

Form OR-W-4 Instructions Oregon Withholding Statement and Exemption Certificate

2025

Purpose of this form

Use Form OR-W-4 to tell your employer or other payer how much Oregon income tax to withhold from your wages or other periodic income.

Instructions for employer or other payer. Enter the business name, federal employer identification number (FEIN), and address in the “Employer use only” section of Form OR-W-4. Keep the completed form with your records. For more information and additional instructions, see Publication 150-211-602, *W-4 Information for Employers*, and the additional resources listed on page 4.

Complete Form OR-W-4 if:

- You’re starting a new job with an employer who must withhold Oregon tax from your pay.
- You’re receiving a pension or annuity and the payer must withhold Oregon tax from each payment.
- You’ve had a recent personal or financial change that affects your taxes, such as a change in your income, filing status, or number of dependents.
- You weren’t satisfied with the amount of Oregon tax you owed or had refunded to you when you filed a recent return.
- You filed a federal Form W-4 with your employer after 2017 that didn’t specify withholding allowances for Oregon.

The worksheets in these instructions are designed to help you estimate the amount of Oregon tax your employer should withhold from your pay. For a more **accurate** estimate, use the **Oregon Withholding Calculator** at www.oregon.gov/dor before you complete Form OR-W-4.

Pension and annuity withholding. Use Form OR-W-4 to designate the Oregon withholding from your pension, annuity, or other periodic payments.

Questions to consider:

- Do you (including your spouse) **have more than one job**?
- Do you expect your wages or your total income for 2025 to be **more than \$100,000** (or **\$200,000** if you’re married and will file a joint return with your spouse, or you’re a recent widow(er))?
- Are you making **mid-year changes** to your withholding?
- Do you receive **pension or annuity payments**?
- Do you live outside Oregon, or did you move to Oregon this year?
- Are you a **non-U.S. citizen without permanent resident status**?

 If you answered **yes** to **any** of these questions, read the “Specific information” section in these instructions before completing the worksheets or Form OR-W-4. Consider using the online **Oregon Withholding Calculator** at www.oregon.gov/dor instead of the worksheets for more accurate results.

General information

What is Oregon income tax withholding?

Oregon income tax must be paid during the year as you earn or receive your income. Employers and certain other payers are required by law to set aside (withhold) part of your paycheck or other payment for taxes that they send to the Department of Revenue on your behalf every time they pay you. “Withholding” refers to the portion of income that your employer or other payer holds back from each paycheck or other payment.

How is the amount of Oregon income tax withholding determined?

The amount that the employer or other payer must withhold depends on several things, such as:

- Your income.
- Your marital status.
- The number of children or other dependents you have.

Allowances. Depending on your situation, some of your income might not be subject to withholding. Each allowance reduces the amount of income that is withheld from each payment. The worksheets in these instructions will help you determine how many allowances you may claim.

Additional withholding. You may want to have more money withheld from each payment. If you have other income that isn’t subject to withholding, requesting additional withholding on Form OR-W-4 may help you avoid owing tax on that other income when you file your tax return.

You report your marital status, allowances, and any additional amount you want withheld by completing Form OR-W-4 and submitting it to your employer or other payer. They will use this information, along with Publication 150-206-436, *Oregon Withholding Tax Formulas*, to withhold a specific amount each pay period.

What if too much or not enough is withheld?

If you have too much tax withheld, you may have a refund when you file your tax return. This is money that you couldn’t use during the year when you might have needed it.

If you have too little tax withheld, you may owe tax when you file your tax return, plus penalty and interest. This is money that you might have used during the year but will need to pay when you file your return after the year ends. See Publication OR-17 for penalty and interest information.

Why can’t the federal form be used for all withholding?

Oregon employees used to be able to use federal Form W-4 for both their federal and Oregon withholding. In 2020, the Internal Revenue Service made some major changes to the

way that federal withholding is done. They changed Form W-4 in such a way that it can no longer be used for Oregon withholding purposes. Similar changes were made to Form W-4P, for withholding from pensions and annuities, starting in 2022. You must use Oregon's Form OR-W-4 instead.

How often does Form OR-W-4 have to be submitted?

Complete and submit a new Form OR-W-4 when you start a new job and whenever your tax situation changes. This includes changes in your income, marital status, and number of dependents.

Note: If you are claiming an exemption from Oregon withholding, you must submit a new Form OR-W-4 by February 15 every year if you continue to qualify for exemption. See the instructions for line 4.

What will happen if no Form OR-W-4 is submitted?

Your employer or other payer will refer to your most recent withholding form to determine your withholding. If no Form OR-W-4 has been submitted, they will withhold for Oregon based upon the following order:

- An Oregon-only version of the federal Form W-4 for a year prior to 2020, or federal Form W-4P for a year prior to 2022.
- Federal Form W-4 for a year prior to 2020, or Form W-4P for a year prior to 2022.
- Eight percent of your wages or other income subject to withholding.

What will happen if the information on the form is false?

You may be assessed a penalty of \$500 if there is no reasonable basis for the instructions you're giving your employer or other payer using Form OR-W-4.

Specific information

Two earners or multiple jobs. See the instructions for **Worksheet C** or use the online withholding calculator if you have more than one job at a time or will file a joint return with a working spouse.

Wages or adjusted gross income (AGI)* that exceed the threshold. Your income level affects your withholding. Do you expect to have wages or AGI on your 2025 return that are **more than \$100,000** (or **\$200,000** if using the married filing jointly or the qualifying surviving spouse filing status)? If so, you may want to request additional withholding. Consider using the online calculator to determine the correct amount to put on your Form OR-W-4.

***Helpful tip: AGI.** Your AGI is your total income minus federal adjustments to income. This amount on your 2024 federal Form 1040 may help you estimate your 2025 AGI.

Mid-year changes. If you claimed too many allowances for the first part of the year, your withholding may not cover all of your tax when you file your return. Use the online calculator to determine the additional amount you need withheld to make up for the shortage. If you don't change

your withholding, you may owe tax, penalties, and interest when you file your return. See Publication OR-17 for penalty and interest information.

Pension or annuity payments. If you've opted out of federal withholding from a pension, annuity, or other periodic payment, you're automatically opted out of Oregon withholding also. If you're not having tax withheld from this income, you may be required to make estimated tax payments. See Publication OR-ESTIMATE to determine the amount of estimated tax payments you need to make.

If you elect to have Oregon tax withheld from your pension or annuity payment, where the tax must be withheld at a certain percentage, you can't claim allowances on Form OR-W-4, but you may request additional withholding.

Exemption from withholding. You may be in a situation where none of your income is subject to Oregon tax. In that case, your income may be exempt from withholding. The exemption period depends on the type of income you have. **For wages, the exemption ends on February 15th of the following year.** For commercial annuities, employer deferred compensation plans, and individual retirement plans where an election to have no withholding may be made, the exemption ends when you notify the payer in writing that you revoke the election. See the instructions for line 4.

Part-year and nonresidents. Have you recently moved to Oregon, or do you live outside the state? If so, you'll report your Oregon income and deductions in the Oregon column of your part-year or nonresident tax return. Use only the amounts that will be in the Oregon column when you complete Worksheet B or C, or use the online withholding calculator for more accurate results.

Non-U.S. citizen without permanent resident status. If all or a portion of your wages are exempt from federal withholding, these wages are also completely or partially exempt from Oregon withholding. Submit federal exemption Form 8233 to your employer to exempt all or part of your wages from Oregon withholding.

If any portion of your wages is not exempt, submit Form OR-W-4 to your employer. You may not qualify to claim certain deductions from your Oregon income, so you will need to take extra steps to ensure that your withholding is adequate. Follow the instructions below when completing Form OR-W-4:

- **Line 1.** Check the "single" box regardless of your marital status.
- **Line 2.** Usually, you should claim -0- withholding allowances. However, if you complete the worksheets, follow the instructions below.
 - Complete Worksheet B using amounts that will be included in the Oregon column of your return.
 - Once you have completed all applicable worksheets, subtract 1 allowance from the number on line A4, B15, or C5.
- **Line 4.** Don't claim exempt due to "no tax liability" or for the portion of your wages exempted on federal Form 8233.

Form OR-W-4 line instructions

For the form and all worksheet instructions, terms such as “pay,” “paycheck,” and “wages” also refer to pensions, annuities, and other periodic payments, and the word “employer” also refers to other payers.

Type or clearly print your name, Social Security number (SSN), and mailing address.

Note. You must enter an SSN. You can’t use an individual taxpayer identification number (ITIN).

Redetermination check box. If the department issued a determination letter to your employer specifying the amount your employer needs to withhold from your wages and you want to decrease your withholding, you must have a personal or financial change affecting your tax situation. If you do, mark the “Redetermination” check box. Provide a copy to your employer and send a copy with **all** of the applicable worksheets filled out to the department at:

ADP OR-W-4 Project
Oregon Department of Revenue
PO Box 14560
Salem, OR 97309

Line 1. If you anticipate using the single, married filing separately, or head of household filing status when you file your 2025 return, mark “Single.”

If you anticipate using the married filing jointly or qualifying surviving spouse filing status when you file your 2025 return, mark “Married.” If you meet the married filing jointly qualifications, but want tax withheld at the higher “single” rate, mark “Married, but withhold at the higher single rate.”

For the qualifications of each filing status, see federal Publication 501, *Exemptions, Standard Deduction, and Filing Information*.

Line 2. Complete all applicable worksheets. Enter the allowances from **Worksheet A**, line A4, **Worksheet B**, line B15, or **Worksheet C**, line C5.

Line 3. If you choose to have an additional amount withheld from your pay, enter the amount that you want withheld from each paycheck. If you completed **Worksheet C**, line C8 may direct you to claim an additional amount per paycheck.

Line 4. If you’re claiming **exemption from withholding**, you must meet one of these requirements:

- Your wages must be exempt from Oregon taxation, or
- You must meet the qualification for having no tax liability.

To claim exemption due to **no tax liability**, you must meet **both** of the following conditions:

- Last year you had the right to a refund of **all** Oregon tax withheld because you had **no** tax liability, **and**
- This year you expect a refund of **all** Oregon income tax withheld because you expect to have **no** tax liability.

To claim exempt, enter the corresponding code from the **Exemption chart** on line 4a. Enter only one exemption code, even if more than one applies. Write “Exempt” on line 4b.

Note: For wages, exemptions end February 15th of the following year. A new Form OR-W-4 must be completed and submitted to your employer each year.

Exemption chart

Exemption	Code
Air carrier employee	A
American Indian enrolled tribal member living and working in Indian country in Oregon.	B
Amtrak Act worker	C
Casual laborer	D
Domestic service worker	E
Hydroelectric dam worker at the Bonneville, John Day, McNary, or The Dalles dam.	F
Military pay for nonresidents stationed in Oregon and their spouses, residents stationed outside Oregon, and service members or spouses treated as nonresidents for tax purposes.	G
Minister who is duly ordained, commissioned, or licensed and performing duties in their ministry or a member of a religious order performing duties required by their order.	H
Real estate salesperson under a written contract not to be treated as an employee.	J
Waterway worker	K
No tax liability. See above for definition.	L
Nonresident who expects a refund of all Oregon income tax withheld because their wages won’t be subject to Oregon tax.	M

Sign and date Form OR-W-4. Submit Form OR-W-4 to your employer. **Don’t** complete the employer’s information. Keep the worksheets with your tax records.

Worksheet instructions

Worksheet A—Personal allowances

Note: If your annual wages from this job are more than \$100,000 and you’re marking “Single” or “Married, but withhold at the higher single rate” (\$200,000 if you’re marking “Married”), skip Worksheet A and claim zero allowances on Form OR-W-4.

Line A3. Dependents. Enter the total number of all qualifying children and qualifying relatives you are able to claim as dependents on your Oregon return. See the “Exemption credit” section of Publication OR-17 for dependent qualifications.

Worksheet B—Deductions, adjustments, credits, and nonwage income

Line B1. If you have large amounts of **nonwage income**, such as interest, dividends, or self-employment income, consider making estimated tax payments. For required payments and other information, see Publication OR-ESTIMATE. You may also request additional withholding from each paycheck. Otherwise, you may owe additional tax when you file your return, together with interest on any underpayment of required estimated tax payments.

Line B2. Additions are generally items the federal government doesn't tax but Oregon does. See Publication OR-17 for a list of additions and instructions.

Line B4. Enter your anticipated 2025 Oregon **deductions**. If you don't know your anticipated 2025 deductions, enter the standard deduction for your anticipated filing status.

The estimated 2025 **standard deduction** is:

- \$2,800 for single or married filing separately.
- \$4,500 for head of household.
- \$5,600 for married filing jointly or qualifying surviving spouse.

If you qualify for an **additional standard deduction amount** because you or your spouse are age 65 or older or blind, and you don't plan to itemize your deductions, add the additional amount to your anticipated deduction amount on line B4. If you're married (or a qualifying surviving spouse), the additional standard deduction is \$1,000; for everyone else, the additional amount is \$1,200.

Itemized deductions include items such as medical expenses that are more than 7 1/2 percent of your AGI, state and local taxes you paid (limited to \$10,000, but don't include Oregon income taxes), qualifying home mortgage interest, charitable contributions, and certain miscellaneous deductions. If you plan to itemize your deductions, enter your estimated **Oregon itemized deductions**. See Schedule OR-A Instructions for more information.

Line B7. Adjustments to income reduce your gross income, resulting in AGI on your federal return. See the instructions for federal Form 1040 and the "Adjustments" section of Publication OR-17 for more information.

Subtractions are generally items the federal government taxes but Oregon doesn't. See Publication OR-17 for a list of subtractions and instructions. **Don't** include your federal tax subtraction.

Line B10. Divide line B9 by \$3,200. Round to one decimal place. For example, round 4.84 to 4.8 and 4.85 to 4.9. This calculation converts the amount from line B9 into allowances.

Line B11. Credits reduce the amount of tax you must pay. Standard and carryforward credits can reduce your tax to zero but can't be refunded to you. Refundable credits can reduce your tax to zero and also result in a refund of any remaining amount. See Publication OR-17 for a list of credits and instructions.

Enter an estimate of the credits you will claim on your 2025 Oregon return. **Don't** include your exemption credits.

Line B12. Divide line B11 by \$250. Round using one decimal place. For example, round 4.84 to 4.8 and 4.85 to 4.9. This calculation converts the amount from B11 into allowances.

Line B13. Add lines B10 and B12. Round to the nearest whole number that is closer to zero by eliminating the decimal value. For example, round 4.3 or 4.8 to 4 and round -3.3 or -3.7 to -3.

Example 1. Roger entered -3.1 on line B10. He entered 2.4 on line B12. He will enter -0- on line B13 ($-3.1 + 2.4 = -0.7$, which is rounded to 0).

Line B15. If the result when you add lines B13 and B14 is less than zero, you may owe tax when you file your return. Request additional withholding or consider making estimated tax payments to avoid owing tax plus potential penalties and interest. See Publication OR-ESTIMATE for information about estimated payments.

Worksheet C—Two earners / multiple jobs

Use Worksheet C if you work more than one job at a time or you have a working spouse.

Line C5. For your highest paying job, enter the result of **Worksheet C**, line C5 on Form OR-W-4, line 2. For all of your lower paying jobs, claim zero allowances.

Line C8. For your highest paying job, enter the result of **Worksheet C**, line C8 on Form OR-W-4, line 3. Round to the nearest whole dollar. For all of your lower paying jobs, claim zero as the additional amount to be withheld.

Example 2. Todd is completing this form in January and has entered \$824 on line C7. For his highest paying job, he is paid every two weeks and has 25 paychecks left for the year. Todd will enter \$33 on line C8 and Form OR-W-4, line 3 ($\$824 \div 25 = \32.96 , which is rounded up to the nearest whole dollar).

Additional resources

For additional information, refer to the following publications:

- Publication 150-206-436, *Oregon Withholding Tax Formulas*.
- Publication OR-17, *Oregon Individual Income Tax Guide*.
- Publication OR-ESTIMATE, *Instructions for Estimated Income Tax*.
- Publication 150-211-602, *W-4 Information for Employers*.
- Federal Pub. 501, *Exemptions, Standard Deduction, and Filing Information*.
- Federal Form 2833, *Exemption From Withholding on Compensation for Independent (and Certain Dependent) Personal Services of a Nonresident Alien Individual*.
- Federal Form 1040 Instructions.

Do you have questions or need help?

www.oregon.gov/dor
503-378-4988 or 800-356-4222
questions.dor@dor.oregon.gov

Contact us for ADA accommodations or assistance in other languages.

Worksheet A—Personal allowances

Note: If you marked “Single” or “Married, but withhold at higher single rate” and your annual wages for this job will be more than \$100,000 (\$200,000 if you marked “Married”), skip lines A1 through A3 and enter 0 on line A4.

- A1. Enter “1” for **yourself** if no one else can claim you as a dependent. Otherwise, enter 0..... A1.
- A2. Enter “1” for your **spouse** if your spouse **isn’t employed**. Otherwise, enter 0..... A2.
- A3. Enter the number of **dependents** you will claim on your Oregon tax return..... A3.
- A4. Add lines A1 through A3. Enter the result here and follow the instructions below..... A4.



Complete all worksheets that apply.

- **Worksheet B**—Use this worksheet if you plan to do **any** of the following on your 2025 Oregon return:
 - o Itemize your Oregon deductions or claim additional standard deduction amounts.
 - o Claim federal adjustments to income or Oregon additions, subtractions, or credits (other than personal exemption credits).
 - o Report nonwage income (such as dividends, interest, or self-employment income).
- **Worksheet C**—Use this worksheet if you (including your spouse) have more than one job **and** the combined earnings from **all** jobs exceed \$20,000.

If neither of the above worksheets apply, stop here and enter the number from line A4 on Form OR-W-4, line 2.

Worksheet B—Deductions, adjustments, credits, and nonwage income



Use this worksheet if you plan to do **any** of the following on your 2025 Oregon return:

- Itemize your Oregon deductions or claim additional standard deduction amounts.
- Claim federal adjustments to income or Oregon additions, subtractions, or credits (other than personal exemption credits).
- Report nonwage income (such as dividends, interest, or self-employment income).

Having your most recent Oregon tax return on hand may help you when completing this worksheet.

Don't use negative numbers unless otherwise instructed. For example, write a \$1,000 Oregon subtraction as "\$1,000", not "\$(-1,000)" or "-\$1,000". For more information, see the instructions for this worksheet starting on page 3.

B1. Enter your estimated 2025 nonwage income (such as dividends or interest)	B1.	.00
B2. Enter your estimated 2025 Oregon additions	B2.	.00
B3. Add lines B1 and B2	B3.	.00
B4. Enter your estimated 2025 Oregon deductions . (See instructions)	B4.	.00
B5. Enter the estimated standard deduction based on your anticipated 2025 filing status: ...	B5.	.00
• Single or Married Filing Separately: \$2,800. • Head of Household: \$4,500. • Married Filing Jointly or Qualifying Surviving Spouse: \$5,600.		
B6. Line B4 minus line B5. If the result is zero or less, enter 0	B6.	.00
B7. Enter your estimated 2025 federal adjustments to income and Oregon subtractions (exception —don't include the federal tax subtraction)	B7.	.00
B8. Add lines B6 and B7	B8.	.00
B9. Line B8 minus line B3. If less than zero, enter as a negative amount	B9.	.00
B10. Line B9 divided by \$3,200. Round to one decimal place. If less than zero, enter as a negative amount	B10.	.
B11. Enter your estimated 2025 Oregon standard, carryforward, or refundable credits (exception —don't include personal exemption credits)	B11.	.00
B12. Divide line B11 by \$250. Round to one decimal place	B12.	.
B13. Add lines B10 and B12. If less than zero, enter as a negative amount. Round to the whole number closest to zero (See instructions)	B13.	
B14. Enter the number from Worksheet A , line A4	B14.	
B15. Add lines B13 and B14. If zero or less, enter 0. (See instructions)	B15.	

If you're using **Worksheet C**, enter the result from line B15 on **Worksheet C**, line C1.
Otherwise, **stop here** and enter the result from line B15 on Form OR-W-4, line 2.

Worksheet C—Two earners / multiple jobs



If you (including your spouse) work three or more jobs at one time, consider using the **Oregon Withholding Calculator** at www.oregon.gov/dor for a more accurate calculation of your allowances.

If you don't use the online calculator, use this worksheet to figure the number of allowances to claim on the Form OR-W-4 for your **highest paying job**. For the best results, we recommend that you claim allowances only on the Form OR-W-4 you submit for your highest paying job, and that you claim zero allowances on Form OR-W-4, line 2 for all of your (or your spouse's) other jobs. Doing so will help prevent under-withholding. For more information, see the instructions for this worksheet starting on page 4.

Complete this worksheet only if you (including your spouse) have more than one job **and** the combined earnings from **all** jobs exceed \$20,000.

C1. Enter the number from **Worksheet B**, line B15. If you didn't use Worksheet B, enter the number from **Worksheet A**, line A4..... C1.

C2. Enter the indicated number based on your 2025 anticipated filing status C2.

- **Single, Head of Household, or Married Filing Separately:** Enter "2"; **however**, if two of your jobs individually exceed \$40,000, enter "4".
- **Married Filing Jointly or Qualifying Surviving Spouse:** Enter "3"; **however**, if two of your jobs individually exceed \$50,000, enter "6".

C3. If you (including your spouse) will work three or more jobs at the same time at any point during the year, enter the indicated number for your 2025 anticipated filing status. Otherwise, enter 0 C3.

- **Single, Head of Household, or Married Filing Separately:** Enter "2".
- **Married Filing Jointly or Qualifying Surviving Spouse:** Enter "3".

C4. Add lines C2 and C3.....C4.

C5. Is line C1 **less** than line C4?

- **Yes.** Enter 0 on line C5 and on Form OR-W-4, line 2. Continue with lines C6 through C8 to figure the additional withholding amount necessary to avoid owing tax with your return.
- **No.** Line C1 minus line C4. Enter the result on line C5 (if zero, enter 0) and on Form OR-W-4, line 2. **Don't** complete the rest of this worksheet.....C5.

C6. Line C4 minus line C1C6.

C7. Line C6 multiplied by \$250C7.

C8. Line C7 divided by the number of **paychecks remaining in 2025** for the highest paying job and rounded to the nearest dollar. Enter the result here and on Form OR-W-4, line 3. This is the additional amount to be withheld from each paycheck..... C8.

Reminder: If you're requesting additional withholding for part of the year, remember to check your withholding again early next year.