

EMPLOYERS REGISTER NOW

Eugene.munirevs.com

Payroll tax becomes effective January 2021

# Improve community safety outcomes

The Eugene City Council passed the Community Safety Payroll Tax Ordinance (No. 20616) in June 2019 to provide long-term funding for community safety services. The Community Safety Payroll Tax will create revenue annually to provide faster, more efficient safety responses, deter crime, connect people to services, engage and help at-risk youth, support more investigations and court services, and add jail beds to reduce capacity-based releases and hold those who commit crimes accountable.

## Who must register, file and pay?

All employers who are paying wages to employees and self-employed persons with a physical address in the Eugene city limits must register and file with the City of Eugene.

- The *employer payroll tax* is applied to total subject wages paid by an employer with a physical address in the Eugene city limits.
- The *employee payroll tax* is applied to total subject wages paid to an employee working at a business located in the Eugene city limits.
- The *self-employment tax* is applied to the net earnings of self-employed persons with a physical address in the Eugene city limits.

An employer is responsible for paying the *employer payroll tax* as well as withholding and remitting the *employee payroll tax* on behalf of all employees with subject wages. Self-employed persons are responsible for paying the *self-employment tax*.

## When does the payroll tax become effective?

The Community Safety Payroll Tax will become effective **January 1, 2021**. The first quarterly tax return and payment for the employer payroll tax and the employee



payroll tax will be due on **April 30, 2021**. The first annual return and payment for the self-employment tax will be due **April 15, 2022**, for calendar year filers.

## How can I find out if my business address is in the Eugene city limits?

To see if an address is in the city limits, go to [eugene-or.gov/payrolltax](http://eugene-or.gov/payrolltax). The Eugene city limits are not the same as the urban growth boundary nor is it determined by certain ZIP codes.

## When do I file and pay?

The employer payroll tax and the employee payroll tax are paid on a quarterly basis. Quarterly returns and payments of tax are due on or before the last day of the month following the end of the quarter:

QUARTER <i>(starting 2021)</i>	DUE DATE
1st quarter (Jan–Mar)	Apr 30
2nd quarter (Apr–Jun)	July 31
3rd quarter (Jul–Sept)	Oct. 31
4th quarter (Oct–Dec)	Jan. 31

The self-employment tax is paid on an annual basis and is due the same day as federal and Oregon individual income tax returns; April 15 for calendar year filers. For taxpayers filing a fiscal year return, the return is due on the 15th day of the fourth month after the end of the fiscal year.

When the due date falls on a Saturday, Sunday, or legal holiday, the due date will be the next business day.

## Benefits of registering

- Easy to file returns online, as well as track all activity on your account, manage multiple businesses, and receive notifications of required actions on your account.
- Make payments securely through MUNIREvs online portal, including ACH credit and online checks.
- Get help whenever you have a question, need help with a form or to request a refund.

## How do I register?

Registering is easy. Go to [eugene.munirevs.com](http://eugene.munirevs.com) and click the green “Go” button under ‘New Users.’ Follow the instructions to establish an account. The City and MUNIREvs also offer bulk filer registration for payroll service providers that manage multiple businesses.

## What is the tax rate for an employer and employee?

The *employer payroll tax* is calculated at a tax rate of **0.0021** (or .21 percent) of total wages paid by an employer. For employers with two or less employees, the tax rate is **0.0015** (or .15 percent) for the first \$100,000 of wages paid.

The *self-employment tax* is calculated at a tax rate of **0.0021** (or .21 percent) of net earnings from self-employment. For self-employed persons with two or less employees, the tax rate is **0.0015** (or .15 percent) for the first \$100,000 of net earnings from self-employment.

The tax rate for the *employee payroll tax* will be determined using annualized income tax rate charts divided out by pay period, based on the hourly wage rates provided in the Ordinance:

For employees who earn more than \$15 per hour, the tax is calculated at a rate of **0.0044** (or .44 percent) of total subject wages.

For employees who earn between \$12.01 and \$15.00 per hour, the tax is calculated at a rate of **0.0030** (or .30 percent) of total subject wages.

Employees who earn \$12 per hour (or the minimum wage rate as of July 1, 2020) are exempt from the *employee payroll tax*.



## Visit [eugene-or.gov/CommunitySafety](http://eugene-or.gov/CommunitySafety)

Detailed information about the payroll tax can be found on the city’s website, including answers to frequently asked questions. There’s also information about the Community Safety Initiative.

Email: [CSpayrolltaxhelp@eugene-or.gov](mailto:CSpayrolltaxhelp@eugene-or.gov) Phone: 541-682-5053

If you use a payroll service or tax preparer, please be sure they are aware of the Community Safety Payroll Tax.