

# Oregon Personal Income Tax

## Legacy Electronic Filing Handbook For Software Developers and Tax Preparers Tax Year 2011

Published by  
Oregon Department of Revenue



## **Oregon Electronic Filing Business Rules**

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This publication is for software developers, transmitters, and tax preparers participating in Oregon personal income tax electronic filing and should be used in conjunction with the *Oregon Publication 17½, Oregon Individual Income Tax Guide* (150-101-431), as well as IRS publications and schemas.

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## Section 1: What's New for Tax Year 2011

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### Modernized E-File

Oregon Department of Revenue supports Modernized E-File for tax years 2009, 2010 and 2011. For more information, see our *Modernized E-File Handbook for Software Developers and Tax Preparers*.

### Forms Support

Beginning in tax year 2011 the 40S (the short form) has been eliminated for full year resident filers for TY 2011. All full-year Oregon residents will use Oregon Form 40. There is no longer an Oregon Form 40S.

Oregon charitable checkoffs have been rotated on the TY 2011 tax form. Our specifications have been updated to reflect the charities shown on the form and the charities that are now "other charities".

### New Business Credits

There are four new business credits:

- Renewable energy resource equipment manufacturing facility
- Energy conservation project
- Transportation projects
- Renewable energy development contributions

### E-File Mandate

Oregon will have an E-file mandate for returns filed starting in January 2012. A Administrative rule will be available in September 2011.

## Section 2: Software Developer Requirements

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1. Approved Oregon electronic tax return preparation software must comply with all federal and state requirements as specified in the following publications:
  - a. IRS Publication 1345 (*Handbook for Authorized IRS e-file Providers*) and IRS Publication 1346 (federal file specifications and record layouts) for Legacy ELF.
  - b. *Oregon Publication 17½ Oregon Individual Income Tax Guide Tax Year 2011* (150-101-431), Oregon File Specifications and Record Layouts, and Oregon Cross Checks and Edits.
2. All participating software developers must:
  - a. Pass Oregon state vendor testing as specified in this publication. Transmitters are strongly encouraged to perform a communications test with the department before each filing season.
  - b. Produce accurate paper Oregon income tax returns for the taxpayer copy and in the correct electronic format for transmission with the federal return to the appropriate IRS campus.
  - c. Provide duplicates of the federal and state forms in the unformatted records of the Oregon electronic return as specified on page 8.
  - d. Provide data validation and error checking to prevent transmission of incomplete or invalid return information. The Oregon electronic return must contain all required fields in the specified format including:
    - i. The Software Developer Identifier (Generic Record, Field 0300A)
    - ii. The practitioner information (Generic Record, Field 0050 and Field 0052) for returns prepared by a paid preparer. The paid preparer name, Social Security number or Preparer Tax Identification number (PTIN), Oregon license or certificate number, and business address. For Oregon paid preparers and consultants required to be licensed (whether or not they reside in Oregon), the Oregon license number (Field 0305A) is mandatory.
    - iii. The Electronic Return Originator (ERO) and transmitter identification numbers, Electronic Filer Identification Number (EFIN), and Electronic Transmitter Identification Number (ETIN) in the Generic Record Layout.
    - iv. Population of either the itemized **or** the standard deduction line on the Oregon return but not both.
    - v. Population of either the tax to pay **or** refund lines on the Oregon returns, but not both.
  - e. Provide data and field validation based on edits and cross checks, as well as the data descriptions, as outlined for each form.

- f. Retrieve Oregon acknowledgements to ensure that the Oregon Department of Revenue (DOR) has received the state returns. Transmitters must provide the acknowledgements to their EROs and preparers in a timely manner, typically no more than two business days later. Please notify DOR of any delays in the retrieval of acknowledgements so we can provide your customers the best information possible.
- g. Use the Oregon Standard Numeric Codes for Federal Adjustments to Income, Other Additions, Other Subtractions, Other Deductions and Modifications, and Other Credits. Failure to use the codes will result in slower processing time for the affected return(s), a letter from DOR to the taxpayer requesting the information, and possible denial of the deduction/credit.
- h. Provide prompt notification to DOR of any software problems or programming changes made after PATS approval. **This notification should also include all software updates/releases issued after PATS acceptance testing.** Please contact the Oregon e-file staff at 503-945-8415 or via e-mail at [electronic.filing@state.or.us](mailto:electronic.filing@state.or.us) with software update information. The Department uses this information to communicate with your users when they contact us and in our monitoring of the Oregon e-file program.

## Transmission Approval Process

### Software Developers

Software companies that wish to participate **must submit an *Application to Participate/Letter of Intent (LOI)* every year** to participate in Oregon's Participants Acceptance Testing (PATS). Prior to testing all companies must complete the LOI, found on our draft website. Please fill out a new LOI each year rather than just writing 'same as last year' on the form. The LOI may be returned to us by e-mail to [electronic.filing@state.or.us](mailto:electronic.filing@state.or.us) or faxed to 503-945-8649.

This information is used to set staffing levels during the testing period. Software developers will be provided feedback on test returns transmitted. DOR will send an e-mail or fax when the software is approved for Oregon electronic filing. DOR will not accept "live" returns by any developer until the software package is approved.

### Transmitters

Transmitters send the Oregon electronic return with the federal return. They must follow all electronic transmitting procedures, communication requirements, and technical specifications required by IRS Publication 1345 and Oregon Department of Revenue *File Specifications and Record Layouts*.

If you intend to transmit Oregon returns, please send us a completed copy of your *Application to Participate/Letter of Intent (LOI)* to [electronic.filing@state.or.us](mailto:electronic.filing@state.or.us). You are not required to test with Oregon; however, we encourage you to send us a communications test. We will notify you when we have received and approved the communications test.

## Section 3: Tax Preparer Requirements

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1. All tax preparers whose business address is within the State of Oregon must be licensed by the Oregon Board of Tax Practitioners or the Oregon Board of Accountancy. Licensees must list their license number in the signature block on the tax return.

Your access to the Oregon e-file program only permits you to electronically file returns, not to prepare them. Any person or business preparing, assisting, or advising others on personal income tax returns, or representing that they do so by soliciting clients in Oregon, must be licensed as a Licensed Tax Consultant or Licensed Tax Preparer by the State Board of Tax Practitioners. For more information, contact the State Board of Tax Practitioners in Salem at (503) 378-4034, or go to [www.oregon.gov/OTPB](http://www.oregon.gov/OTPB). CPAs and PAs licensed by the Oregon Board of Accountancy are exempt from this requirement.

2. If you are out of state, have no agents or offices in Oregon, and do not solicit Oregon clients in any way, you only need to follow licensing requirements for your state. For more information, contact the Oregon State Board of Tax Practitioners at (503) 378-4034, or go to [www.oregon.gov/OTPB](http://www.oregon.gov/OTPB). If you're filling out an Oregon return and your software prompts you for a license number, you may enter a license number or leave the field blank.

3. Tax preparers must:

- a. Have an active EFIN from the IRS. There is no separate registration requirement for Oregon.
- b. Comply with the procedures, requirements, and specifications set forth in IRS publications 1345 and 1346.
- c. Maintain a high degree of integrity, compliance, and accuracy to remain in the Federal/State Electronic Filing Program.
- d. Verify the accuracy of the taxpayer's name, address, and Social Security number or ITIN. This information is used to update our records.
- e. Verify the return information with the taxpayer(s) before transmitting the return. This includes the taxpayer's routing and bank account information if the taxpayer has requested direct deposit of their refund. After verification, the taxpayer(s) authorizes the electronic filing and signs the appropriate documents.
- f. File the electronic returns in a timely manner. The IRS receive date is considered the filing date for Oregon electronic returns.
- g. File the 2011 Oregon electronic returns on or before October 15, 2012, with the appropriate IRS campus.
- h. Not stockpile returns. Stockpiling is collecting returns from taxpayers or other electronic filers before official acceptance into the IRS electronic filing program, or waiting more than three days to send a return after receiving the tax return information for transmission. **Exception:** EROs may collect or prepare returns and wait until the

electronic filing season opening date in January to send them. This is not considered stockpiling.

- i. Contact their transmitter to ensure that their client's electronic return arrived at the Oregon Department of Revenue. If an Oregon electronic return fails to reach us or is rejected, the preparer must correct and re-file the return electronically through the 'State Only' filing program or file a paper return with a 2-D barcode.
- j. Retain copies of the signed Oregon Form EF or federal PIN signature form with appropriate schedules, Forms W-2, and Forms 1099 in their business records for three years. Do not mail to the Department of Revenue unless specifically requested to do so.
- k. Comply with the laws and regulations restricting disclosure of any tax return information. Specifically, guidelines outlined in IRS Revenue Procedure 94-63 and 94-63A should be followed, as well as Oregon Revised Statutes (ORS) 305.230 and 314.840. For information about disclosure issues, please visit our webpage at [www.oregon.gov/DOR/NEWS/publicinfo.shtml](http://www.oregon.gov/DOR/NEWS/publicinfo.shtml).
- l. File an amended return if an electronic return is changed after it has been transmitted. Current year amended returns may be electronically filed.

## **Section 4: Oregon Electronic Filing Documents**

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### **Accepted Oregon personal income tax e-file documents for TY2011 for Legacy e-file.**

1. Oregon forms 40, 40N, 40P
2. Oregon Form 10
3. Oregon Schedule WFC or WFC-N/P
4. Oregon Exempt Income Schedule for Enrolled Members of a Federally Recognized American Indian Tribe
5. Amended Schedule (current Tax Year 2011 only)
6. Oregon Adjustments Schedule OR-ASC or OR-ASC-N/P

### **The following federal forms may be attached to an e-filed return (software permitting):**

#### **Legacy e-file**

1. Federal Form 1040, 1040A, or 1040EZ
2. Federal Form W-2 and W-2G
3. Federal Form 1099R
4. Schedule A, Itemized Deductions
5. Schedule B, Interest and Ordinary Dividends
6. Schedule C, Profit or Loss from Business
7. Schedule C-EZ, Net Profit from Business
8. Schedule D, Capital Gain and Loss
9. Schedule E, Supplemental Income and Loss
10. Schedule L, Standard Deduction for Certain Filers
11. Schedule EIC, Earned Income Credit
12. Schedule F, Profit or Loss from Farming
13. Schedule R, Credit for the Elderly or the Disabled
14. Form 2106, Employee Business Expenses
15. Form 2106-EZ, Unreimbursed Employee Business Expenses
16. Form 2441, Child and Dependent Care Expenses
17. Form 4797, Sales of Business Property
18. Form 6251, Alternative Minimum Tax for Individuals
19. Form 8379, Injured Spouse Claim and Allocation
20. Form 8863, Education Credits (American Opportunity and Lifetime Learning Credits)
21. Notes
22. Statements

For Legacy e-file, provide duplicates of the following federal and state forms in the unformatted record of the Oregon electronic return in the following order.

- a. Form 1040, 1040A, or 1040EZ including federal schedules A-F, C-EZ, and Schedule L and R
- b. Amended Schedule for Tax Year 2011
- c. Forms W-2
- d. Forms W-2G

- e. Forms 1099
- f. Oregon Form 10
- g. Oregon WFC or WFC 40N/40P
- h. Oregon Exempt Income Schedule for Enrolled Members of a Federally Recognized American Indian Tribe
- i. Oregon Adjustment Schedule—(OR-ASC and OR-ASC-N/P)
- j. Forms 2106 and 2106-EZ
- k. Form 2441
- l. Form 4797
- m. Form 6251
- n. Form 8379
- o. Form 8863
- p. Preparer Notes
- q. Statements

## Excluded e-file Documents

### For Tax Year 2011, Oregon cannot electronically accept:

- Oregon Form 90R, *Oregon Elderly Rental Assistance*
- Oregon Form 243, *Claim to Refund Due a Deceased Person*
- Oregon Lane Transit returns
- Oregon TriMet Transit returns
- Prior year returns (TY2009 and 2010 are available to e-file through Modernized Electronic Filing)
- Non-calendar year returns

## List of Special-Case Attachments:

Returns that require additional documentation for processing ***may still be e-filed to Oregon***. In order to speed processing and reduce the amount of processing related correspondence sent to taxpayers, we offer two options for submitting the other documentation to the department. **This is not a requirement** but many preparers find it helpful to submit this information at the time of filing the return.

The department will match the documentation to the e-filed return. Forms recommended for this treatment include:

- Form 24, *Like-Kind Exchanges/Involuntary Conversions*
- Form 243, *Claim to Refund Due a Deceased Person*

- Credit for Income Taxes Paid to Another State (first two pages of the other state's return if the credit is from an individual return or a schedule if the credit is from an S corporation)
- Schedule MPC, *Mobile Home Park Closure*
- *Transfer Notice for Certain Credits*
- Form BPC, *Biomass Producer and Collector Credit*
- Form SPS, *Severance Pay Subtraction*

Information may be:

- Faxed to the department at 503-945-8786
- Mailed to the department at:

PO Box 14999  
Salem OR 97309-0990  
ATTN: Suspense

**Note:** Some documents have been removed from previous year's lists, specifically Oregon only federal Schedule A. These documents may still be requested during processing or later. Also, waiting three business days to fax these documents will ensure that we have received your client's return electronically from the IRS and have record of it in our system.

## Section 5: Electronic Signatures

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There is one signature method available for taxpayers to sign their tax return electronically: using a federal PIN (federal Form 8879). Oregon recognizes the use of a federal PIN as signing the Oregon return. If the federal PIN signature is used for the Oregon return, Oregon Form EF is not needed.

### **Federal Form 8879—IRS e-file Signature Authorization**

- Certifies the taxpayer's e-filed income tax return is true, correct, and complete.
- Selects a personal identification number (PIN) as the signature for an e-file income tax return.
- Authorizes the ERO to enter the taxpayer's PIN as their signature on the e-file income tax return.

If a return is not signed electronically, the taxpayer must use Oregon Form EF. Oregon Form EF—*Oregon Individual Income Tax Declaration for Electronic Filing* is to be signed by the taxpayer and retained by the tax preparer. Don't mail Form EF and attachments to DOR, unless requested to do so.

### **Oregon Form EF**

- Certifies the taxpayer's e-filed income tax return is true, correct, and complete.
- Authorizes the ERO to transmit the return via a third-party transmitter for the taxpayer.
- Authorizes DOR to inform the ERO when a taxpayer's return is accepted.
- Provides DOR with taxpayer's consent to directly deposit any refund.

### **Use Form EF:**

- If filing the return State Only and the federal return attached to the Oregon return does not match the federal return electronically filed, such as in the case of a registered domestic partner filing.
- If changes are made to the federal return

The taxpayer's signature on Form EF authorizes the Oregon Department of Revenue to contact the ERO or preparer to resolve any questions in processing the return. If requested by the department, the ERO or preparer must provide a copy of Form EF or a new Form EF within five days of the request.

Have the taxpayer(s) verify the information on the return (it's permissible to show them on the display terminal) and review Form EF before signing and dating. Also, have the taxpayer(s) verify their bank routing and account numbers if requesting direct deposit. They must complete all sections and sign Form EF before the electronic return is transmitted.

A blank Form EF is the same as a blank tax return. Practitioners may not allow taxpayers to sign a blank tax return. Use only the official Form EF or an approved substitute that duplicates the form format, language, content and size. Photocopies are acceptable.

### **Changes to the electronic return:**

If the ERO changes the electronic return after the taxpayer has signed Form EF, but before the return has been transmitted, the taxpayer must complete and sign a corrected Form EF if:

- The Oregon taxable income changes by more than \$50, or
- The net tax, state refund, or amount owed changes by more than \$14.

Non-substantive changes are permissible on Form EF if the person making them initials the changes. Do not mail the corrected Form EF and attachments unless requested to do so. Retain these with the original for three years.

## Section 6: e-File Forms and Publications

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Oregon Department of Revenue forms and publications are available for download at [www.oregon.gov/DOR](http://www.oregon.gov/DOR).

- Oregon Publication 17½ (also available as a searchable database on <http://www.oregon.gov/DOR/PERTAX/personal-income-tax-information-2010/index.shtml>)
- Form EF—*Oregon Individual Income Tax Declaration for Electronic Filing*, Form 150-101-339 posted here: <http://www.oregon.gov/DOR/PERTAX/formspit.shtml>

**The following are found only on our forms and publications draft website. Please contact us directly for that web address.**

- Oregon Electronic Return File Specifications and Record Layouts: Tax Year 2011.
- Oregon PATS test criteria based scenarios.
- Annual Letter of Intent for Oregon.

Internal Revenue Service publications and forms are available for download at [www.irs.gov](http://www.irs.gov).

- Publication 1345, *Handbook for Authorized IRS e-file Providers of Individual Income Tax Returns*.
- Publication 1346, *Electronic Return File Specifications and Record Layouts for Individual Income Tax Returns: Tax Year 2011*.
- Form 8633, *Application to Participate in the IRS e-file Program*.

## Section 7: Oregon PATS Testing

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### Letters of Intent

All software developers supporting Oregon electronic filing must pass PATS testing prior to releasing their software. Testing will begin November 2, 2011. We must receive your first test transmission before December 31, 2011 and your PATS testing must be completed by February 1<sup>st</sup> unless you receive an exception from the department.

Prior to testing, all companies must complete the Letter of Intent for Legacy e-file found on our draft website. The letter may be returned to us by e-mail to [electronic.filing@state.or.us](mailto:electronic.filing@state.or.us) or faxed to 503-945-8649.

**Once we receive this information, we will update your ETINs in our communications software so we can receive your returns. Otherwise, we will reject your test returns until the Letter of Intent is received by the department.**

### Oregon Testing Requirements

- Your company must test each form type for which you support an Oregon online product.
- Companies testing professional or consumer preparation software must submit all appropriate test scenarios for certification by Oregon.
- If your company does not support all three forms, please contact DOR for guidance on testing for your online certification.
- Companies with online product(s) without a companion preparation software package are required to submit the full set of form-appropriate scenarios. If you have questions about which tests to use, please contact the e-file team at 503-945-8415 or by e-mail at [electronic.filing@state.or.us](mailto:electronic.filing@state.or.us).

## **Section 8: Acknowledgements and Error Rejection Codes**

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An Oregon acknowledgement informs the transmitter, who in turn informs the originator, that Oregon received the state return from the IRS and is processing it or has rejected it.

The Oregon acknowledgement is separate from the IRS acknowledgement. Receiving the IRS acknowledgement does not mean the state return was received or accepted by the Oregon Department of Revenue. The transmitter must receive two acknowledgements, one from the IRS and one from DOR.

Under normal processing conditions, Oregon acknowledgement files will be available for retrieval by transmitters within three working days after the federal and state returns were transmitted. Around the April due date this process may take longer due to high return volume at the IRS campuses.

An acceptance acknowledgement indicates that the Department of Revenue has received the return. ***It does not indicate the return is error-free or not subject to examination by the department or if the refund may be offset for other liabilities.***

A rejection acknowledgement indicates that the e-filed return has been rejected and that it must be corrected and re-transmitted or filed on paper with a 2-D barcode.

### **Transmission of Acknowledgements**

All Oregon returns must be transmitted to the IRS with their associated federal return. Oregon will receive the state return after the IRS has accepted the federal return. DOR will not receive any state data if the federal return is rejected by the IRS.

If the IRS rejects both the federal and state returns, the transmitter may correct the Oregon and federal returns and retransmit them to the IRS and Oregon.

If the Oregon return experiences more than two reject acknowledgements from the state, we recommend that you print the 2-D barcoded return and mail it to the department with a copy of the Oregon EF or the federal 8879.

The IRS EMS System is the sole retrieval source for legacy acknowledgements for TY2011.

## Oregon Acknowledgement Codes for Legacy e-file

Acceptance Code (ACC): This field shows if the Oregon return was accepted or rejected. If rejected, the return must be corrected and resubmitted electronically or filed on paper with a 2-D barcode.

ACC = Acceptance Code

“A” = Accepted

“R” = Rejected—see **Oregon Reject Code Descriptions**

### Legacy E-file Reject Code Descriptions

~~R 001 All duplicate returns received with same SSN—No longer in use~~

R 002 All End Format Error—Missing Terminator [#]

R 003 All Format Error—Misplaced Character: [Character]

R 004 All Format Error—Bad Format

R 005 All Header Format Error—Byte Count Error (Unexpected Header Encountered)

~~R 006 All Format Error—Duplicate Field—No longer in use~~

~~R 007 All Format Error—Unknown Field—No longer in use~~

R 008 All 0305.90 Format Error—Missing State Return Type

R 009 All 0305.80 Format Error—Federal Return Not Attached

~~R 010 State only received—No longer in use.~~

R 011 Invalid Year Digit

R 012 ETIN or EFIN rejected

R 013 Test ETIN not on DOR system

R 014 Oregon 40-Short no longer accepted

## Section 9: Refund and Payment Information

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### Refund Options

Taxpayers may elect to have their overpayments:

- Applied to next tax year's estimated tax (full or partial refund can be applied);
- Mailed to them in paper check form;
- Donated to the charities listed in the tax booklet (full or partial refund can be donated);
- Contributed to an Oregon political party (\$3 per taxpayer);
- Deposited directly into their checking or savings account (full refund after applications and donations must be deposited).

Direct deposit requires the same verification procedures outlined in IRS Publication 1345. When a direct deposit is rejected by the bank, the department will issue a paper check and mail it to the address on the return.

**The department is not responsible for an incorrect deposit into a bank account approved by the taxpayer. The department cannot change the account or routing numbers or stop the refund from being deposited.**

### Additional refund information

- An Oregon state refund **can** be deposited into a different account than the taxpayer's federal refund, but it **cannot** be deposited into more than one account.
- Oregon may deny a direct deposit request because:
  - The taxpayer identified the deposit as going to an account outside the United States (IAT).
  - All of the overpayment is applied to the taxpayer's delinquent Oregon taxes.
  - All of the overpayment is applied to the taxpayer's debts to other state agencies and/or the IRS.
  - There is an invalid routing and/or account number.

Carefully verify the bank account information with the taxpayer. Be sure there are no spaces or hyphens in either the routing or account numbers. The department cannot change the numbers or stop the refund from being delayed.

### Check Refund Status online

Taxpayers may check the status of their Oregon refund once they have filed and the department has begun processing. Taxpayers will need to have their Social Security number, their filing status from their return, and the exact refund amount as filed to access their information.

Generally, after processing begins, e-filers receive their refunds in 7–12 business days if not claiming the Working Family Credit (WFC). Please allow extra time for processing if claiming WFC.

If a taxpayer and/or spouse owes money to the department, another state agency, IRS, etc., the amount may be deducted from the refund. This debt will delay processing because all claims must be resolved before a refund can be issued. Electronically filed returns are given priority for resolution.

Taxpayers can check the status of their Oregon refund at [www.oregonrefund.com](http://www.oregonrefund.com) or by calling our “Where’s My Refund” line, toll-free from an Oregon prefix at 1-800-356-4222.

## Payment Options

- Taxpayers are now able to make electronic payments for their current year balance due and 2012 estimated income taxes directly from their checking or savings account. There is no fee for this payment option. This option can be accessed through some software packages or through the department website at <https://secure.dor.state.or.us/directdebit/index.faces>.
- Taxpayers can pay their taxes by credit card through Official Payments at [www.officialpayments.com](http://www.officialpayments.com). A fee is charged by Official Payments for this service.
- Taxpayers can mail a check or money order made payable to the Oregon Department of Revenue with the 40-V payment voucher. Address for mailing is:

**Oregon Department of Revenue**  
**PO Box 14720**  
**Salem OR 97309-0463**

## Payment Plans

Even if the taxpayer(s) cannot pay the total tax owed by April 17, 2012, they must file the return on time.

Inform the taxpayer(s) that they will owe a 5 percent late payment penalty on any 2011 tax not paid by April 17, 2012. If the taxpayer pays what they can by April 17, it will reduce the amount of late payment and interest charges they will owe.

The late payment and interest charges will be assessed on any remaining balance of unpaid tax after April 17, 2012.

As soon as the taxpayer(s) knows the amount of tax due, they can set up a payment plan by calling Tax Services in Salem at 503-378-4988 or toll-free from an Oregon prefix at 1-800-356-4222. The taxpayer(s) doesn’t need to wait to get a bill for the balance, which the department will send out after April 17.

## Section 10: Oregon Extensions

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### How to file:

If a taxpayer needs more time to file both the federal and Oregon returns:

- Make sure your software puts a check in the “Extension Filed” box on the Oregon return.
- Report the amount being paid with the extension request on the estimated tax payments line of the Oregon return.

Oregon recognizes the federal extension application. No further action is required.

### Need more time for Oregon only?

If a taxpayer needs more time to file the Oregon return only, mail us **Form 40-EXT, Oregon Automatic Extension for Individuals and Extension Payment Coupon**, and keep the tax payment worksheet with the taxpayer’s records.

### An extension of time to file does not mean more time to pay

When filing for an extension, taxpayers must pay any tax they expect to owe by the due date. If a taxpayer does not pay all the tax due with the extension, they will owe interest on the unpaid balance after April 17, 2012, until the date payment is received.

As of January 1, 2012, the interest rate is 5 percent per year. If the tax is not paid within 60 days of the DOR bill, the interest rate increases to 9 percent per year. The taxpayer(s) may also owe a late-payment penalty.

### Three ways to pay on extension

- Taxpayers are now able to make electronic payments for their current year balance due and 2012 estimated income taxes directly from their checking or savings account. There is no fee for this payment option. This option can be accessed through some software packages or through the department website at <https://secure.dor.state.or.us/directdebit/index.faces>.
- Credit card payment through Official Payments at [www.officialpayments.com](http://www.officialpayments.com).
- Mail a check or money order with the 40-EXT payment voucher made payable to the Oregon Department of Revenue. Attach the payment to the Oregon Form 40-EXT payment coupon and mail by April 17, 2012, to:

**Extension Clerk  
Oregon Department of Revenue  
PO Box 14950  
Salem OR 97309-0980**

## Penalties for Late Filing and Late Payment

All additions to tax, penalties, and criminal provisions that are applicable to paper filers are also applicable to electronic filers. Penalty and interest for late filing and late payment will be assessed. Taxpayers will owe a 5 percent late payment penalty on any 2011 tax not paid by April 17, 2012.

If a taxpayer files more than three months after the due date or extension due date, a 20 percent late filing penalty will be added; the taxpayer will owe a total penalty of 25 percent of any tax not paid.

A 100 percent penalty is charged if a taxpayer doesn't file a return for **three consecutive years** by the due date of the third year, including extensions. The penalty is 100 percent of the unpaid tax for each of the three years.

### Exception to penalties:

Taxpayers will not have to pay a penalty if they do **ALL** of the following:

1. Get an extension to file the return, and
2. Pay at least 90 percent of the tax due by April 17, 2012, and
3. Pay the balance of tax due when they file by the extension deadline, and
4. Pay the interest on the balance of tax due when they file or within 30 days of the DOR billing date.

## Penalties for Filing Fraudulent Returns

Anyone filing an incomplete or misleading return will be penalized. Anyone who willfully subscribes or presents a fraudulent return will be subject to prosecution and penalties. Anyone who attempts forgery by falsifying a signature on any electronic filing form, check, or direct deposit form will be subject to other criminal provisions.

## Section 11: Oregon Contact Information

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Software developers and tax preparers may call **503-945-8415** for technical assistance and transmittal and acknowledgement questions. This number is monitored by e-file staff Monday through Friday, 7:00 a.m. to 4:00 p.m. Pacific Time.

**NOTE:** This phone number should not be provided to taxpayers.

When calling our message line, please leave the following information:

- Name, company, phone number, and time zone.
- Issue or question with example taxpayer identifiers if appropriate.

You will receive same day service in most cases, Monday through Friday, 7:00 a.m. to 4:00 p.m. Pacific Time.

Alternately, you may e-mail your questions to [electronic.filing@state.or.us](mailto:electronic.filing@state.or.us). **Note: We recommend that you do not send taxpayer information to this e-mail address.**