



**City of Eugene**  
**Self-Employment Tax**  
**Form EUG-SE Instructions**

**2021/2022**

**What is the Community Safety Payroll Tax?**

On June 10, 2019, the Eugene City Council passed the Community Safety Payroll Tax Ordinance (No. 20616) to provide long-term funding for community safety services. The Payroll Tax will be effective beginning January 1, 2021.

There are three components of the payroll tax - an Employer Payroll Tax, an Employee Payroll Tax, and a tax on Self-Employment earnings.

- The *Self-Employment Tax* is applied to the net earnings from self-employed persons with a physical address in the Eugene city limits.

**MUNIREvs Tax Administration Service**

The City of Eugene has partnered with MUNIREvs, an online tax administration service, to provide online registration, filing, and payment options.

The service makes filing and paying easy with tax forms, electronic notices and reminders, as well as filing and payment history all on an easy to use website.

Visit <https://eugene.munirevs.com> to get registered and say good-bye to paper forms.

**Self-Employment Tax**

The *Self-Employment (SE) tax* is imposed on the net earnings from self-employment business activities of individuals or partnerships with a physical address in the Eugene city limits.

“Net earnings from Self-Employment” is defined in section 1402 of the Internal Revenue Code of 1986, as that section was in effect and operative on December 31, 1988.

Anyone who has self-employment earnings from a business located in the Eugene city limits must pay

this tax. Persons who must pay the self-employment tax include self-employed individuals, sole proprietors, independent contractors, members of a partnership, and persons who have net self-employment earnings greater than \$400 from business locations in the Eugene city limits.

Due to updates to the administrative rules, a Self-Employed entity with employees is subject to the Self-Employment Tax and Employee Tax for tax year 2021. Self-Employed entities with employees are not subject to the quarterly Employer Payroll Tax for calendar year 2021. However, these employing units are required to withhold and remit the quarterly Employee Payroll Tax.

For Payroll periods that begin on or after January 1, 2022, an employing unit subject to the Self-Employment Tax with employees is responsible for paying both the quarterly Employee and Employer Payroll Tax as well as the annual Self-Employment Tax. See the Tax Treatment Charts for more information on this updated tax treatment.

*Partnerships.* Partnerships aren't subject to the Self-Employment Tax. The individual self-employed partners of the partnership are responsible for filing and paying the tax. However, a partnership may choose to file one return and pay the tax for all individual partners.

*Exemptions -*

- *Clergy.* Compensation received by clergy or a member of a religious order when performing religious services is not subject to this tax. However, compensation received for performing religious services as an *independent contractor* is subject to this tax.

**Returns**

The Self-Employment Tax is paid on an annual basis. It is due the same day as Federal and

Oregon individual income tax returns for calendar year filers. For employing units subject to the Self-Employment Tax filing a fiscal year return, the return is due on the 15th day of the fourth month following the end of the fiscal year. If the business is a fiscal year filer, please contact the city at [cspayrolltaxhelp@eugene-or.gov](mailto:cspayrolltaxhelp@eugene-or.gov) as the Self-Employment Tax form due date may need to be adjusted.

For the 2021 tax year, the due date for calendar year filers is April 15, 2022.

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

*Extensions* - If allowed an extension for Federal or Oregon purposes, the business is allowed the same extension for the Eugene SE Tax. If the business has been granted an extension, it must make the payment by the original due date of the return to avoid a penalty and interest charge. An extension of time to file does not mean more time to pay.

## Forms

The *SE tax form*– *Self-Employed Tax Annual Return* (Form EUG-SE) is submitted annually

The Voucher form – Form EUG-PY-V for paper forms submitted with check, cashier's check or money order payments via mail. See 'Payments' below for where to send mailed payments.

If a self-employed person had no taxable self-employment earnings of less than \$400 for the year, they need to submit a 'zero' SE return.

## Calculating SE Tax

The Ordinance provides the Self-Employment Tax rate is 0.0021, unless the self-employed person had two or less, or no employees during the year, in which the tax rate is 0.0015 on self-employment earnings up to \$100,000.

*Two or less employees* – If a self-employed person employs two or less, or no employees during the

year, the first \$100,000 of net earnings from self-employment are taxed at a reduced rate of .0015.

“Two or Less employees” will be determined using *average annual employment*. This will be a count of all employees (including all full-time, part-time, temporary, and seasonal employees) for each month, totaled for the year, and divided by 12.

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

## Eugene City Limits

To see if a business location is in the Eugene city limits, please use our online Search by Address tool on our website. The Eugene city limits is not the same as the Eugene urban growth boundary or determined by certain ZIP codes. A self-employed person may have an address that contains “Eugene,” but still be outside the Eugene city limits.

## Business Location

The *SE Tax* is applied to net self-employment earnings a self-employed person located in the Eugene city limits. The key factor is the *physical location of the self-employed person*, not where the work is performed as with the TriMet and LTD self-employed transit taxes.

For this purpose, “business location” is defined as any physical location in the Eugene city limits to which a self-employed person conducts business operations, including any real property, building, facility, or office owned, leased, or occupied by the self-employed person.

“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.

*Multiple business locations* - If a self-employed person with a physical address in the City has one or more business locations outside the City, no tax

is owed for the self-employment earnings apportioned to those locations.

For more business location examples, please refer to the “Business Location Overview” document.

### Filing Options

Employing units subject to the Self-Employment Tax can file returns electronically or by paper. Filing by either method will require setting up an account with MUNIREvs prior to reporting. MUNIREvs will also provide bulk filing options for Self-Employment Tax filers using an XML format.

To register, go to <https://eugene.munirevs.com> and select “New Users - Register.” Follow the instructions and complete all required fields.

Once the business has registered, it will receive a MUNIREvs account number that will be reported on all paper returns and vouchers submitted to the City.

### Registration

All employing units and self-employed entities such as sole proprietors and partnerships with a physical business location in the Eugene city limits are subject to the Community Safety Payroll Tax will need to register with the City by going to <https://eugene.munirevs.com>.

### Payments

The City of Eugene accepts the following forms of payment:

Payment Type	Method	Portal/Location
Online	Through MUNIREvs	<a href="https://eugene.munirevs.com">https://eugene.munirevs.com</a> at checkout cart
Check, Cashier’s Check, Money Order	Mail with separate Voucher form for each tax type	PO Box 10087 Eugene, OR 97440
Cash	In Person (by appointment only during COVID-19 Pandemic)	100 W 10 <sup>th</sup> Ave. Ste 400, Eugene, OR 97401

Estimated payments are not required.

If there is an overpayment on an annual Self Employment return the overpaid amount will be refunded.

### Interest

Interest starts accruing on the day after the due date and continues to accrue every day, including the date of payment. Interest is figured daily, based on a 365-day year.

The annual interest rate for 2021 and 2022 is 4 percent, or 0.0110 percent per day – The payroll tax interest rate is tied to ORS 305.220 and may fluctuate each year.

- $(2021/2022) \text{ Tax} \times .000110 \times \text{Number of days.}$

### Penalties

The following penalties may apply -

- The penalty for failure-to-pay is 5 percent of the unpaid tax if not paid by the due date.
- The penalty for failure-to-file a return is 20 percent of the unpaid tax if the return is filed more than 30 days after the due date; and not all the tax was paid by the due date.
- If both penalties apply, the total penalty will be 25 percent of tax that wasn’t paid by the due date.

### Need assistance?

If further assistance is needed to understand and complete the Self-Employment Tax, please see the City of Eugene Payroll tax website at [www.eugene-or.gov/payrolltax](http://www.eugene-or.gov/payrolltax).

You may also contact the City’s Payroll Tax Team in Central Services Finance by calling (541) 682-5053 or emailing [cspayrolltaxhelp@eugene-or.gov](mailto:cspayrolltaxhelp@eugene-or.gov).