

Background

Senate Bill 1092 proposes to waive penalties and interest imposed on late filed or late paid estate tax returns of decedents dying between January 1, 2018 and January 1, 2024.

Estate Tax Return and Payment Due Date

Estate tax returns and payments were due nine months following the date of death for decedents dying on or before December 31, 2021. HB 3138 (2021) changed the due date to 12 months following the date of death for decedents dying on or after January 1, 2022.

Extension of Time to File

An extension of time to file may be granted for an additional six months. When an extension of time to file has been granted for a federal estate tax return, a copy of the extension request must be submitted to the Department of Revenue. When a federal estate tax return is not necessary, the request should be submitted to the Department of Revenue prior to the return due date.

Extension of Time to Pay

The Department of Revenue may grant a request for extension of time to pay with acceptable collateral. The extension cannot exceed 14 years for reported tax due or four years if a deficiency is issued by the department. Interest begins the date following the payment initial due date and will continue to accrue on the unpaid balance.

Penalties for Late Filing or Late Payment

Returns filed after the original or extended due date are assessed a 5 percent penalty. When the return is filed more than three months after the original or extended due date, an additional 20 percent penalty is assessed. A late payment penalty of 5 percent is assessed on payments made after the due date or approved extension of time to pay, unless a 5 percent late filing penalty is also applicable. Interest accrues from the day after the payment is initially due.

Penalty Waiver

A waiver of penalty for late filing or late payment may be requested from the department according to [OAR 150-305-0068](#). The return must be filed before requesting the penalty waiver. Interest accrued on late payments may be waived in very limited circumstances.

Refunds

A refund may not be issued after three years from date the return was filed or two years from date the tax was paid, whichever is later. Interest applies to refunds issued 45 days or more following due date of the return or date the return is filed, whichever is later. Refunds are issued to the estate of the decedent. A closed estate may find it difficult to cash the refund check.

Agency Contact

Xann Culver, Policy Coordinator

xann-marie.f.culver@dor.oregon.gov

(971) 304-5377

Marjorie Taylor, Legislative Director

marjorie.taylor@dor.oregon.gov

(503) 476-7644