

**CHAPTER 311  
COLLECTION OF PROPERTY TAXES**

**150-311.105(1)(b)**

**Applying Offsets to Ad Valorem Tax Levies**

Offsets due to a district shall be deducted from the total of all ad valorem levies within each category certified by the district on the basis of the ratio that each category of levy bears to the total amount of all levies of the district.

*Example:* A county levies for general government, school operations (county school fund), and exempt debt service. This illustrates allocation of an offset of taxes paid under ORS 311.160 (1/4 of 1% offset).

Offset allocation formula:

Total tax offsets to county levy:

\$1,000,000

|                                 | <b>Levy</b>         | <b>Percent<br/>of Total</b> | <b>Apportioned<br/>Offsets</b> |
|---------------------------------|---------------------|-----------------------------|--------------------------------|
| Tax levy for general government | \$ 5,000,000.00     | 50%                         | \$ 500,000                     |
| Tax levy for school operations  | 3,000,000.00        | 30%                         | 300,000                        |
| Tax levy for nonlimited         | <u>2,000,000.00</u> | <u>20%</u>                  | <u>200,000</u>                 |
| <br>Total levy                  | <br>\$10,000,000.00 | <br>100%                    | <br>\$1,000,000                |

|                | <b>General<br/>Government</b> | <b>School<br/>Operations</b> | <b>Nonlimited</b>  | <b>Total<br/>Levy</b> |
|----------------|-------------------------------|------------------------------|--------------------|-----------------------|
| Levy           | \$5,000,000.00                | \$3,000,000.00               | \$2,000,000.00     | \$10,000,000.00       |
| Offsets        | <u>500,000.00</u>             | <u>300,000.00</u>            | <u>200,000.00</u>  | <u>1,000,000.00</u>   |
| <br>Net levy   | <br>\$4,500,000.00            | <br>\$2,700,000.00           | <br>\$1,800,000.00 | <br>\$ 9,000,000.00   |
| Assessed value | \$800,000,000                 | \$800,000,000                | \$800,000,000      | \$800,000,000         |
| Tax rate       | \$5.625000                    | \$3.375000                   | \$2.250000         | \$11.250000           |

Stat. Auth.: ORS 305.100

Stats. Implemented: ORS 311.105

Hist.: RD 8-1991, f. 12-30-91, cert. ef. 12-31-91

**150-311.160**

**One-Fourth of One Percent Appeal Offset Procedure**

(1) The treasurer shall deposit in a special account any amount collected due to a final order on an appeal described in ORS 308.020.

(2) The treasurer shall notify the assessor of the amount in the special account as of June 30 of each year.

(3) The total amount reported as of June 30 shall be included in the assessor's tax rate computation process for the fiscal year beginning the day following the report. The "total amount reported" shall include both the total paid plus any interest earned on the payment.

(4) The assessor shall apportion the amount in the special account among the taxing districts and offset the apportioned amount from each taxing district's levy as provided in ORS 311.160(1). The assessor shall notify the treasurer of the amount of the offset to each district. The treasurer shall distribute the money in the special account to the districts according to the offset computations provided by the assessor.

(5) Amounts due to taxing districts because of the offset shall be distributed within 30 days after the assessor notifies the treasurer of the amount of the offset for each district.

(6) If the year to be used for apportioning under section (4) is 1991-92 or after, the assessor shall calculate the tax rate of each district in a code area by totaling the tax rates of the taxing districts in that code area. The offset is based on the relationship of the total of each district's original categorized tax

rates to the total code area rate. Since only one offset amount is computed for each district, a total rate must be determined for each district before the offset can be apportioned.

(7) For example, a specific code area is comprised of a school district and a county. The school district has an education rate and a bond rate; the county has a general government rate and a bond rate. If a \$100 offset is collected during 1994–95 for the 1991–92 tax year the total district rate must be determined for the county and for the school district before apportionment occurs. The rates before the constitutional limitations are applied are always used in the calculation. The \$100 will be offset on the 1995–96 roll.

| <b>District</b>   | <b>Tax Rate</b> | <b>District</b>   | <b>Tax Rate</b> |
|-------------------|-----------------|-------------------|-----------------|
| County            | \$5.00          | School            | \$10.00         |
| County Bonds      | <u>\$3.00</u>   | School Bonds      | <u>\$ 2.00</u>  |
| <br>              |                 |                   |                 |
| Total County Rate | <u>\$8.00</u>   | Total School Rate | <u>\$12.00</u>  |
|                   |                 | Total Tax Rate    | <u>\$20.00</u>  |

|                                     |     | <b>Offset Amount</b> |
|-------------------------------------|-----|----------------------|
| County Percentage of Total Tax Rate | 40% | \$ 40.00             |
| $(\$8.00 \div \$20.00 = 40\%)$      |     |                      |
| School Percentage of Total Tax Rate | 60% | <u>\$ 60.00</u>      |
| $(\$12.00 \div \$20.00 = 60\%)$     |     |                      |
| Total Offset                        |     | <u>\$100.00</u>      |

Each district's offset is applied against the categorized levy in the current year. For example, if the 95–96 levies are categorized as follows:

|                |     |
|----------------|-----|
| County general | 90% |
| County bond    | 10% |
| School         | 80% |
| School Bonds   | 20% |

The County's share of the offset, \$40.00, is apportioned:

|                     |                               |
|---------------------|-------------------------------|
| County general levy | 90% of \$40.00 = \$36.00, and |
| County's bond levy  | 10% of \$40.00 = \$4.00       |

The School district's share of the offset, \$60.00, is apportioned:

|                       |                               |
|-----------------------|-------------------------------|
| School education levy | 80% of \$60.00 = \$48.00, and |
| School's bond levy    | 20% of \$60.00 = \$12.00      |

(8) If the year to be used for apportioning under section (4) of this rule is 1990–91 or before, the offset is apportioned among districts by code area using the tax rates of the year being collected.

(9) For example if a \$100 offset is collected during 1989–90 for the 1985–86 tax year in a specific code area comprised of a school district and the county, the offset apportionment is based on the relationship of each district's 1985–86 tax rate to the total code area rate. The \$100 will be offset on the 1990–91 roll.

| <b>District</b> | <b>Tax Rate</b> | <b>% of Total</b>        | <b>Offset Amount</b> |
|-----------------|-----------------|--------------------------|----------------------|
| County          | \$ 8.00         | $(\$8.00 \div \$20.00)$  | \$ 40.00             |
| School          | <u>12.00</u>    | $(\$12.00 \div \$20.00)$ | <u>\$ 60.00</u>      |
| <br>            |                 |                          |                      |
| Total tax rate  | <u>\$20.00</u>  | Total Offset             | <u>\$100.00</u>      |

Stat. Auth.: ORS 305.100

Stats. Implemented: ORS 311.160

Hist.: RD 16-1987, f. 12-10-87, cert. ef. 12-31-87; RD 8-1991, f. 12-30-91, cert. ef. 12-31-91; RD 6-1994, f. 12-15-94, cert. ef. 12-30-94

**150-311.812(3)**

### Calculation of Interest on Refund

(1) Interest on refunds is based on the method the taxpayer used to pay taxes. Interest is calculated from the first trimester due date if full payment, or two-thirds payment, was made with a discount on or before November 15. If payments were made on the installment basis, interest is calculated on the amount overpaid as of each trimester due date or date of payment, whichever is later. Refund interest accrues at the rate specified in ORS 311.812(3) until paid.

(2) When the taxpayer pays in full, with discount, on or before the first trimester due date, interest is calculated on the amount overpaid from that date.

*Example:*

The 2000-01 tax statement for \$4,000 was corrected to \$400 resulting in an overpayment of tax. The original tax less discount was paid in full October 17, 2000. The refund on the corrected tax is issued February 19, 2001 and includes interest calculated from the due date, November 15, 2000, to the date of refund, February 19, 2001.

|  | <b>Amount<br/>Due</b> | <b>Corrected<br/>Amount</b> | <b>Amount<br/>Overpaid</b> |
|--|-----------------------|-----------------------------|----------------------------|
|  | \$4,000.00            | \$400.00                    |                            |
| Discount                                   | 120.00                | 12.00                       |                            |
|  | <hr/>                 | <hr/>                       |                            |
| Difference                                 | \$3,880.00            | \$388.00                    | \$3,492.00                 |
|  | <hr/> <hr/>           | <hr/> <hr/>                 |                            |
| Amount overpaid                            |                       |                             | \$3,492.00                 |
| Refund interest (4 months x .01 x \$3,492) |                       |                             | <u>139.68</u>              |
| Total to be refunded                       |                       |                             | <u>\$3,631.68</u>          |

(3) When the taxpayer chooses to pay in trimesters, interest is calculated on the amount overpaid on each trimester due date when there is no balance on the account. When there is a balance on the account in the year for which overpayment occurred, the overpayment is credited to the trimester(s) still outstanding. No refund interest is paid until the overpayment exceeds the total amount of corrected tax.

(a) When trimester payments are made timely, the overpayment is credited as follows:

*Example:*

The 2000-01 tax statement for \$3,000 was corrected to \$2,400. Two trimester payments were made timely. The correction is made March 15, 2001.

|                                   | <b>Amount<br/>Paid</b> | <b>Corrected<br/>Trimester</b> | <b>Trimester<br/>Overpayment</b> |
|-----------------------------------|------------------------|--------------------------------|----------------------------------|
| First trimester                   | \$1,000.00             | \$800.00                       | \$200.00                         |
| Second trimester                  | 1,000.00               | 800.00                         | 200.00                           |
| Third trimester                   | 0.00                   | 800.00                         |                                  |
| First trimester corrected amount  |                        |                                | \$ 800.00                        |
| Less first trimester payment      |                        |                                | <u>- 1,000.00</u>                |
| First trimester overpayment       |                        |                                | <u>\$ 200.00</u>                 |
| Second trimester corrected amount |                        |                                | \$ 800.00                        |
| Less first trimester overpayment  |                        |                                | - 200.00                         |
| Less second trimester payment     |                        |                                | <u>- 1,000.00</u>                |
| Second trimester overpayment      |                        |                                | <u>\$ 400.00</u>                 |
| Third trimester corrected amount  |                        |                                | \$ 800.00                        |
| Less second trimester overpayment |                        |                                | <u>- 400.00</u>                  |
| Third trimester amount due        |                        |                                | <u>\$ 400.00</u>                 |

(b) When two trimester payments are made after the due date and accrued interest has been calculated, the overpayment is credited as follows:

*Example:*

The 2000-01 tax statement for \$3,000 was corrected to \$2,400. The first trimester payment was made November 20, 2000; the second trimester payment was made February 20, 2001; the account is corrected March 20, 2001.

|  | <b>Amount<br/>Paid</b> | <b>Corrected<br/>Amount</b> | <b>Difference</b> |
|--|------------------------|-----------------------------|-------------------|
| November 20  | \$1,000.00             | \$800.00                    | \$200.00          |
| Interest   | 13.33                  | 10.67                       | 2.66              |
| February 20  | 1,000.00               | 800.00                      | 200.00            |
| Interest   | 13.33                  | 10.67                       | 2.66              |
| First trimester corrected amount<br>(including interest) |                        |                             | \$ 810.67         |
| Less first trimester payment<br>(including interest)     |                        |                             | - 1,013.33        |
| First trimester overpayment                              |                        |                             | <u>\$ 202.66</u>  |
| Second trimester corrected amount                        |                        |                             | \$ 800.00         |
| Less first trimester overpayment                         |                        |                             | - 202.66          |
| Second trimester amount due                              |                        |                             | <u>\$ 597.34</u>  |
| Second trimester interest                                |                        |                             | + 7.96            |
| Total due, February 20                                   |                        |                             | <u>\$ 605.30</u>  |
| Amount paid, February 20                                 |                        |                             | - 1,013.33        |
| Second trimester overpayment                             |                        |                             | <u>\$ 408.03</u>  |
| Third trimester amount due                               |                        |                             | \$ 800.00         |
| Less second trimester overpayment                        |                        |                             | - 408.03          |
| Balance due May 15                                       |                        |                             | <u>\$ 391.97</u>  |

(4) When timely payment for the first trimester is sufficient to pay two-thirds or more of the corrected tax, then the corresponding discount must be credited.

(a) When all three trimester payments have been made timely, the overpayment is credited as follows:

*Example:*

The 2000-01 tax statement for \$3,000 was corrected to \$400. All trimester payments were made on or before the due dates. The correction is made June 15, 2001. The original payment for the first trimester covers the full corrected tax so the three percent discount is granted.

|   | <b>Amount<br/>Paid</b> | <b>Corrected<br/>Discounted Tax</b> | <b>Amount<br/>Overpaid</b> |
|---|------------------------|-------------------------------------|----------------------------|
| First trimester                               | \$1,000.00             | \$388.00                            | \$ 612.00                  |
| Second trimester                              | 1,000.00               |                                     | 1,000.00                   |
| Third trimester                               | 1,000.00               |                                     | <u>1,000.00</u>            |
| Tax Overpaid                                  |                        |                                     | \$2,612.00                 |
| <b>Interest calculation</b>                   |                        |                                     |                            |
| First trimester<br>(7 months x .01 x \$612)   |                        | 42.84                               |                            |
| Second trimester<br>(4 months x .01 x \$1000) |                        | 40.00                               |                            |
| Third trimester<br>(1 month x .01 x \$1000)   |                        | <u>10.00</u>                        |                            |
| Total interest to be refunded                 |                        |                                     | <u>92.84</u>               |

Total tax and interest to be refunded \$2,704.84

(b) When two trimester payments have been made timely, the overpayment is credited as follows:

*Example:*

The 2000-01 tax statement for \$3,000 was corrected to \$300. Two trimester payments were made timely. The correction was made and the refund was issued on March 15, 2001. The original payment for the first trimester covered the full corrected tax so the three percent discount was granted.

|   | <b>Amount<br/>Paid</b> | <b>Corrected<br/>Discounted Tax</b> | <b>Amount<br/>Overpaid</b> |
|---|------------------------|-------------------------------------|----------------------------|
| First trimester                         | \$1,000.00             | \$291.00                            | \$ 709.00                  |
| Second trimester                        | 1,000.00               | 0.00                                | <u>1,000.00</u>            |
| Tax Overpaid                            |                        |                                     | \$1,709.00                 |
| <b>Interest calculation</b>             |                        |                                     |                            |
| First trimester                         |                        |                                     |                            |
| (4 months x .01 x \$709)                |                        | 28.36                               |                            |
| Second trimester                        |                        |                                     |                            |
| (1 month x .01 x \$1000)                |                        | <u>10.00</u>                        |                            |
| Total interest to be refunded           |                        |                                     | <u>38.36</u>               |
| Total taxes and interest to be refunded |                        |                                     | <u>\$1,747.36</u>          |

(c) When the first trimester payment is made timely, the overpayment is credited as follows:

*Example:*

The 2000-01 tax statement for \$2,400 was corrected to \$1,200. The first trimester payment was made timely. The correction was made on January 15, 2001. Since the original payment for the first trimester payment covers the corrected first and second trimester payments, a 2% discount is calculated on the full original trimester payment.

|  | <b>Amount<br/>Paid</b> | <b>Corrected<br/>Amount</b> | <b>Discount<br/>Credit</b> | <b>Amount<br/>Applied</b> |
|--|------------------------|-----------------------------|----------------------------|---------------------------|
| First trimester                                      | \$800.00               | \$400.00                    | \$16.33                    | \$816.33                  |
| Second trimester                                     |                        | 400.00                      |                            |                           |
| Third trimester                                      |                        | 400.00                      |                            |                           |
| First trimester corrected amount                     |                        |                             |                            | \$400.00                  |
| Less first trimester payment<br>(including discount) |                        |                             |                            | <u>- 816.33</u>           |
| First trimester overpayment                          |                        |                             |                            | <u>\$416.33</u>           |
| Second trimester corrected amount                    |                        |                             |                            | \$400.00                  |
| Less overpayment from first trimester                |                        |                             |                            | <u>- 416.33</u>           |
| Second trimester overpayment                         |                        |                             |                            | <u>\$ 16.33</u>           |
| Third trimester corrected amount                     |                        |                             |                            | \$400.00                  |
| Less overpayment from second trimester               |                        |                             |                            | <u>- 16.33</u>            |
| Total due third trimester                            |                        |                             |                            | <u>\$383.67</u>           |

(5) Refund interest is not paid on an overpayment of delinquent interest. Refund interest accrues only on the tax principal overpaid. Any difference between the original late payment interest and the correct late payment interest is also included in the amount to be refunded.

*Example:*

The 2000-01 tax statement for \$4,000 was corrected to \$400. Full payment was made November 20, 2000. The refund was made March 19, 2001.

|  | <b>Amount<br/>Paid</b> | <b>Corrected<br/>Amount</b> | <b>Amount<br/>Overpaid</b> |
|--|------------------------|-----------------------------|----------------------------|
| Tax  | \$4,000.00             | \$400.00                    | \$3,600.00                 |
| Interest                                     | 17.78                  | 1.78                        | 16.00                      |
| Refund Interest<br>(4 months x .01 x \$3600) |                        |                             | <u>144.00</u>              |
| Total refund due                             |                        |                             | <u>\$3,760.00</u>          |

Interest on the overpayment is paid from DATE OF LATE PAYMENT to date of refund (11/20 to 3/19).

Stat. Auth.: ORS 305.100

Stats. Implemented: ORS 311.812

Hist.: RD 9-1989, f. 12-18-89, cert. ef. 12-31-89; REV 3-2001, f. 7-31-01, cert. ef. 8-1-01