

Background

The Oregon Department of Revenue (DOR) partners with the Oregon Employment Department (OED) as part of a multi-agency effort to administer combined payroll tax programs. The combined payroll tax programs allow Oregon businesses to report and pay business taxes administered by multiple agencies at the same time.

Businesses remit payments to DOR and file quarterly returns with OED for all programs on the combined payroll tax return. These programs include Personal Income Tax Withholding, Lane Transit District Payroll Tax, TriMet Transit District Payroll Tax, Workers' Benefit Fund, and Unemployment Insurance.

This year, Statewide Transit Tax and Paid Leave Oregon are added to the combined payroll tax programs reporting. DOR and OED share combined payroll tax information so that both agencies have the data they need to administer their respective programs seamlessly while minimizing the number of filings for Oregon businesses.

Employer Reporting

House Bill 2290 will require employers subject to the Paid Leave Oregon program to report the withholding of Paid Leave contributions on a federal form W-2 similar to the required annual reporting of amounts withheld for income taxes and Statewide Transit Tax.

The bill also authorizes DOR to share information related to the income of individuals to assist in OED's administration of Unemployment Insurance and Paid Leave Oregon programs.

DOR anticipates some costs in expanding W-2 reporting to include the amounts withheld for Paid Leave employee contributions as well as ongoing support and education for employers and payroll providers as to the reporting requirements.

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