

Written Public Comments
July 4, 2023 thru July 17, 2023

- Keizer Chamber of Commerce – City of Salem – employee Paid Payroll Tax Information

Bisset, Melissa

From: Corri Falardeau <corri@keizerchamber.com>
Sent: Wednesday, July 5, 2023 2:15 PM
To: Cathy Clark
Cc: Brown, Adam; Shaney Starr; Bisset, Melissa; Laura Reid; Jonathan Thompson
Subject: City of Salem- Employee Paid Payroll Tax Information-This affects Keizer

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Good Afternoon Mayor Clark,

Per our conversation and your request on the impacts of the proposed payroll tax in Salem we offer the following. We are concerned about the dollar amount of the tax, which will conservatively cost Keizer residents over \$3,000,000 per year. We are also concerned about the impact on small business in Keizer to comply with this tax.

First, the cost to Keizer residents. According to the Oregon Employment Department, in 2020 (the most recent numbers) 6,609 Keizer residents worked in Salem. This number is down from 2019 due to the pandemic. Again, according to the Oregon Employment Department, the average wage of an employee in Salem in 2021 was \$59,270 per year. Using the City of Salem's Payroll Tax Calculator, an employee earning \$59,270 per year would pay \$482.46 annually due to this proposed tax. If you take the \$482.46 per year and multiply it across the 6,609 Keizer residents who work in Salem you get a total tax burden to Keizer residents of \$3,188,578 per year. I believe these numbers are low based on the recovery in employment after the pandemic which could have increased the number of Keizer residents working in Salem plus the fact that inflation has driven up wages since 2021. However, we can conservatively say that this tax will cost Keizer residents over \$3,000,000 per year.

Second, the cost to Keizer small businesses to comply with this tax is currently unknown. However, from what we understand they will need to keep track of and report any hours their employees work in Salem. Employees will need to pay the tax on those hours worked. But it is not just small businesses, will the Keizer Police need to keep track of and collect this tax from officers during mutual aid calls? What about Keizer Fire?

Please let us know if you have any questions about the above information. We would like to request to have this placed on the agenda of the next Keizer City council meeting and to hopefully gain a letter of opposition to send to the Salem City Council on behalf of the Businesses, commuting workers, and citizens in Keizer. The Keizer Chamber opposes

this ordinance and we believe it should be voted upon by the people now, not in 2031. We also believe that employees who commute to work in Salem should have a voice if there is a vote. As of now they will not. Please stand with us in supporting Keizer and our great citizens!

Thank you-

Jonathan Thompson
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