

Penalties, interest & fees

We charge:

- A 10% penalty on any unpaid tax after the return's due date.
- An additional 15% penalty on any unpaid tax over 30 days past due.
- Fraudulent tax returns or intent to evade will result in an additional 25% penalty.
- Interest at the rate of 1.5% per month or fraction thereof (18% APR) on the amount of tax due, exclusive of penalties, from the date the remittance first became delinquent until paid. **To calculate interest multiply the tax due x 18% ÷ 365 x number of days past due.**
- A fee of \$5.00 will be assessed for each 30 days or fraction thereof if a payment is submitted without a return unless the return is received within five business days of receiving the payment. Total fee not to exceed \$20.00 per instance.

Self-employment transit tax

If you have self-employment earnings within the local transit area, they may be subject to transit self-employment tax. For more information call 503.266.0687 or download a tax return & instructions from our website at: www.canbyoregon.gov/transportation/transittax.htm#taxforms

Remittance

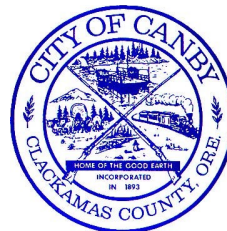
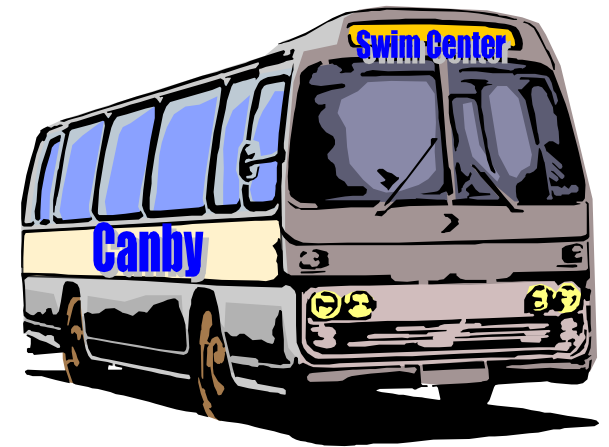
Mail your tax form with your payment and remit to:

**City of Canby
Transit Tax
PO Box 930
Canby OR 97013-0930**

Questions?

**Call
503.266.0687**

City of Canby Local Transit Area Taxes



**A guide to
Canby Area Transit Payroll Taxes**

General

Canby's Transit Tax was established by City Ordinance 1081 in December 2001. Collection of employer payroll taxes calculated on applicable wages began January 1, 2002.

The transit tax is imposed directly on the employer. The tax is figured only on the amount of gross payroll for services performed within the local transit area (the City of Canby and the Canby Urban Growth Boundary). This includes traveling sales representatives and employees working from home.

Who benefits from the tax?

The system provides transit services in Canby with links to other cities. Increased and improved public transportation benefits riders and the business where they work and shop. Those who are unable to drive, and those who like to have a transportation choice benefit from having the option of a city transit service. People who choose to drive may see reduced traffic as ridership increases.

Who must file and pay?

All employers, including nonresident employers, who are or have been paying wages earned in the local transit area must file payroll tax returns with the City of Canby. Wages include all salaries, commissions, tips, bonuses, fees, payments to a deferred compensation plan, or other items of value; as defined in ORS 267.380.

If you use a payroll service or a tax preparer, please be sure your preparer is filing correctly for Canby transit taxes.

What is the tax rate?

The tax rate is 0.6 %. That is \$6.00 for every \$1000 of taxable wages (multiplication Factor = .0060).

When to file the transit tax

Quarterly payroll filing: No later than the last day of the month following the calendar year quarter:

Quarter ending: Deadline to file is:

March 31	April 30
June 30	July 31
September 30	October 31
December 31	January 31

Quarterly tax returns are mailed to employers prior to the end of each quarter.

Quarterly Payroll Reporting Exceptions:

The Transit Tax Specialist may authorize annual payroll tax reporting for a taxpayer whose reporting history indicates the business does occasional work within the local transit area resulting in tax due of \$120 or less per year, or an average of \$30 or less per quarter. If you would like to switch to annual payroll reporting please call 503.266.0687.

Annual payroll filing: No later than January 31 of the current year for the previous tax year.

Annual tax returns are mailed to employers prior to the end of each calendar year.

Exempt payroll

The following are exempt from transit payroll taxes:

- Federal credit unions
- Public school districts
- 501(c)(3) nonprofit and tax-exempt institutions (except hospitals). A copy of the organization's exemption certificate must be on file with the City. (Note: 501(c)(3) organizations operating profit-based activities such as a daycare or a bookstore are subject to the tax on the portion of the employee's wages directly incurred from such activities).
- Insurance companies (except domestic insurers).
- Domestic service in a private home.
- Religious organizations, including churches

Where do I start?

By obtaining a Canby Business License a Canby transit tax account number will be assigned. If you are working outside the Canby City Limits you are not required to have a business license, however you are still required to file and pay transit tax if you and/or your employees are receiving wages earned within the local transit area. If you are a new employer or an unregistered employer and are subject to the transit tax you will need to register your business by calling the transit tax specialist.

Tax forms can be accessed from our web site at www.canbyoregon.gov/transportation/transittax.htm#forms