

Statewide Transit Tax for Employers

Publication OR-STTE



January 2019

www.oregon.gov/dor

In 2017 the Oregon Legislature passed House Bill (HB) 2017, which included the statewide transit tax. The statewide transit tax (STT) is calculated based on the employee's wages as defined in ORS 316.162. Employees who aren't subject to regular income tax withholding due to high exemptions, wages below the threshold for income tax withholding, or other factors are subject to statewide transit tax withholding.

How does this tax apply to me as an employer?

- Oregon employers are responsible for:
- Withholding the tax from employees' wages.
- Reporting taxes withheld on a quarterly or annual return.
- Remitting taxes withheld quarterly or annually.
- Reconciling quarterly or annual reports on the annual reconciliation return.

When do I need to withhold this tax from my employees?

You must withhold the statewide transit tax at the same time you withhold the state income taxes.

How much do I need to withhold?

One-tenth of 1 percent or .001.

Example: \$1.00 for every \$1000.00 of wages.

How do I report statewide transit tax?

Quarterly filers file using forms OR-STT-1 and OR-STT-2.

Annual agricultural filers file using the statewide transit forms OR-STT-A and OR-STT-2.

When are reports due?

Form **OR-STT-1** with **OR-STT-2** is due on the following dates:

Quarter	Due date
1st	April 30
2nd	July 31
3rd	October 31
4th	January 31

Form **OR-STT-A** with **OR-STT-2** is due on January 31.

Note: The return is to be filed even if there was no payroll for that quarter/year.

What are the methods of reporting?

You can report this tax by paper or through Revenue Online at: www.oregon.gov.

Courtesy withholding

If you're an out-of-state employer, outside of Oregon's taxing jurisdiction, and you choose not to withhold the statewide transit tax for your Oregon resident employees, you must contact the department in writing to close the account and inform your Oregon resident employees that they'll still be required to file returns and pay the STT with their personal income tax returns.

Is anyone exempt from this tax?

Yes, some of these exemptions include:

- Owners of a sole proprietorship, a partnership and an LLC (sole proprietorship or partnership).
- Domestic in home workers.
- Clergy while performing clergy duties.
- All retirement income.

When are the payments due?

The payments are due at the same time the report is due. Send payments with Form OR-STT-V, *Oregon Statewide Transit Quarterly Payment Voucher*, 150-206-172, directly to:

Oregon Department of Revenue
PO Box 14800
Salem OR 97309-0920

Send a voucher with every payment.

How do I close my account?

If you no longer have employees, you can close your statewide transit tax account. Fill out a *Business Change in Status Form*, 150-211-156 and mail it to:

Oregon Department of Revenue
PO Box 14800
Salem OR 97309-0920

If you need a *Business Change in Status Form*, call (503) 945-8091 or visit www.oregon.gov/dor.

Do you have questions or need help?

www.oregon.gov/dor
(503) 378-4988 or (800) 356-4222
questions.dor@oregon.gov

Contact us for ADA accommodations or assistance in other languages.