

**SRC 39.001 - Title and Purpose.** This chapter shall be known and may be cited as the “Employee Payroll Tax Code of the City of Salem.” The purpose of this chapter is to establish a tax on wages received for work within the city of Salem to generate revenue to pay for City services, and for the administration of such a tax.

**SRC 39.005 – Definitions.**

*Employee* an individual who renders personal services at a fixed rate of compensation to an employer if the employer either pays or agrees to pay for personal services or permits the individual to perform personal services.

*Employer* includes any of the following:

- A person who in an relationship with another person that the person may control the work of that other person and direct the manner in which it is to be done;
- An officer or employee of a corporation, or a member or employee of a partnership, who as such officer, employee or member is under a duty to perform acts required of employers by ORS 316.167, 316.182, 316.197, 316.202 and 316.207; or
- The State of Oregon or any political subdivision of the state.

*Fixed Rate* compensation based on the time spent in the performance of the services, on the number of operations accomplished or on the quantity produced or handled.

*Minimum Wage* the minimum wage rate established by ORS 653.025(1).

*Tax Administrator* the Director, and any person or entity with whom the Director contracts with to administer, enforce, or collect the tax established by this chapter.

*Wages* as defined by ORS 316.162(2)

**SRC 39.010 – Administration; rulemaking.** The Director or Tax Administrator shall administer and enforce the provisions of this chapter, have the authority to render written and oral interpretations, conduct audits, and to adopt administrative rules and procedures governing the administration, enforcement, and collection of the tax.

**SRC 39.015 – Tax established.** A tax is hereby imposed on every employee working within the city limits as set forth in this section:

- (a) A tax at a rate of 0.00390 (0.390 percent) of the employee’s wages earned at a rate of more than \$15.00 an hour,
- (b) A tax at a rate of 0.00266 (0.266 percent) of the employee’s wages earned at a rate of \$15.00 an hour or less,
- (c) Exemptions. Notwithstanding subsections (a) or (b) of this section:
  - (1) No tax is owed by an employee for wages earned for any hours an employee works at an employer’s business location that is outside the city,
  - (2) No tax is owed by an employee for wages earned at the minimum wage rate.

(d) Every employer at the time of payment of wages shall deduct and withhold from the amount of wages paid to an employee, an amount equal to the total amount of wages, multiplied by the rate of tax imposed under subsections (a) and (b) of this section.

**SRC 39.020 – Payment and Remittance.** All employers shall remit the tax imposed by SRC 39.015 to the Tax Administrator quarterly, or as directed by rules adopted under this chapter.

**SRC 39.025 – Interest and Penalties.** The Director or Tax Administrator shall adopt administrative rules pursuant to section 39.010 of this chapter to specify the amount of penalties and interest that a person must pay if the person fails to timely pay or remit any tax imposed by this chapter. The amount of penalties and interest established by administrative rule shall be consistent with comparable provisions of state law.

**SRC 39.030 – Appeals.** Any person adversely affected by any decision, action, determination, or order, made by the Tax Administrator interpreting or implementing the provisions of this chapter may appeal in the manner provided by administrative rule adopted pursuant to this chapter.

**SRC 39.035 – Violations.** Violation of any provision of this chapter, in addition to any civil penalty created and imposed by administrative rule, shall be an infraction.