



# Agricultural Employers

Agricultural employment covers a broad range of farming, orchard, and livestock-oriented activities. This is a very complex area of Oregon Employment Department Law. This flyer is intended for general information. For more specific information, please contact us in one of the ways listed below.

## **GENERAL INFORMATION**

A farm is defined as including stock, dairy, poultry, fruit, fur bearing animals, Christmas tree and truck farms, plantations, orchards, ranches, nurseries, ranges, greenhouses, or other similar structures used primarily for the raising of agricultural or horticultural commodities.

## **QUALIFICATIONS**

To become an agricultural employer subject to state unemployment insurance laws, you must meet one of the following criteria:

- Have \$20,000 cash payroll in a calendar quarter in either the current or preceding calendar year, or
- Have 10 or more people working on 20 days, each day being in a separate calendar week during the current or preceding calendar year.

For unemployment insurance tax purposes, agricultural employers do not include non-cash compensation (i.e., room and board) as wages.

Once an agricultural employer becomes subject to Employment Department Law, they become subject for the entire current calendar year and all of the next calendar year, as long as employment exists. This is true even if the payroll is less than \$20,000 in those quarters.

## **CREW LEADERS**

Crew leaders may be considered agricultural employers if:

- They hold a valid Federal certificate of registration under the Migrant and Seasonal Agricultural Workers Protection Act, or
- The crew operates or maintains mechanized equipment provided by the crew leader and the crew leader meets standards set for independent contractors under other sections of Employment Department Law.

## **EXCEPTIONS TO AGRICULTURAL COVERAGE**

- Certain types of cooperative processing plants become non-agricultural (regular) employers if the cooperative produces one-half or less of the agricultural commodity processed. Agricultural commodities provided by cooperative members as individuals rather than the cooperative itself are not considered as produced by the cooperative.
- Flower and plant stores that buy and sell substantially mature plants and are not primarily in the business of raising agricultural or horticultural products.
- Fish farms and salmon ranches.
- The manufacturing of an agricultural commodity into wine, and the bottling and initial storing thereof.
- The grooming and harvest of wild Christmas trees.

## **WHEN COVERAGE OF AGRICULTURAL EMPLOYMENT CEASES**

An agricultural employer may request that their account be closed when the following conditions are met:

- The employer notifies the Employment Department that they have not had qualifying payroll in the preceding calendar year and
- The employer does not anticipate having qualifying payroll in the current calendar year.

- Example: If the employer exceeds the \$20,000 test in the third quarter the reports for the first, second, and third quarters are due by October 31, the due date for the third quarter report.

The notification must be made in writing to:

**Oregon Employment Department**  
 Tax Section, Room 107  
 875 Union St. NE  
 Salem OR 97311-0030

A Change in Status report (Form 013) can also be filed to close an account. This form can be down-loaded at the Department of Revenue web site at [www.oregon.gov/dor](http://www.oregon.gov/dor) under Tax Forms.

The employer's account will cease to be subject beginning the first day of the calendar quarter in which the request is filed. This cannot be retroactive.

- Interest does not begin to accrue until the due date of the report in which the payroll met the \$20,000 test or the number of employees' test.
- If an employer has both regular and agricultural employment, or domestic and agricultural employment, the agricultural employment should be considered separately for the \$20,000 test.

Regular employment includes such things as equipment repair and maintenance or tractor repair and maintenance, when done for others. Others, in this case, are used to mean some one besides the owner of the farm where the work is being performed.

### **MISCELLANEOUS INFORMATION**

- When an agricultural employer meets the \$20,000 test, then all cash wages paid during that entire year are taxable.

### **QUESTIONS**

If you have questions or need additional information, please contact the Employment Department tax representative in your area or call 503-947-1488; TDD/Nonvoice Users 711 or by email at [taxinfo@emp.state.or.us](mailto:taxinfo@emp.state.or.us) You may also visit our web site at [www.Oregon.gov/employ/tax](http://www.Oregon.gov/employ/tax)

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