



# City of Eugene

## Business Location Overview

The payroll tax is applied to wages paid to an employee working for an employer located in the Eugene city limits. The key factor is the physical location of the employer, not where the work is performed, the primary work location, or where the employee lives.

For this purpose, “business location” is defined as any physical location in the Eugene city limits to which an employer conducts business operations, including any real property, building, facility, or office owned, leased, or occupied by the employer. “Business location” does not include temporary job sites generated by customers located in the Eugene city limits, including but not limited to construction sites or plumbing/electrical/landscaping clients.

We have put an online [Search by Address](#) tool on our website to see if an address is within the city limits. The Eugene city limits is not the same as the Eugene urban growth boundary or determined by certain ZIP codes. Therefore, the business address may contain “Eugene,” but still be outside the Eugene city limits. The online tool will tell you if the address entered is in the Eugene city limits.

Consider the following scenarios -

1. **Telecommuters (or remote workers)** are subject to the employee tax to the extent that they work for an employer located in the Eugene city limits, even though the work may be performed outside the City limits.
  - a. *Example* – Alicia works for an employer located in the City three days a week and works from her home in Springfield two days a week. The Employee Payroll Tax applies to all of Alicia’s wages including her wages earned while working from home.
  - b. *Example* – Sara works for the Oregon Department of Revenue (DOR) in Salem. She is assigned to work remotely at the DOR field office in the Eugene city limits. Sara’s wages are subject to the Employee Payroll Tax since she is working at an employer “business location” in the City limits.
  - c. *Example* – Terrance works for an IT security company located in Indiana. He telecommutes from his home in Eugene and meets with various clients located in Eugene. Terrance is not subject to the Employee Payroll Tax since his employer is located in Indiana.
  - d. *Example* – Sam works for an employer in Roseburg doing accounting work. He does all of his work remotely from home in Eugene. Sam’s wages are exempt from the payroll tax since his employer is located in Roseburg, even though he lives and works in Eugene.



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2. **Client locations** do not qualify as a “business location” for the purposes of the Employee Payroll Tax.
  - a. *Example* – Maggie works for a tax preparation service located in Junction City. She often comes to Eugene to meet with clients at their homes. Maggie’s wages are exempt from the payroll tax because her employer is not located in City limits.
  - b. *Example* – Edward runs a landscaping business in Springfield and provides services for various clients in Eugene. His employees are not subject to the Employee Payroll Tax.
  - c. *Example* – Laura has a catering business in the Eugene city limits. She provides catering services for clients throughout Lane and Douglas counties. Her employees are subject to the payroll tax, even for those wages earned while working at client locations outside the City limits.
  
3. **Temporary job sites** are treated the same as client locations and are not treated as a “business location” for the purposes of the Employee Payroll Tax.
  - a. *Example* – AA industries is a construction company located in the Eugene city limits. Employees are sent out in teams to various construction sites located both in and out of the City limits. All of the employee wages are subject to the Employee Payroll Tax, regardless of where the work is performed, since the employer is located in the City limits.
  - b. *Example* – BB Connect is a telecommunications company located in Portland that is contracted by the City to install a telecommunication tower. The BB connect employees working in the City limits are not subject to the Employee Payroll Tax since the employer is located in Portland.
  - c. *Example* – CC Electric is located in Junction City. They are contracted by a client in Eugene to do all the electrical work on a new building in the City limits. The CC Electric employees working in the City limits are not subject to the Employee Payroll Tax since the employer is located in Junction City.
  
4. **Professional employer organizations (PEO) or staffing services** are considered the employer-of-record for their employees and are responsible for reporting and remitting the payroll tax on their behalf.
  - a. *Example* – Triple-A Staff is a PEO located in the Eugene city limits. They provide staffing services for clients located throughout the county. As the employer-of-record for those employees, Triple-A Staff will withhold and remit the payroll tax. All employees working for Triple-A Staff are subject to the Employee Payroll Tax, regardless of where the work is performed.
  - b. *Example* – Staff-2-U is a PEO located in Seattle and provide IT staffing services for the Northwest. They have six employees working at two different clients located in Eugene. None of those employees are subject to the Employee Payroll Tax since the employer business location is outside the City limits. The client’s business location is not a consideration.
  - c. *Example* – NM industries is located in Eugene and contracts with a PEO also located in Eugene to bring in an employee for two weeks to help with inventory. The PEO is responsible for withholding/remitting the payroll tax on behalf of that employee. The PEO client – NM industries – is not responsible for any reporting/withholding for the employee.



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5. **Multiple business locations** – If an employer with a physical address in the City has one or more business locations outside the City, no tax is owed for those hours an employee works at an employer’s business location that is outside the City, even if the employee lives in the City limits.
  - a. *Example* – An employer that supplies management services is headquartered in the Eugene city limits. The employer has two satellite offices, one in Portland and another in Roseburg. The employees that work at the Portland and Roseburg business locations are not subject to the payroll tax, even though the business is headquartered in Eugene.
  - b. *Example* – A chain restaurant headquartered in Dallas, Texas, has two restaurants in the Eugene city limits. The payroll tax applies only to the wages paid to employees at the Eugene locations.
  - c. *Example* – Insomnia LLC is a business that has ten drive-through coffee hut locations throughout the county. Only the employees working at those huts located in Eugene are subject to the tax.
  - d. *Example* – A construction company is located in Harrisburg. The company also has a supply yard in Halsey and an HR office in Eugene that has four staff. Only the four staff working at the Eugene HR office are subject to the payroll tax.
  
6. **Multiple business locations and rotational/fill-in/roving/etc. employees.** Employees are subject to the Employee Payroll Tax if they spend any time working at an employer business location in the City limits. Conversely, employee wages are exempt for any time spent working at business locations outside the City.
  - a. *Example* – Amy works at an office in Eugene for a financial advisor that has multiple business locations throughout the state. Amy is taking three months of family leave, so the company is sending another employee, Daisy, from the Corvallis office to the Eugene office for those three months to cover for Amy. Daisy’s wages while working at the Eugene location are subject to the payroll tax.
  - b. *Example* – George works for a McDonalds located in Eugene. He has been asked to fill-in for an employee at a Springfield location for two days while they are out. George’s wages while working at the Springfield location are not subject to the payroll tax.
  - c. *Example* – Mark works for an employer that has two separate business locations, one in Eugene and one in Junction City. Mark rotates between each business location, working every other week at each business location. Only Mark’s wages earned at the Eugene location are subject to the payroll tax. The wages earned at the Junction City business location are not subject to the payroll tax.
  - d. *Example* – Angela works for a daycare provider that has multiple locations in the county, including two in Eugene. She lives in Cottage Grove but works as a rover, filling-in for other employees that are out. Any given day, she can be assigned to any one of the locations in the county. Only Angela’s wages at the Eugene locations are subject to the payroll tax.