



Agricultural Employers

The information in this flyer pertains to agricultural employers only.

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.

Subjectivity

An agricultural employer becomes subject to state unemployment insurance laws when it meets at least one of the following criteria:

- Have \$20,000 cash payroll in any calendar quarter in either the current or preceding calendar year, or
- Have ten 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 drops below \$20,000 in those quarters. Wages paid to corporate officers are included in the \$20,000 threshold even when the corporate officer exclusion is in place. LLC member wages are not included in the computation unless

they have elected to be covered for Unemployment Insurance under ORS 657.425.

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 is an independent contractor as defined under ORS 657.040 and ORS 670.600.

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:

- They have not met either of the criteria outlined in the “Subjectivity” section of this document during the current or preceding calendar year, and
- They do not anticipate meeting either one of the criteria outlined in the “Subjectivity” section during the current calendar year, or
- Employment no longer exists.

The request must be made in writing to:

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

A Business Change in Status Form can also be filed to close an account. This form can be downloaded at the Department of Revenue website at:

<http://www.oregon.gov/DOR/BUS/forms-payroll.shtml>

If there continues to be any employment that does not meet the criteria outlined in the “Subjectivity” section, the employer’s account may be closed on the first day of the calendar quarter in which the request is filed. This cannot be retroactive.

Miscellaneous Information

- Regardless of the quarter, if an agricultural employer meets the \$20,000 test, then all cash wages paid during that entire year are taxable.
 - > 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.
- 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, is used to mean someone besides the owner of the farm where the work is being performed.

Questions

If you have questions or need additional information, please contact the Employment Department tax representative in your area or call 503-947-1488. To find your tax representative, view the web page at www.oregon.gov/EMPLOY/TAX/TaxOffices.shtml. TDD/Nonvoice Users 711 or by email at taxinfo@emp.state.or.us. You may also visit our web site at www.oregon.gov/EMPLOY/TAX/.

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