



City of Eugene
Employer Payroll Tax Reduced Tax Rate
Form EUG-RTR Instructions

2021

Form EUG-RTR Instructions

These instructions are for Form EUG-RTR, *Employer Payroll Tax - Reduced Tax Rate*. If you qualify for the reduced tax rate, you need to complete this form and submit it with Form EUG-PY-1. See Form EUG-PY-1 and instructions for more information.

General Information

Reduced tax rate. If you employed two or less subject employees during the year, the first \$100,000 of annual subject wages paid are taxed at a reduced rate of **.0015**

You will use the tax rate of .0021 for the first three quarters and reconcile on the 4th quarter return (or final return) if you qualify for the reduced tax rate using the worksheet on Form EUG-RTR. The difference will be used to reduce the tax due for the 4th quarter (or final return). If there is an overpayment, the overpayment will be applied as a credit (or prepayment) for the next quarter or the you can request a refund on Form EUG-PY-1.

Average annual employment. "Two or less employees" is determined using average annual employment. This is a count of all active employees subject to the tax (including all full-time, part-time, temporary, and seasonal employees) for each month, totaled for the year, and divided by 12. You will only count active employees that worked for a business location in the Eugene city limits.

'Employees' does not include temporary employees contracted through professional employment organizations or staffing services.

If filing a **final return** prior to the 4th quarter, you can apply the reduced tax rate if you qualify. You will

count all the active employees subject to the tax each month, totaled for the year, and divide by the number of months in operation.

- **Example** - Liam ceased his business in May. He will count the employees for each month from January through May, total the amount for those months, and divide by 5.

Section A instructions

Complete the business name and Federal Employer Identification Number (FEIN) fields.

Enter the employee total for each month. Include all active full-time, part-time, temporary, and seasonal employees that were employed for each month. Don't include temporary employees contracted through a professional employer organization or staffing service.

Enter the total of all months and divide by 12 to get your annual average employment. Round to one decimal place (e.g round 2.34 is 2.3) and enter the average.

If your average annual employment is **2.0** employees or less, you qualify for the reduced tax rate. Complete the worksheet in Section B to calculate your tax.

If filing a **final return** prior to the 4th quarter, you can apply the reduced tax rate if you qualify. You will count all the active employees subject to the tax each month, totaled for the year, and divide by the number of months in operation.

- **Example** - Liam ceased his business in May. He will count the employees for each month

from January through May, total the amount for those months, and divide by 5.

If you are filing an initial return and were not in business for the whole year prior to the 4th quarter, you will enter -0- for the month(s) not in business and divide by twelve.

If you do not qualify, do not complete and submit the Form EUG-RTR.

Section B instructions

Line 1. Enter total subject wages **paid during the year**. Include the subject wages for the 4th Quarter as reported on line 1 of the Form EUG-PY-1 as well as all subject wages paid in prior quarters.

Line 7. Enter **all** tax payments made for previous quarters.

Line 8. Enter prepayments made for the **4th Quarter only**. Do not include prepayments for previous quarters.

Line 10a. If you have tax to pay, enter this amount on line 4 of the Form EUG-PY-1 and complete the rest of the form.

Line 10b. If you have an overpayment, enter on line 7 of the Form EUG-PY-1 and complete the rest of the form.

Need assistance?

Contact us by email at **CSpayrolltaxhelp@eugene-or.gov** or by calling **541-682-5053**.

If you need assistance with our online tax administration MUNIREvs, including registering, filing, and paying online, email the MUNIREvs team at **support@munirevs.com** or by calling **888-751-1911**.