247				\$ 1,307,247			Yes	No	ORS 311.676 may need to be amended to allow this reduction (and possibly ORS 311.701) Right now, the Department of Revenue is required by statute to pay counties the deferred property taxes on behalf of qualifying seniors. That obligation is laid out in ORS 311.676, which directs the Department to pay county tax collectors the amount of property taxes deferred for each approved participant. Because the statute uses mandatory language (“shall pay”), the Department does not have discretion to withhold those funds. To legally stop or reduce payments to counties, the Legislature would need to amend ORS 311.676 (and potentially related provisions like ORS 311.701, which establishes the revolving account used for those payments).
Approximately 2.5% GF above this line																
14				Coll - OT Savings	236,000		94,000				\$ 330,000			Yes	Yes	Special project to add accounts held by OJD during COVID will end. It will take longer for accounts to be added to our collection system to begin active collections.
15				FS - Reduce OT	15,000		5,000				\$ 20,000			Yes	Yes	Eliminate most OT which may cause deadlines to be missed
16	A			Research - Hold one position (2313) vacant for 24 months	153,393		51,131				\$ 204,524			Yes	Yes	Holding the economist position vacant will reduce Research’s ability to quickly answer requests for analysis and information.
16	B			PTD - Vacancy Savings (3 positions)	526,674		343,862				\$ 870,536			Yes	Yes	We will hold three positions vacant for the biennium. This will reduce customer service response times, increase return processing times, and increase workload per employee.
16	C			FS - Vacancy Savings	187,500		62,500				\$ 250,000			Yes	Yes	Hold positions vacant longer which may impact operations as duties may need to be covered by other staff until filled
16	D			ICO - Vacancy Savings	129,439		43,146				\$ 172,585			Yes	Yes	Holding vacancies longer will cause control activities to be at risk
17				IT - Postpone ITSM Upgrade to next biennium	266,000		84,000				\$ 350,000			Yes	Yes	Postponing until next biennium will introduce risk in maintenance and oeprations of this system
18				IT - Reduce Support Services by 5%	153,487		45,847				\$ 199,334			Yes	Yes	
19				IT - OT Savings	84,700		25,300				\$ 110,000			Yes	Yes	

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20				Bus - Reduce OT	50,000		33,333									Increased workloads for staff, increased wait time for customers, higher call volumes, and incorrect notices sent to customers.
21	A			PTAC - Reduce leadworkers by two	16,005		327									Review of leadworker roles has identired the ability to consolidate roles
21	B			IT - Eliminate half of lead workers	124,740		37,260									
22			PTD	CAFFA			1,593,609									CAFFA funds are passthrough dollars that directly support the operations of county assessor and tax collector offices. Any reduction in these funds may lead to staffing shortages, diminished capacity to collect property taxes, and increased inequities in the administration of Oregon's property tax system.
23	A		PTAC	Eliminate OS2 Seasonal - assume 4/1/2025	63,551		1,297									Longer processing time for correspondence.
23	B		PTAC	Eliminate PSR3 Seasonal - assume 4/1/2025	80,831		1,650									Fewer calls answered, longer wait time on phone.
23	C		PTAC	Eliminate PSR3 Seasonal - assume 4/1/2025	47,664		973									Fewer calls answered, longer wait time on phone.
23	D		PTAC	Eliminate PSR3 Seasonal - assume 4/1/2025	50,520		1,031									Fewer calls answered, longer wait time on phone.
23	E		PTAC	Eliminate PSR3 Seasonal - assume 4/1/2025	95,875		1,957									Fewer calls answered, longer wait time on phone.
23	F		PTAC	Eliminate PSR3 Seasonal - assume 4/1/2025	51,551		0									Fewer calls answered, longer wait time on phone.
23	G		PTAC	Eliminate PSR3 Seasonal - assume 4/1/2025	48,636		0									Fewer calls answered, longer wait time on phone.
23	H		PTAC	Eliminate PSR3 Seasonal - assume 4/1/2025	77,818		0									Fewer calls answered, longer wait time on phone.
23	I		PTAC	Eliminate PSR3 Seasonal - assume 4/1/2025	79,894		0									Fewer calls answered, longer wait time on phone.
23	J		PTAC	Eliminate PSR3 Seasonal - assume 4/1/2025	38,131		778									Fewer calls answered, longer wait time on phone.
23	K		PTAC	Eliminate PSR3 Seasonal - assume 4/1/2025	38,131		778									Fewer calls answered, longer wait time on phone.
23	L		PTAC	Eliminate PSR3 Seasonal - assume 4/1/2025	38,131		778									Fewer calls answered, longer wait time on phone.
23	M		PTAC	Eliminate PSR3 Seasonal - assume 4/1/2025	23,832		486									Fewer calls answered, longer wait time on phone.
24	A		Coll	Eliminate 3 RA1 positions	0		461,325									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.
24	B		Coll	S&S associated with eliminated positions			32,769									S&S / capital outlay (\$10,923 per position; \$5,624 per seasonal)
25	A		PTAC	Eliminate PSR3 Seasonal - assume 4/1/2025	23,832		486									Fewer calls answered, longer wait time on phone.
25	B		PTAC	Eliminate PSR3 Seasonal - assume 4/1/2025	23,832		486									Fewer calls answered, longer wait time on phone.
25	C		PTAC	Eliminate PSR3 Seasonal - assume 4/1/2025	40,415		825									Fewer calls answered, longer wait time on phone.

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2025-27 Biennium																
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Priority (ranked most to least preferred)		Agency	SCR or Activity Initials	Program Unit/Activity Description	GF	LF	OF	NL-OF	FF	NL-FF	TOTAL FUNDS	Pos.	FTE	Gov. Reduction Target Yes / No	One-Time Yes / No	Describe the reduction and associated impact on services and outcomes. Please identify the source of Other Funds reductions.
Dept	Prgm/ Div															
26			PTAC	S&S associated with eliminated positions	205,934		4,203				\$ 210,137			No	No	S&S / capital outlay (\$10,923 per position; \$5,624 per seasonal) Prevents Data Strategy to improve agency operational visibility and data informed decision making goals.
27			IT	Eliminate 1 DBA ISS7 - assume 4/1/2025	290,385		86,739				\$ 377,124	1	0.625	No	No	
28			Bus	Eliminate PA1 Withholding - assume 4/1/2025	0		166,109				\$ 166,109	1	0.625	No	No	Will reduce taxpayer support activities, increase call wait times and increase response time for taxpayer resolution.
29			IT	Reduce Seasonal Staffing in PC	380,000		120,000				\$ 500,000			No	No	
30	A		PTAC	Eliminate AS1 ADP - assume 4/1/2025	128,877		2,630				\$ 131,507	1	0.625	No	No	Job duties would be performed by higher level (AS2 or PSR4) position. Slower return processing times and reduction in revenue. Position is currently filled
30	B		PTAC	Eliminate AS1 ADP - assume 4/1/2025	128,877		2,630				\$ 131,507	1	0.625	No	No	Job duties would be performed by higher level (AS2 or PSR4) position. Slower return processing times and reduction in revenue. Position is currently filled
30	C		PTAC	Eliminate AS1 ADP - assume 4/1/2025	128,877		2,630				\$ 131,507	1	0.625	No	No	Job duties would be performed by higher level (AS2 or PSR4) position. Slower return processing times and reduction in revenue. Position is currently filled
30	D		PTAC	Eliminate AS1 ADP - assume 4/1/2025	128,877		2,630				\$ 131,507	1	0.625	No	No	Job duties would be performed by higher level (AS2 or PSR4) position. Slower return processing times and reduction in revenue. Position is currently filled
30	E		PTAC	Eliminate AS1 ADP - assume 4/1/2025	128,877		2,630				\$ 131,507	1	0.625	No	No	Job duties would be performed by higher level (AS2 or PSR4) position. Slower return processing times and reduction in revenue. Position is currently filled
30	F		PTAC	Eliminate AS1 ADP - assume 4/1/2025	128,877		2,630				\$ 131,507	1	0.625	No	No	Job duties would be performed by higher level (AS2 or PSR4) position. Slower return processing times and reduction in revenue. Position is currently filled
30	G		PTAC	Eliminate AS1 ADP - assume 4/1/2025	128,877		2,630				\$ 131,507	1	0.625	No	No	Job duties would be performed by higher level (AS2 or PSR4) position. Slower return processing times and reduction in revenue. Position is currently filled
31	A		Bus	Eliminate CS2 Withholding - assume 4/1/2025	120,596		59,398				\$ 179,994	1	0.625	No	No	Will reduce enforcement activities related to employers filing payroll taxes, directly reducing GF and OF revenues.
31	B		Bus	Eliminate CS2 Withholding - assume 4/1/2025	0		153,388				\$ 153,388	1	0.625	No	No	Will reduce enforcement activities related to employers filing payroll taxes.
31	C		Bus	Eliminate CS2 Withholding - assume 4/1/2025	107,970		45,418				\$ 153,388	1	0.625	No	No	Will reduce enforcement activities related to employers filing payroll taxes, directly reducing GF and OF revenues.
32			Bus	S&S associated with eliminated positions	26,215		39,323				\$ 65,538			No	No	S&S / capital outlay (\$10,923 per position; \$5,624 per seasonal)
33	A		PTAC	Eliminate TA1 Portland - assume 4/1/2025	134,114		2,737				\$ 136,851	1	0.625	No	No	Fewer personal income audits and reduction in revenue. Budget impact is estimate – position is vacant.
33	B		PTAC	Eliminate TA1 Bend - assume 4/1/2025	134,114		2,737				\$ 136,851	1	0.625	No	No	Fewer personal income audits and reduction in revenue. Budget impact is estimate – position is vacant.
33	C		PTAC	Eliminate TA1 WVF 1 - assume 4/1/2025	179,994		0				\$ 179,994	1	0.625	No	No	Fewer personal income audits and reduction in revenue. Budget impact is estimate – position is not vacant but employee is retiring 3/2026.
34	A		Bus	Eliminate TA2 Corp - assume 4/1/2025	145,719		7,669				\$ 153,388	1	0.625	No	No	Will reduce number of large multi-state corporations who are audited, directly reducing GF revenues.

2025-27 Biennium

Target (5%)	13,396,403	-	8,172,598	
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Department of Revenue (DOR)															
2025-27 Biennium															
Detail of Programs in the 2025-27 Legislatively Approved Budget that have been established or expanded since 2021-23															
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
Agency	SCR	Program Establishment / Expansion			Program Description	GF	LF	OF	NL-OF	FF	NL-FF	TOTAL FUNDS	Pos.	FTE	Implementation Status
		Biennium	Effective Date	Authorization											
15000		2021-23	1/1/2022	ORS 431A.198 (SB 587 (2021))	Tobacco Retail License - sellers of cigarette and tobacco products must have a license to do so. License fees collected offset cost of administration for DOR and OHA.			1,279,275				\$ 1,279,275	5	4.50	Tobacco retail licensing has been fully implemented and is incorporated with other cigarette and tobacco program operations and maintenance.
15000		2021-23	1/1/2023	ORS 475A.662	Psilocybin Tax - tax imposed on sale of psilocybin at licensed psilocybin service centers.	523,993						\$ 523,993	2	2.00	The psilocybin tax has been fully implemented and is incorporated with other similar program operations and maintenance.
15000		2021-23	7/1/2023	ORS 475.404 (HB 4010 (2022))	Kratom Processor Registration - Kratom products cannot be sold in Oregon unless they were produced by a registered Kratom processor. The processor must attest to meeting testing standards.			9,215				\$ 9,215	0	0.00	The kratom processor registration program has been fully implemented and is incorporated with other similar program operations and maintenance.
15000		2023-25	1/1/2024	ORS 403.200 (1)(b)	988 Coordinated Crisis Services Tax - tax imposed on each communication access to 911 and 988 services. The tax is administered jointly with the 911 tax. Tax revenue supports the 988 coordinated crisis services program across Oregon. The 988 program is a federally mandated program.	0		0				\$ -	0	0.00	The 988 tax has been fully implemented and is incorporated with e911 program operations and maintenance.
15000		2025-27	1/1/2026	HB 3940 (2025)	Oral Nicotine Tax - all oral nicotine products, such as Zyn, will be subject to tax beginning 1/1/2026. The tax will be reported by licensed distributors on the quarterly tobacco tax return under a new category separate from snuff, cigars, inhalant delivery systems, etc. The tax revenue is dedicated to wildfire mitigation and suppression.	198,812		222,885				\$ 421,697	2	1.63	The oral nicotine tax implementation is in progress. Configuration changes to tobacco tax return, administrative rulemaking, and communication plan development have all begun with a planned go-live date before the effective date of January 1, 2026.
15000		2025-27	1/1/2026	HB 3991 (2025 SS1)	Statewide Transit Tax - rate increase from .001 to .002 of wages earned in Oregon. The revenues fund the Statewide Transportation Improvement Fund (STIF).	0		0				\$ -	0	0.00	The statewide transit tax rate increase implementation is in progress. Configuration update for rate increase in GenTax and OED's Frances system, administrative rulemaking, and communication plan development have all begun with a planned go-live date before the effective date of January 1, 2026.
15000		2021-2023	9/1/2022	June 2022 E-Board	The Internal Controls Office (ICO) was established in 2022 from 5 existing positions and 5 new positions from the June 2022 E-Board. To support DOR’s mission of collecting revenue, the ICO monitors and promotes DOR’s compliance with legal requirements and standards such as protection of confidential taxpayer data and works to mitigate cybersecurity and operational risks. The ICO is also responsible for DOR’s continuity of operations planning. The ICO administers 6 programs, 3 of which operated out of other DOR units prior to 2021 (Disclosure, Safety and Security, and Continuity of Operations) and 3 that began operations in 2022 (Information Technology Compliance, Internal Compliance, and Agency Risk Management).	1,903,790		638,325				\$ 2,542,115	7	7.00	The Internal Controls Office (ICO) is fully implemented and operational and has brought significant benefits to the agency. For example, the work of the Information Technology Compliance program in ICO helped DOR increase its Cyber Security Services’ CIS cybersecurity controls assessment score by 36% between 2022 and 2025.
15000		2025-27	7/1/2025	HB 3506 (2025)	The Legislature allocated \$150,000 GF to expand outreach and awareness of the property tax deferral program	150,000						\$ 150,000			DOR is in the process of issuing a RFP to hire a contractor to do the outreach. This has not been awarded.

Department of Revenue (DOR)															
2025-27 Biennium															
Detail of Programs in the 2025-27 Legislatively Approved Budget that have been established or expanded since 2021-23															
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
Agency	SCR	Program Establishment / Expansion			Program Description	GF	LF	OF	NL-OF	FF	NL-FF	TOTAL FUNDS	Pos.	FTE	Implementation Status
		Biennium	Effective Date	Authorization											
15000				HB 3373 (2021)	The Oregon Taxpayer Advocate Office was established by HB 3373 to assist taxpayers in obtaining information, evaluating complaints, identifying barriers to equitable service, providing timely assistance to those whose issues are not resolved through standard channels, and representing taxpayer interests in policymaking—among other purposes outlined in ORS 305.800. It has independent statutory authority, is appointed by the Director, and is housed within DOR. Every odd-numbered year, the office formally reports to the Legislature, providing data and metrics—including performance insights related to both DOR and the Taxpayer Advocate Office—as well as recommendations based on systemic issues identified. To date, 11 formal recommendations have been published in these reports and are actively tracked.	742,618		248,993				\$ 991,611	3	3.00	Fully Implemented - From the Department of Revenue’s perspective, these efforts benefit taxpayers and the agency alike by fostering greater voluntary compliance, increasing trust in the tax system, and identifying customer service barriers for remediation.
15000				SB 1 (2023)	Voluntary Self-Identification of Race and Ethnicity - The law required DOR to create a new form for the personal income tax return to allow taxpayers to voluntarily provide information about their race and ethnicity. It was implemented in 2025 and is now ongoing. DOR is required by the statute to collect that information, provide analysis of it, and regularly report to the legislature on the protection of the data.							\$ -			Fully Implemented
15000				HB 4002 (2022)	Agricultural Employer Overtime Tax Credit - The department received positions to create a new unit to process and answer questions from taxpayers about the tax credit. A report (prepared by the Oregon Employment Department) is due to the Legislature by November 30, 2026 and every six years thereafter about possible adjustments to the structure of the credit and revisions to the credit rate amounts for consideration by the Legislature	1,761,712		35,953				\$ 1,797,665	14	7.96	Fully Implemented
15000				SB 727 (2021) amended by SB 1524 (2022)	Pass-through Entity Elective Tax - The elective tax and refundable credit currently applies to tax years beginning before December 31, 2025, however returns paying the tax and claiming the refundable credit will be received throughout 2026 and into 2027 and audit activities for this tax will continue into 2029. The department received both limited duration (which have since ended) and permanent (mostly part time) positions to implement and run this program. The program was considered for extension during the 2025 legislative session and we anticipate it may be discussed again during the 2026 session now that federal tax law relating to this program has been settled.							\$ -			Fully Implemented

Department of Revenue (DOR) 2025-27 Biennium															
Detail of Programs in the 2025-27 Legislatively Approved Budget that have been established or expanded since 2021-23															
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
Agency	SCR	Program Establishment / Expansion			Program Description	GF	LF	OF	NL-OF	FF	NL-FF	TOTAL FUNDS	Pos.	FTE	Implementation Status
		Biennium	Effective Date	Authorization											
15000				Budget note SB 5537 (2023)	In 2021 the Legislature recommended DOR develop a customer experience strategy. It was presented to the Legislature in January 2023 and positions were given to DOR to start implementing it. This focuses on continuous improvement of DOR customers’ experience. This includes monitoring customer service metrics, gathering customer service feedback so DOR can adjust our systems, processes, and communications. It also includes identifying tools and approaches to help DOR improve customer service. So far this has resulted in improvements to the “Where’s my refund” process which significantly improved customer service during the 2025 tax filing season including having many fewer calls or complaints from people about the status of their refund; it also includes helping lead the project to replace DOR’s telephony infrastructure so we have more tools and data to better serve Oregon taxpayers. Better customer service makes it easy for taxpayers to voluntarily comply with filing and payment requirements, something key to accurate, efficient revenue collection.	576,223		193,203				\$ 769,426	2	2.00	Fully implemented for what is needed now, and engaging in the work of continuous improvement. After we get appropriate Stage Gate approval and are further with the replacement of our telephony infrastructure, other needs or desires for this unit may be identified.
												\$ -			
												\$ -			
												\$ -			
												\$ -			
												\$ -			
												\$ -			
				TOTAL		5,857,148	-	2,627,849	-	-	-	\$ 8,484,997	35	28.09	

Instructions

Column (5) - Authorization should identify the source of the new program or program expansion, which could include enabling legislation, approved policy option package, or administrative establishment.

Column (6) - Program description should include a summary of the program and the expansion (if applicable), including any partner state agencies.

Column (16) - Current status of program implementation should be summarized, including any future budget requests anticipated upon full program implementation.