Red Wing Payroll - Oregon Statewide Transit Tax Effective 07/01/18

Document #:	3340	Product:	Red Wing Payroll

On July 1, 2018, employers must start withholding the Oregon Statewide Transit Tax (one-tenth of 1 percent or .001) from wages of Oregon residents (regardless of where the work is performed) and wages of non-residents who perform services in Oregon. If the state of Oregon does not apply to your payroll, please disregard this notification.

To setup the new Oregon Statewide Transit Tax withholding, follow the instructions below:

Step 1 - Add Oregon Statewide Transit Tax to Local System Taxes

1. From the **Payroll** menu, select **Utilities**, select **Maintain System Taxes**, and then click **Add**.

2. In the **Tax Year** box, select **2018**.
3. In the **Category** box, select **User Defined**.
4. In the **Authority** box, select **Local**.
5. In the **State** box, select **OR**.
6. In the **Description** box, enter **Oregon Transit Tax**.
7. For the **Tax Paid By** option, select **Employee**.
8. In the **Abbreviation** box, enter **ORTT**.
9. In the **Rate** box, enter **.1000**.
10. In the **Method** box, select **Percent of Wages**.
11. In the **Wage Base** box, enter **99,999,999**.
12. In the **Tax Type** box, select **XX - General Locality**.
13. Click **OK** and then click **Close**.

Step 2 - Add the Oregon Statewide Transit Tax to Your Company

1. From the **Payroll** menu, select **Setup**, select **Taxes**, and then click **Add**.

2. From the Taxes - Add screen, select the **Oregon Transit Tax** (created in Step 1) and click **OK**.

3. In the **Taxes Payable Account** box, select the appropriate general ledger account.
4. Click **OK**, and then click **Close**.

Step 3 - Set Up a Local Tax Group for the Oregon Statewide Transit Tax

1. From the **Payroll** menu, select **Setup**, select **Local Tax Groups**, and then click **Add**.


2. In the **Group** box, enter **OrTrTax**.
3. In the **State** box, select **OR**.
4. Move the **Oregon Transit Tax** to the right-side of the screen under **Tax In this Group**.
5. Click **OK**, and then click **Close**.
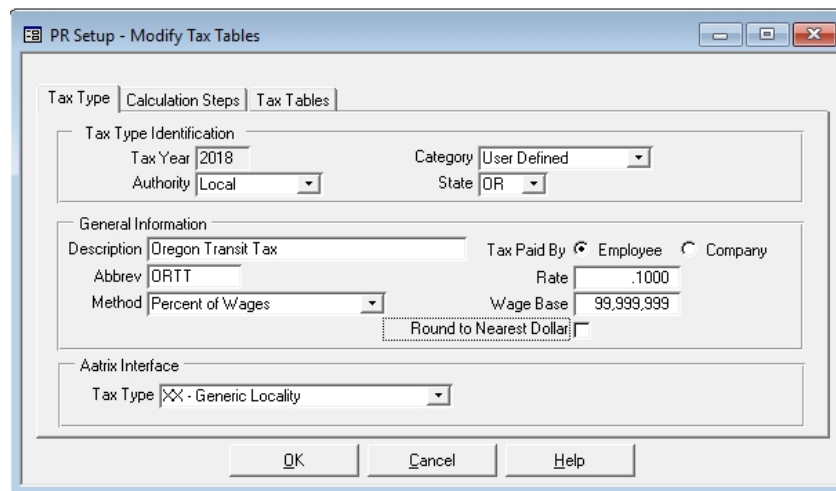
## Step 4 - Add the Oregon Statewide Transit Local Tax Group to Employee(s)

1. From the **Payroll** menu, select **Setup**, select **Employees**, and then click **Add**.
2. Select an **Employee** to add the Oregon Transit Tax to, and then click **Change**.
3. Select the **Taxes** tab, and then click **Add**.
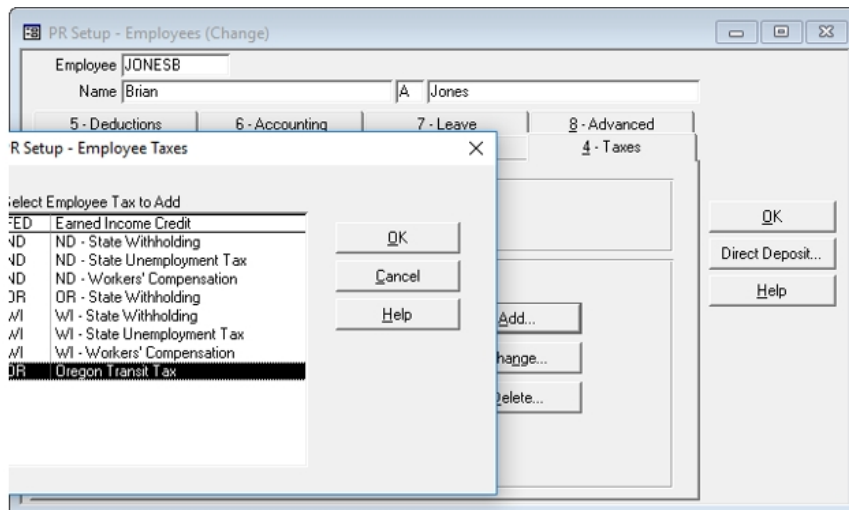
4. Select **Oregon Transit Tax**, and then click **OK**.
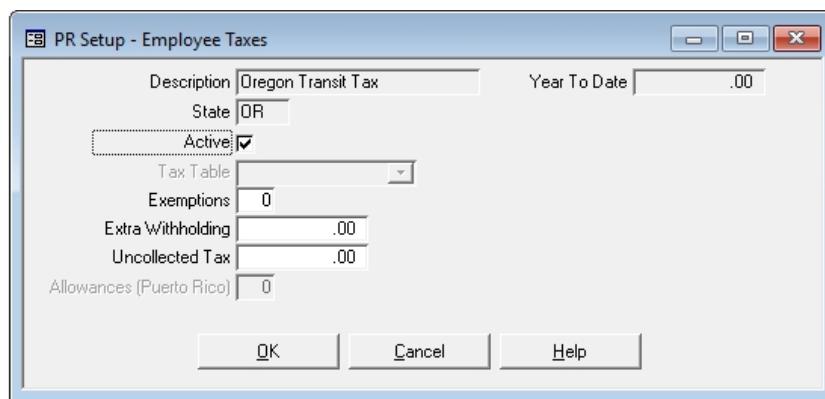
5. Select the **Active** check box and if necessary, add or change any other information, and then click **OK**.
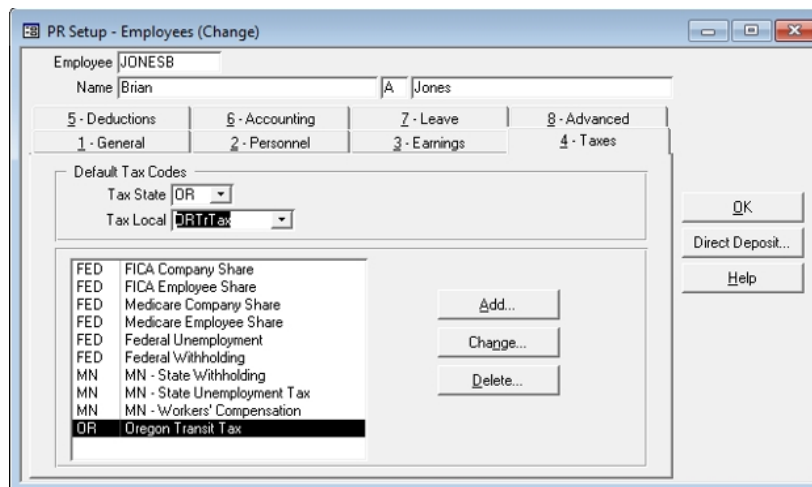
6. On the **Taxes** tab under Default Tax Codes, in the **Tax State** box, select **OR**. In the **Tax Local** box, select **OrTrTax**, and then click **OK**.
7. Repeat for each employee the Oregon Transit Tax applies to.

Step 5 - Enter Time Transactions

1. From the **Payroll** menu, select **Time Entry**, and then select **Enter Time**.
2. Select to view the **Detail Entry** window (rather than Quick Entry).

3. Select the first employee and enter detail pay information. Make sure the **Tax State** is set to **OR** and the **Tax Local** is set to **OrTrTax** for each time transaction.
4. Continue entering time transactions and then proceed through the normal Check Writing process.

Step 6 - Create Form OR STT-1 in Aatrix and Enter Amounts from Red Wing Payroll

1. From the **Reports** menu, select **Employer Tax Reports**, and then select **Taxable Wages**.
2. In the **Tax Type** box, select the **Oregon Transit Tax**.
3. If you want monthly amounts, for the **Period** select **Date Range** with the monthly check dates. If you want quarterly amounts, in the **Period** select **Quarter** and then select the correct quarter.
4. Print the report.
5. Select **Reports** > **State Tax Forms**.
6. Select the **OR STT-1** form.
7. Manually enter the taxable wages and amounts from the Taxable Wages Report printed from Red Wing Payroll to the appropriate boxes on the Aatrix form.