

EXHIBIT B

CITY OF SALEM MEASURE NO. _____

EXPLANATORY STATEMENT:

The City of Salem is proposing a new tax on employee wages only for work performed within the city of Salem. The tax would not be assessed or take effect any earlier than July 1, 2022. The tax on employee wages (“tax”) would be assessed on wages for work performed within the city of Salem. Employees earning minimum wage as set by Oregon law would be exempt from the tax. Wages of employees earning \$15.00 an hour or less would be taxed at 0.266 percent. Wages of employees earning more than \$15.00 an hour would be taxed at 0.390 percent.

Rates:

Minimum Wage:	EXEMPT
Wages of \$15.00 an hour or less:	0.266 percent X \$1,000 = \$2.66.
Wages of more than \$15.00 an hour or more:	0.390 percent X \$1,000 = \$3.90.

The tax would only apply to wages for work performed within Salem. The tax would not apply to wages for work performed outside Salem, or income from other sources, such as retirement benefits, or investments. An employer would be required to deduct and withhold the tax from wages paid to an employee, and remit the tax to the City of Salem.

Revenue collected under the tax will be dedicated and used by the City of Salem for public safety services, **including, but not limited to, Police, Fire, Code Enforcement, and Traffic Safety Measures**, support for those services, and administration of the tax.

No tax will be owed under this proposal on wages earned prior to July 1, 2022.