

Senate Bill 32

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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**.

Allows Department of Revenue to establish rules for waiver of tax penalties. Specifies requirements for rules that waive tax penalties.

A BILL FOR AN ACT

1
2 Relating to tax penalties; amending ORS 305.145.

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

4 **SECTION 1.** ORS 305.145 is amended to read:

5 305.145. (1) The Department of Revenue or a county tax collector shall waive interest on an
6 assessment if the taxpayer has failed to make a timely payment or has received an incorrect refund
7 because:

8 (a) An employee of the department or of a county tax collector acting in an official capacity,
9 who had knowledge of the necessary facts, misled the taxpayer either by some erroneous factual
10 representation or by a course of dealing or conduct;

11 (b) The taxpayer relied on the misleading factual representation or conduct; and

12 (c) The taxpayer failed to make a timely payment or has received an incorrect refund by reason
13 of the taxpayer's reliance on the information or course of conduct.

14 (2) Notwithstanding the provisions of subsection (1) of this section, interest [*shall*] **may** not be
15 waived after the appeal period for a final determination has expired.

16 (3) The Department of Revenue may, in its discretion, upon good and sufficient cause, according
17 to and consistent with its rules and regulations, upon making a record of its reason therefor, waive,
18 reduce or compromise any tax balance of \$50 or less or any part or all of the [*penalties and*] interest
19 provided by the laws of the State of Oregon [*which*] **that** are collected by the Department of Re-
20 venue.

21 (4) **The department may establish by rule instances in which the department may, in its**
22 **discretion, waive any part or all of penalties provided by the laws of the State of Oregon that**
23 **are collected by the department. Rules adopted under this subsection are limited to the**
24 **waiver or reduction of penalties in cases where:**

25 (a) **Good and sufficient cause exists for the actions of a taxpayer that resulted in the**
26 **imposition of a penalty;**

27 (b) **The actions of a taxpayer that resulted in the imposition of a penalty constitute a**
28 **first-time offense on the part of the taxpayer; or**

29 (c) **The actions of the department enhance long-term effectiveness, efficiency or admin-**
30 **istration of the tax system.**

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.

