

Tax Practitioner Liaison Meeting Minutes
Friday, October 23, 2015
9:00 – 11:00
Facilitator: Sophia Sakoff

Meeting agenda

New System Updates, Important Dates, and Revenue Online Processing Center	Season Wrap-up and Lifecycle Project	CSR Project Team Sean Barnhart
Recreational Marijuana in Oregon		Dan Scotto
Legislation Update	Collections	Cindy Test
2015 Form Updates	Sneak Peek of Form 40	Sophia Sakoff

New System Updates

The CSR Project Team started the meeting off with an update about the new system. Since then, the Personal Income Tax program has successfully been rolled out and fully incorporated into the new system. There are many functions that can be completed online. Please visit www.oregon.gov/DOR for more information. Just click on the “Revenue Online” link at the top of the page.

Processing Center Updates

In addition to the department’s new core system, the Processing Center is also incorporating high-speed scanners. The imaging technology will be phased in over the next few years and will allow the department to process paper and 2-D returns more efficiently.

Recreational Marijuana

Please visit these two sites for a complete list of frequently asked questions regarding Oregon’s recreational marijuana laws.

Oregon Liquor Control Commission <http://www.oregon.gov/olcc/marijuana/pages/frequently-asked-questions.aspx>

Oregon Department of Revenue <http://www.oregon.gov/DOR/FAQ/>

Measure 91 legalized the sale of recreational marijuana in Oregon beginning January 4, 2016. The Oregon legislature passed a temporary provision that allows medical marijuana dispensaries to sell recreational marijuana from October through January 4th. The laws that tie Oregon to IRC 280E are still in effect for tax year 2015, thus medical marijuana dispensaries selling recreational marijuana are not allowed to deduct business expenses associated with the sale of recreational marijuana. **If the deduction is not allowed on the federal return, it is not allowed on the Oregon return for tax year 2015.**

Measure 91 disconnected Oregon from IRC 280E beginning January 4, 2016. Business expenses associated with the sale of recreational marijuana not allowed on the **2016** federal return will be allowed as a subtraction on the Oregon return. **This does not apply to tax year 2015.**

Beginning January 4, 2016, all taxed items purchased at medical marijuana dispensaries will be subject to a 25-percent tax. This temporary provision ends December 31, 2016, at which time the tax will revert to 17%. The retail tax program will begin as soon as OLCC issues retail licenses, which can be any time on or after January 4, 2016. For questions or updated timelines on retail licenses, please contact OLCC. Marijuana purchased prior to January 4, 2016 is not taxed.

Please visit our website for filing instructions and additional information.

Legislative Changes for Collections

HB 2089 Suspended Collection Status.

This applies to debts that are outstanding on January 1, 2016.

This codified our existing practice.

To qualify, a taxpayer must have:

- Income that is less than 200% of the federal poverty guidelines
- Income that is solely from sources that are exempt from garnishment under chapter 18
- Assets that do not exceed \$5,000.

When an account is in suspended collection status:

- We can still file a lien against real property in the county where the taxpayer lives.
- We can still submit the debt for offset.
- Interest will continue to accrue
- The taxpayer can still make voluntary payments; they do not need to have a payment plan in order to make those payments.
- The taxpayer cannot incur new debt.

If the taxpayer's situation changes and they no longer qualify for suspended collection status, we will send them a letter 30 days before resuming collection actions.

If the taxpayer incurs new debt, they will no longer qualify for suspended collection status.

An example of income that is exempt from garnishment in ORS Chapter 18 includes but is not limited to:

- Social Security
- Disability benefits

- Workers Compensation
- Veterans' benefits
- Public or private pensions.

We are in the process of drafting an administrative rule to establish what we will not count toward the \$5,000 in assets. The draft rule proposes to exclude:

- The primary residence, regardless of value
- One car, regardless of value
- Household items and personal effects
- The items listed on the list of exempt property in ORS Chapter 18, to the limits listed in Chapter 18.

Examples include but are not limited to:

- Books, pictures and musical instruments to the value of \$600.
- Fire arms---one rifle or one shotgun and one pistol, combined value not to exceed \$1,000

Frequently asked questions will be added to our website, and financial statements can be submitted online via Revenue Online. Please visit our website for information about Revenue Online.

Form Updates

Sophia provided a sneak peek of several of the 2015 form changes. The Form 40's have been completely overhauled, as well as Schedule OR-ASC. Many of these changes have been implemented to accommodate the department's new systems, as well as to help with administration of recently passed legislation.

Publication 17 ½ is available, and can be ordered online. Please visit our website if you want to order paper copies of the Pub. Booklets will be available January 9th. Online forms and publications for tax year 2015 will be available January 9th.

Next meeting December 4, 2015