



City of Eugene
Employee Payroll Tax
Form EUG-PY-ED Instructions

2023

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 on-going funding for critical services including police, fire and emergency medical services, municipal court, homeless services, and prevention services. The Community Safety Payroll Tax is effective **January 1, 2021**.

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

- *Employer Payroll Tax* - This tax is applied to the total subject wages paid by an employer with a physical address in the Eugene city limits to employees that work for that employer located in the City.
- *Employee Payroll Tax* - This tax is applied to the total subject wages paid to an employee working for an employer located in the Eugene city limits. See Form EUG-PY-2, *Employee Payroll Tax Quarterly Return*, and instructions for more information.
- *Self-Employment Tax* - This tax is applied to the self-employment earnings of individuals with a physical address in the Eugene city limits. This return is filed annually and not due until April 15, 2024 for calendar year filers. The Form EUG-SE and instructions will be made available on our website in the fall.

These instructions are for the Form EUG-ED, *Employee Detail Return*. Taxpayers need to complete the Form EUG-ED, *Employee Detail Return*, and include it with Form EUG-PY-2. See Form EUG-PY-2 and instructions for more information.

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 prepopulated forms, electronic notices and reminders, as well as filing and payment history all on an easy to use website.

Visit eugene.munirevs.com to get registered and say good-bye to paper forms.

Registration

Every employer subject to the *Employer Payroll Tax* as well as withholding and remitting the *Employee Payroll Tax* must register with the City of Eugene.

To register, go to 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.

General Information

Withholding. The employer is responsible for withholding and remitting the tax on behalf of subject employees. Withholding of the tax needs to occur at the time of payment. If it is not withheld at the time of payment, the employer is responsible for the tax due.

Business location. "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. If you do not have a business location in the Eugene city limits, you are not subject to the tax.

To see if an address is in the city limits, visit our website at eugene-or.gov/payrolltax and

use the search by address tool. The Eugene city limit is not the same as the urban growth boundary nor determined by certain ZIP codes. If in an unincorporated part of Lane county, that address is not in the City limits.

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 by the employer or employee for those hours an employee works at an employer's business location that is outside the City.

Subject wages. Subject wages include all hourly wages, salaries, commissions, tips, bonuses, fees, and other items of value paid to employees after pre-tax deductions (or those items not subject to Oregon Revised Statute (ORS) Chapter 316 withholding).

Exempt wages. The following are exempt from the payroll tax –

- For domestic service in a private home.
- For casual labor not in the course of the employer's trade or business.
- To an employee whose services to the employer consist solely of seasonal labor in connection with the planting, cultivating or harvesting of agricultural crops.
- Individuals temporarily employed as emergency firefighters.

Tax Rates

The tax rates for the *Employee Payroll Tax* are based on the gross wages, less overtime wages, for the pay period. The applicable tax rate is then applied to subject wages, or gross wages less pre-tax deductions.

There are three tax rates –

- Exempt
- .0030 (or .3 percent)
- .0044 (or .44 percent)

Calculating the tax

Employers will use the tax rate charts available on our website at eugene-or.gov/payrolltax for

determining the applicable tax rate. See Form EUG- ED, *Employee Detail Return*, and instructions for more information on calculating the tax for each employee.

Follow these steps to calculate the Employee Payroll Tax for each employee. **Important** – If the employer has multiple business locations, the hours spent at business locations outside the City limits are not subject to the tax.

1. **Start with gross wages.** To calculate the tax for each employee, start with gross wages for the pay period paid for services performed by an employee for an employer located in the Eugene city limits, including the cash value of all remuneration paid in any medium other than cash. This includes, but not limited to salaries, overtime, fees, tips, bonuses, or commission on sales.
2. **Subtract overtime wages.** Overtime wages, both the base and premium portion, are not considered when determining the tax rate. Overtime wages should be calculated consistent with the Fair Labor Standards Act (FLSA) and applicable Oregon state law. If the employee did not work any overtime, skip to Step 3.
3. **Get the applicable tax rate using the tax rate charts.** Once overtime wages have been subtracted from gross wages, use the remaining amount to get the applicable tax rate based on the applicable pay period. If the employee had no overtime for the pay period, use gross subject wages.

NOTE – On July 1, 2023, the minimum wage rate may increase with the consumer price index (CPI). For wages received on or after that date, use the updated tax rate charts for July 1, 2023 thru June 30, 2024.

1. **Apply the applicable tax rate to Subject Wages.** “Subject wages” are those wages subject to Oregon Revised Statute (ORS) Chapter 316 withholding, or gross wages after pre-tax deductions.

Due Date

The Form EUG-PY-2, Form EUG-ED, and payment of tax are due on the last day of the month following the end of the quarter.

<u>Quarter</u>	<u>Due date</u>
1 st quarter (January – March)	April 30
2 nd quarter (April – June)	July 31
3 rd quarter (July – September)	October 31
4 th quarter (October – December)	January 31

If the due date falls on a Saturday, Sunday, or legal holiday, the due date is the next business day.

Form EUG-ED instructions

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

Check the box for the appropriate quarter. Make sure the quarter matches the Form EUG-PY-2. **Do not select multiple quarters.** If filing a late return for a previous quarter, complete a separate return for that quarter.

Line instructions

Total tax. Enter the total tax from Form EUG-ED, *Employee Detail Return*.

Employee Information. Fill in the last four digits of the Social Security Number (SSN), the last name, first name, subject wages and tax for each employee. Do **NOT** include the entire SSN.

If an employee was taxed at multiple tax rates during the quarter, combine all subject wages and tax and report on a single line for that employee.

If an employee had subject wages, but was taxed at the exempt tax rate, the employer must include those employees. Provide the subject wages and report -0- tax.

Column totals. Provide the total subject wages (column d) and tax (column e) for each page. Total the tax for all pages and enter that total under “Total Tax” at the top of the first page only.

The total subject wages also will be reported on Form EUG-PY-1, *Employer Payroll Tax Return*.

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.

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.

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

Please be sure to provide the business MUNIRevs account number and need of assistance with a Eugene payroll tax question in all correspondence so MUNIRevs can assist more promptly.