

House Bill 2574

Ordered printed by the Speaker pursuant to House Rule 12.00A (5). Pre-session filed (at the request of House Interim Committee on Revenue)

SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure **as introduced**.

Requires employer to withhold at least _____ percent of employee wages, regardless of withholding exemptions claimed by employee. Applies to wages paid on or after January 1, 2012.
Takes effect on 91st day following adjournment sine die.

A BILL FOR AN ACT

1
2 Relating to withholding of income tax; creating new provisions; amending ORS 316.167; and pre-
3 scribing an effective date.

4 **Be It Enacted by the People of the State of Oregon:**

5 **SECTION 1.** ORS 316.167 is amended to read:

6 316.167. (1) Every employer at the time of the payment of wages to any employee shall deduct
7 and retain from such wages an amount determined, at the employer's election, either (a) by a "per-
8 centage method" withholding table or (b) by "wage bracket" withholding tables, prepared and fur-
9 nished under the rules and regulations of the Department of Revenue. However, in the case of wages
10 paid to an employee whose services to the employer consist solely of labor in connection with the
11 planting, cultivating or harvesting of seasonal agricultural crops, the employer may elect to with-
12 hold two percent of the total wages paid without regard to any withholding exemptions.

13 (2) Except in the case of an agricultural employee, the amount withheld shall be computed on
14 the basis of the total amount of the wages and the number of withholding exemptions claimed by the
15 employee, without deduction for any amount withheld.

16 **(3) Notwithstanding subsections (1) and (2) of this section, an employer shall withhold an**
17 **amount equal to at least _____ percent of the total wages paid to an employee without**
18 **regard to any withholding exemptions claimed by the employee.**

19 [(3)] (4) If a lender, surety or other person who supplies funds to or for the account of an em-
20 ployer for the purpose of paying wages of the employees of such employer has actual notice or
21 knowledge that such employer does not intend to or will not be able to make timely payment or
22 deposit of the tax required to be deducted and withheld, such lender, surety or other person shall
23 be liable to the State of Oregon in a sum equal to the taxes together with interest which are not
24 timely paid over to the department. Such liability shall be limited to the principal amount supplied
25 by such lender, surety or other person, and any amounts so paid to the department shall be credited
26 against the liability of the employer.

27 [(4)] (5) With the approval of the Oregon Department of Administrative Services, the department
28 may enter into contracts with banking institutions including but not limited to Federal Reserve
29 Banks, incorporated banks, trust companies, domestic building and loan associations, savings and
30 loan associations or credit unions authorizing them to receive as financial agents of the department

NOTE: Matter in **boldfaced** type in an amended section is new; matter [*italic and bracketed*] is existing law to be omitted.
New sections are in **boldfaced** type.

1 any tax required to be withheld and paid to the department.

2 **SECTION 2. The amendments to ORS 316.167 by section 1 of this 2011 Act apply to wages**
3 **paid on or after January 1, 2012.**

4 **SECTION 3. This 2011 Act takes effect on the 91st day after the date on which the 2011**
5 **session of the Seventy-sixth Legislative Assembly adjourns sine die.**

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