



Farm Labor Contractors & Employers

The Agricultural Employer Overtime Tax Credit is not available to farm labor contractors (FLCs). However, an employer using the services of a licensed FLC may apply for the tax credit. The amount of the credit is a percentage of the actual excess wages paid above regular pay for work performed in Oregon over the threshold hours. For purposes of the tax credit, each agricultural employer's share of the overtime paid for actual hours worked will be determined between the employer and the FLC. The information exchanged between the employer and the FLC needs to be determined between those two parties. For more information about the Agricultural Employer Overtime Tax Credit program and employer requirements, visit our [website](#).

For Purposes of the Tax Credit

- **Actual hours** – Refers to the hours worked by an agricultural employee across all farms.
- **Actual overtime worked** – Refers to the hours worked by agricultural employees above the Ag OT threshold. For 2023 the threshold is after 55 hours.
- **FLC** – Farm labor contractor
- **DOR** – Oregon Department of Revenue
- **OT** – Overtime



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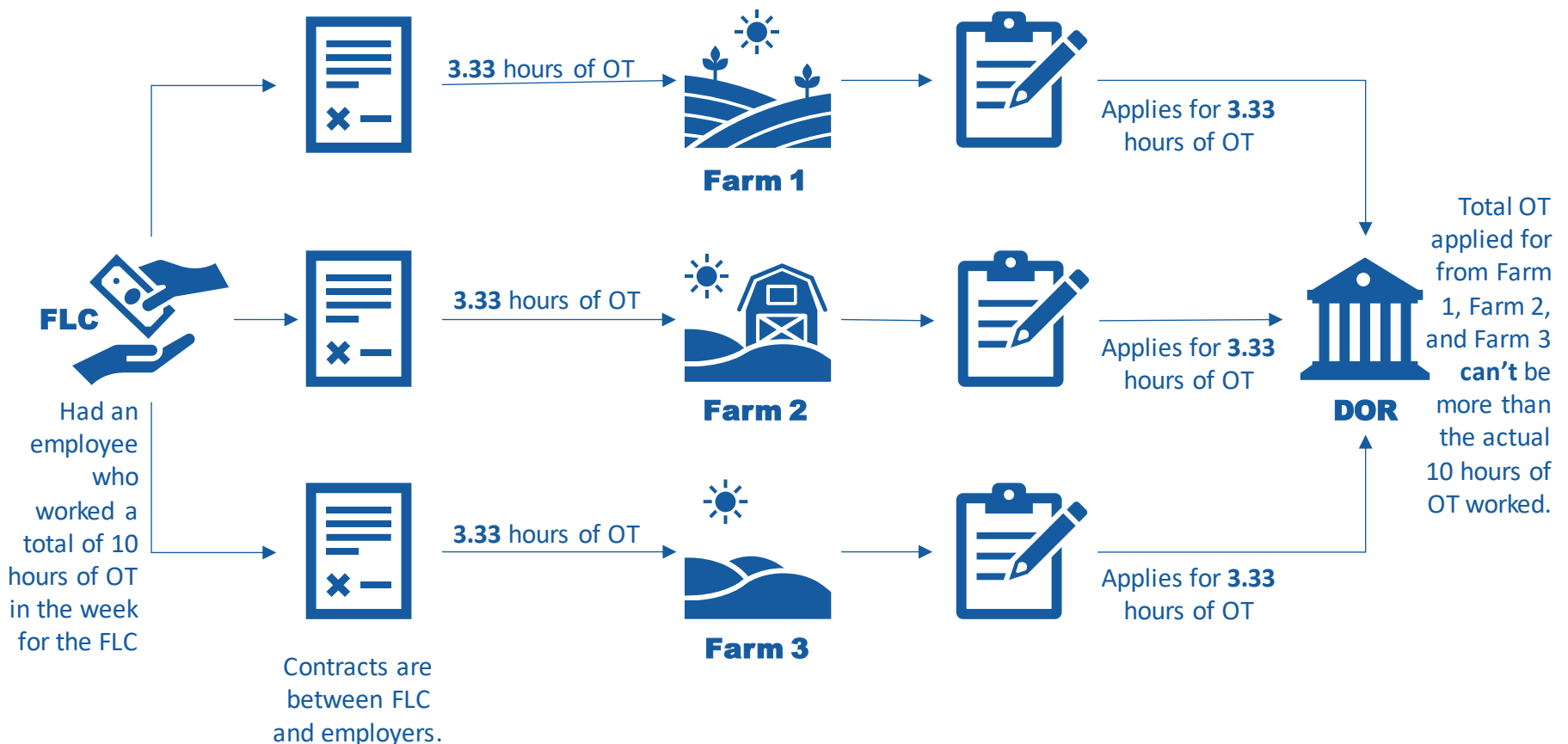
Information for Examples

The following examples show a farm labor contractor with a work crew that worked overtime over the threshold in a work week. The examples illustrate one employee of the work crew who worked 10 hours of overtime. FLCs and farm contracts with employers may vary depending on the business. The actual hours worked and paid by the FLC are distributed to farms. Farms will then apply, or not apply, for the tax credit with the department.

These examples are a high-level overview of potential agreements among FLCs and farms. These are visual representations and are not meant to condition contracts amongst the two parties.

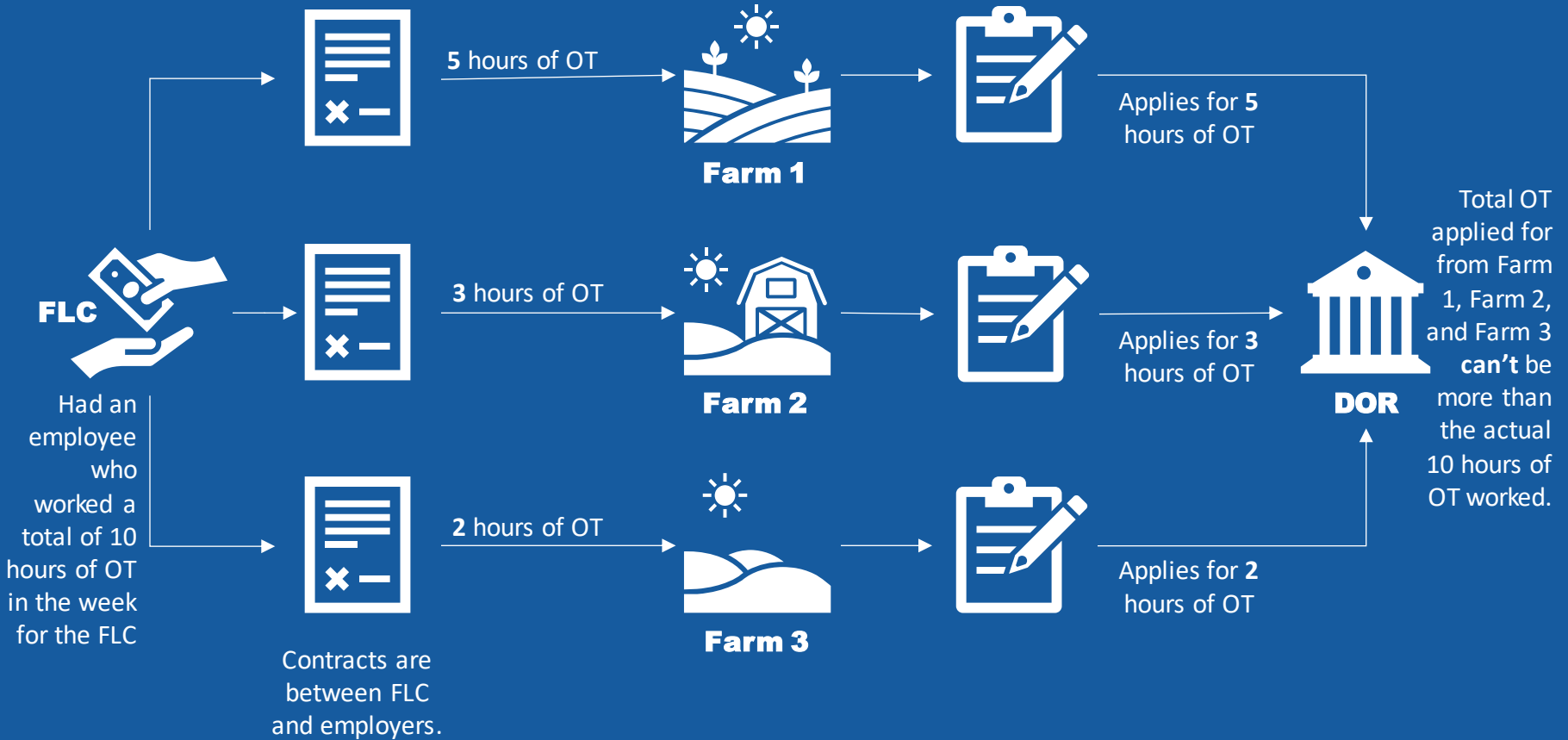
Example 1

The OT hours worked are evenly distributed among all farms.



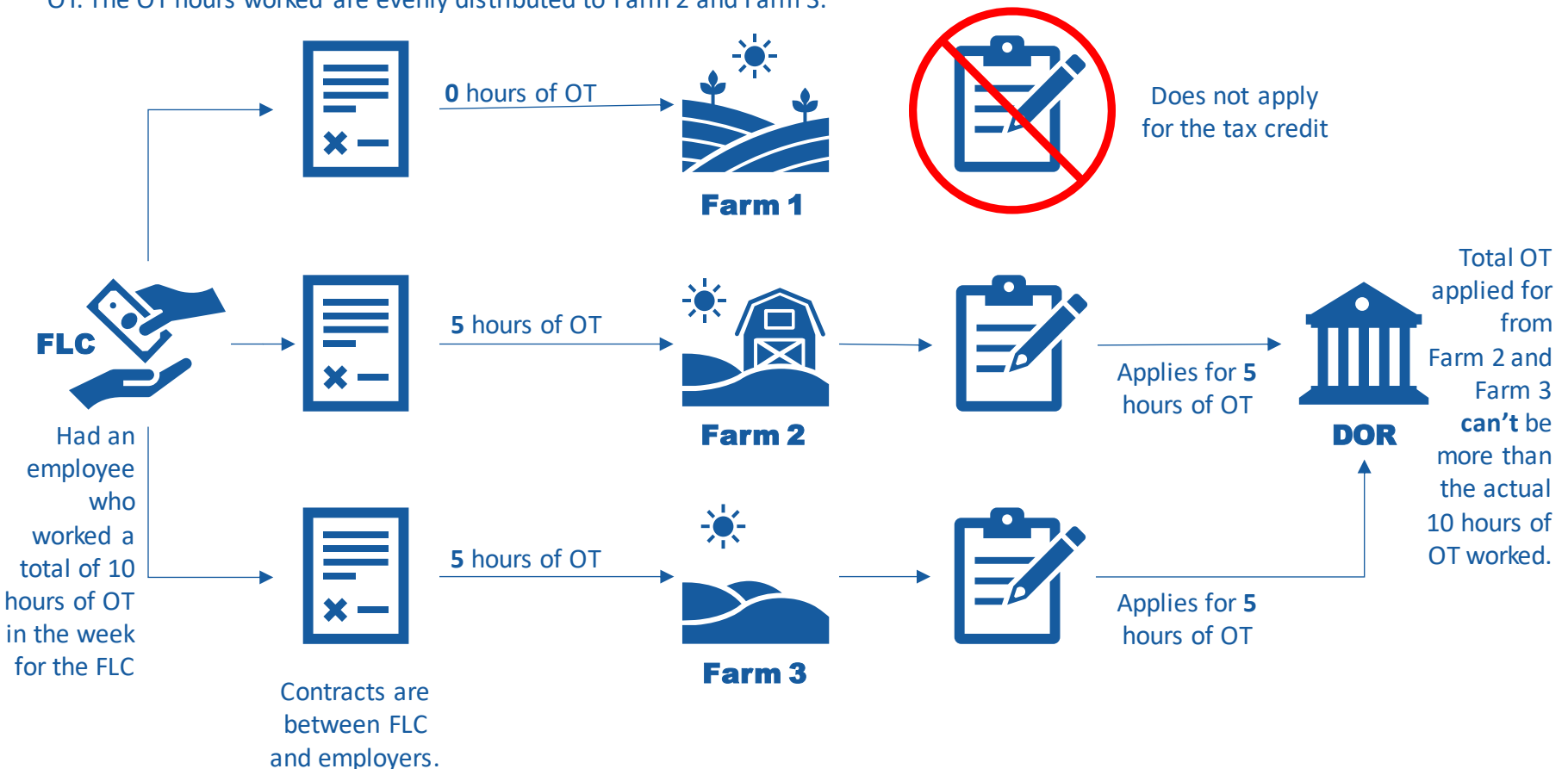
Example 2

The OT hours worked are proportionally distributed based on time spent on each farm.



Example 3

The OT hours worked are distributed based on type of work done at each farm. Farm 1 is attributed zero hours of OT. The OT hours worked are evenly distributed to Farm 2 and Farm 3.



Example 4

The OT hours worked are proportionally distributed based on time spent on each farm. However, Farm 1 is eligible for the tax credit but does not apply.

