PURPOSE
This policy provides guidance on the assessment and distribution of the Oregon state’s government’s mass transit tax.

APPLICABILITY
Any agency, maintaining a branch, office, or other physical location within the boundaries of a mass transit district or transportation district is subject to the provisions of this policy.

FORMS/EXHIBITS/INSTRUCTIONS
None.

DEFINITIONS
Click here for other definitions.

EXCLUSIONS AND SPECIAL SITUATIONS
None.

GENERAL INFORMATION
All employees whose official station is within the boundaries of a mass transit district or transportation district are subject to a state-paid payroll assessment of not more than six tenths of one percent (.006%) of gross wages. All agencies must send, or make available the appropriate amount of tax, to the Department of Administrative Services (DAS) for deposit in the Mass Transit Assistance Account. DAS subsequently distributes the funds to mass transit districts and transportation districts throughout the state.

POLICY
Authority
ORS 291.405
ORS 291.407

.101 Any agency, maintaining a branch, office, or other physical location within the boundaries of a mass transit district or transportation district is subject to the provisions of this policy.
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.102101 An annual review of the mass transit tax rate by the Oregon Department of Transportation (ODOT) conducts an annual review of the mass transit tax rates (ODOT) will be conducted and communicated to the Oregon Department of Administrative Services (DAS). This (DAS) to ensure that agencies are not over-assessed and that mass transit districts/transportation districts are receiving the appropriate amount allowed by statute. Mass transit tax rates will be adjusted as necessary to ensure that no more than a prudent surplus is maintained in the Mass Transit Assistance Account.

.103102 The US Department of Health and Human Services has interpreted the cost principles under OMB’s Uniform Guidance, Cost Principles for State and Local Governments, such that the Mass Transit Tax is not a qualifying payment for reimbursement with federal funds. Therefore, salaries paid with federal funds are exempt from the mass transit tax. Although non-federal expenditures from state resources must be paid, the mass transit tax cannot be used as match against federal funds.

.104103 The availability of mass transit is a benefit to those agencies located in a mass transit district or transportation district. In exchange for payments made to these districts, which are authorized under ORS 291.405 and 291.407, the state and its agencies shall be exempt from any parking code requirements for existing state-owned buildings. This includes construction of new state buildings, or the renovation of existing state buildings that have been or may be established by any political subdivision within the boundaries of a mass transit district or transportation district receiving such payments.

PROCEDURES

.104104 The ODOT Department of Transportation (ODOT) Rail and Public Transit Division, which oversees the state’s mass transit and transportation districts, will send written documentation to inform the State Controller’s Division Financial Business Services Systems section of any changes associated with mass transit boundaries or rates.

.102105 Based on the boundary and rate information provided, each valid position number in the Position Inventory Control System (PICS) and the Personnel Position Data Base (PPDB) state Human Resource Information System (Workday) is linked to a work location designated by a city/county ZIP code. In addition, all valid Mass Transit Transit Codes (listed below) are linked to a corresponding city/county ZIP code. When a position is filled, and an employee is attached to the position, the ZIP code associated with the appropriate fields designating the city/county.
The following mass transit codes can be found in the personnel system Workday:

- C – Tillamook County
- E – Sunset Empire (Astoria, Hammond, Seaside, and Warrenton)
- H – Hood River Transit District
- K – Basin Transit Service District (Klamath Falls)
- L – Lane County Mass Transit District
- M – Molalla Transit/South Clackamas Transportation District (Molalla)
- R – Rogue Valley Transportation District
- S – Salem Transit District
- T – Tri-County Metropolitan District (Portland)
- X – Not Subject (All Others)
- Y – Lincoln County (Lincoln City, Newport, Siletz, and Waldport)

In the event of an employee temporary location change, the agency personnel office can override the designation of the city/county code. Agencies will want to maintain a record of all temporary location changes. The temporary location change process must take place for each new employee. If the position is permanently relocated, there is a specific action that must take place to have the position master record changed to connect with the new city/county code.

For agencies using the Statewide Financial Management Application (SFMA), SFMA will automatically generate mass transit tax and move the generated mass transit funds to the Mass Transit Assistance Account. Salaries paid with federal funds are exempt from mass transit tax. Federal funds can be designated in SFMA either by the position or portion of the position having a federal fund PCA(s) in PPDB-Workday. These PCAs look up federal D23 funds in SFMA. The agencies may take an overall mass transit reduction via the SFMA's D54 screen, Table ID: PARM in SFMA. It is the agency’s responsibility to be able to document and ensure the federal, non-federal split is accurate.

The Statewide Financial Management Services staff monitors the agencies’ payroll payables, including Mass-mass Transit, compared to the Department of Administrative Services’ DAS’s receivables to ensure both sets of transactions balance and are reimbursed timely.

For agencies on the Oregon State Payroll Application (OSPA), the OSPA calculates the Mass-mass Transit amount due.
a. The Department of Administrative Services (DAS), Office of Business Administration (OBA) invoices the agency.

b. Non-SFMA agencies are responsible to pay the mass transit tax to the Office of Business Administration (OBASFS) monthly.

.107109 The Office of Business Administration (DAS SFS section) is responsible for the following mass transit processes:

a. Deposit mass transit tax receipts from non-SFMA agencies associated with the mass transit tax in the Mass Transit Assistance Account.

b. Distribute the mass transit tax quarterly to the appropriate districts based on calculations and reports identifying tax revenue levied/collected on behalf of the districts.

c. Coordinate resolution of all subsequent adjustments by a state agency or a mass transit district/or transportation district. Research and resolve all questions concerning over-assessment and under-assessment of taxes. Assure proper payments are made to resolve negotiated adjustments.

d. Coordinate with the Department of Transportation (ODOT), Rail & Public Transit Division and the affected entities, as necessary, to provide information and resolve disputes.