



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

2021/2022

Form EUG-RTR Instructions

These instructions are for Form EUG-RTR, *Employer Payroll Tax - Reduced Tax Rate*. If the business qualifies for the reduced tax rate, 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 the business 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**

The tax rate of .0021 is used for the first three quarters and reconcile on the 4th quarter return (or final return) if the business qualifies 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 a refund may be requested 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. 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, the reduced tax rate may be applied if the business

qualifies. Count all 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 the annual average employment. Round to two decimal places (e.g round 2.347 is 2.35) and enter the average.

If the average annual employment is **2.00** employees or less, the business qualifies for the reduced tax rate. Complete the worksheet in Section B to calculate the tax.

If filing a **final return** prior to the 4th quarter, the business may apply the reduced tax rate if it qualifies. Count all 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 the business files an initial return and were not in business for the whole year prior to the 4th quarter, enter -0- for the month(s) not in business and divide by twelve.

If the business does not qualify for the reduced tax rate, 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 the business has tax due, enter the amount on line 4 of the Form EUG-PY-1 and complete the rest of the form.

Line 10b. If the business has 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**.