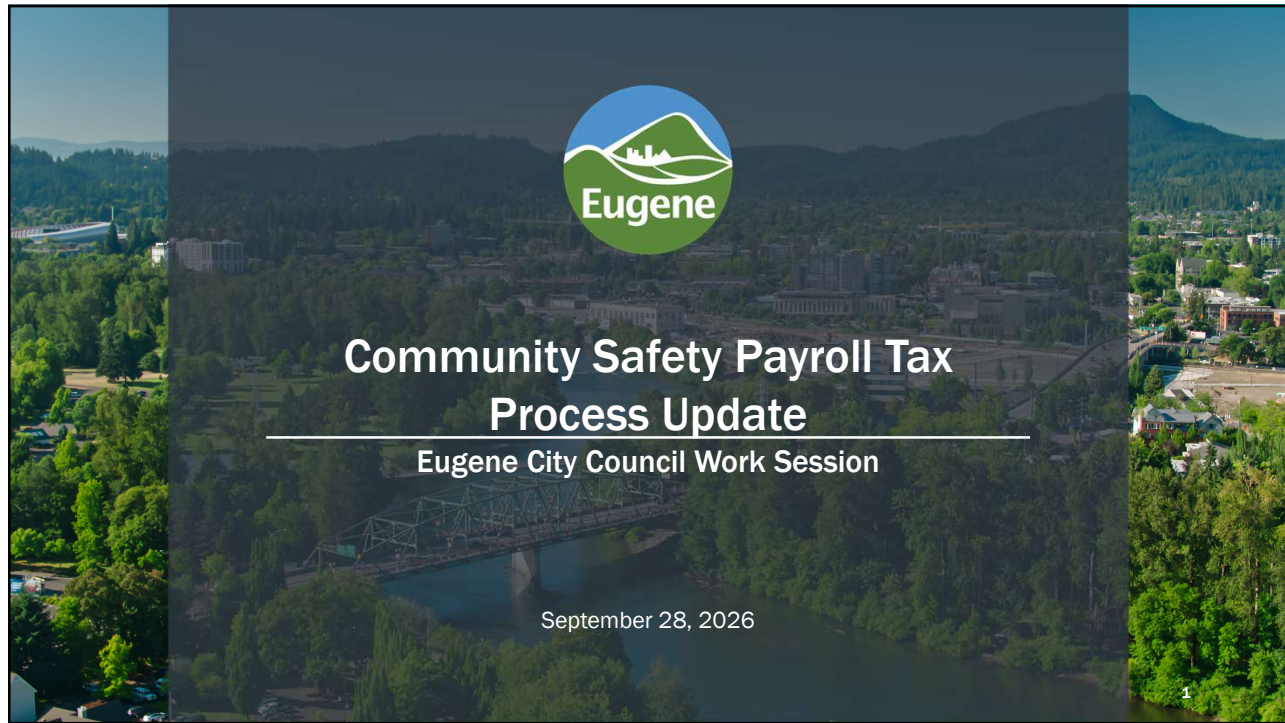
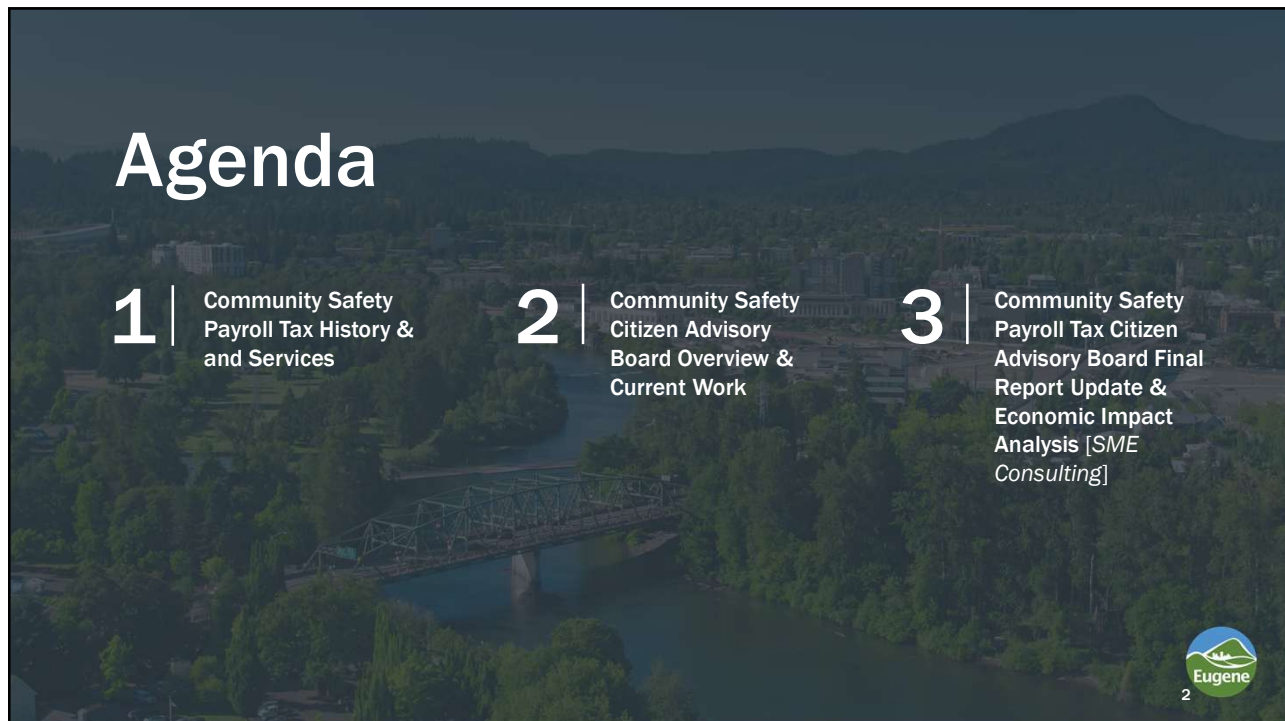




1



2

Why a Community Safety Payroll Tax?

- Gap in sufficient resources to address pressing community safety needs
- Identified need for sustainable funding
- Evolving public safety priorities, informed by community feedback



The Community Safety Payroll Tax has allowed the City of Eugene to respond to public safety gaps with **innovative** and **efficient** solutions.



3

3

Community Safety Payroll Tax Timeline



4

4

Integrated Systems Serving Community

Specific programs and services funded by CSPT dollars range from increasing the range of police and fire department response types, to providing free, pro-social activities for at-risk youth, to staffing a Rapid Response Clean Team that prioritizes keeping downtown clean and accessible

Community Safety Payroll Tax investments span across a range of programs and departments, reflecting a **holistic approach** to **system-wide improvements**.



5

Accountability & Oversight



**Citizen
Advisory
Board**

9 Community
Members
appointed by and
report to the City
Manager



Annual Reports

Annual Review of
Funds & Use in
compliance with
tax. ordinance



**Comprehensive
Report**

Due to City
Manager March
31, 2027



6



SME Consulting

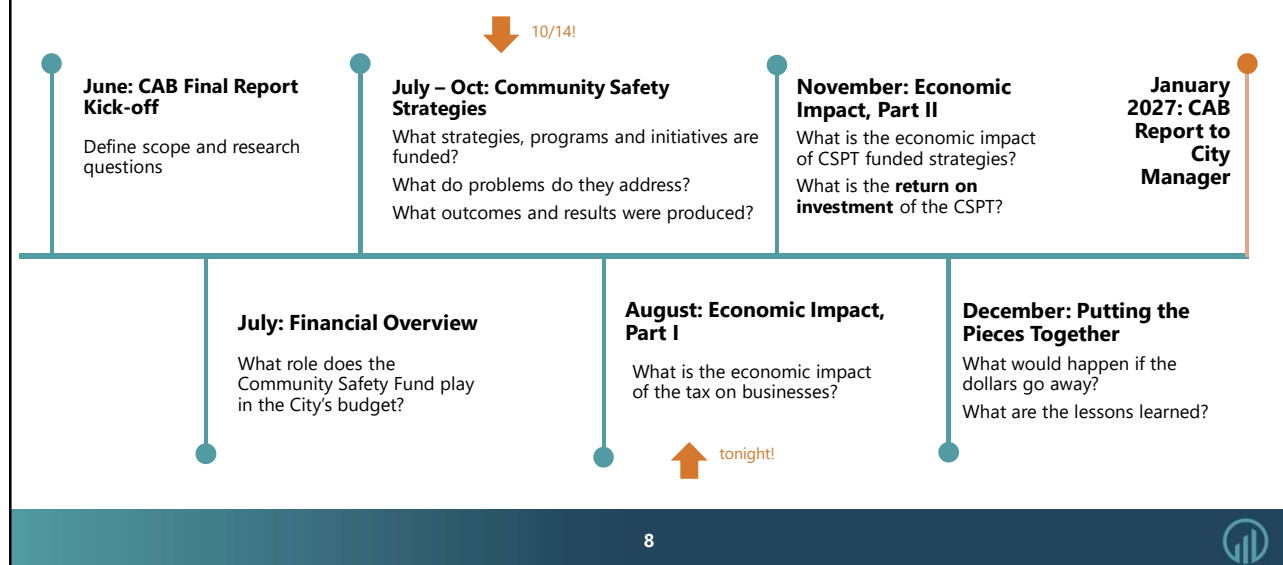
City of Eugene Community Safety Payroll Tax Citizen Advisory Board

Final Report Update and Economic Analysis Part 1
for the Eugene City Council

September 28, 2026

7

Roadmap: A “Comprehensive Review” of the Community Safety Payroll Tax



8



8

Why the tax's effect is hard to measure

The ordinance asks: *What are the "economic impacts of the payroll tax on businesses in the City"?*
To answer, the CAB first looked at Eugene wages, payroll, and employment.



Timing. The tax began during the COVID-19 shutdown and downturn.



Existing trend. Slow wage and payroll growth is a long-term, regional pattern that predates the tax.



Research. The League of Oregon Cities / ECONorthwest rated payroll taxes as "moderately neutral" for economic growth.



Return on investment

Growth depends on more than tax rates. It also depends on responsive government and effective public services.



How the payroll tax works

From 2021 – 2025, the payroll tax generated \$100M for community safety investments.

Employer Tax



Private businesses located in Eugene

Does not apply to businesses located elsewhere, even if they have remote workers in Eugene

Median **\$266/year** (\$22/month)
Average **\$1,300/year** (\$110/month)

About **29%** of total revenue

Employee Tax



Private and public employees working in Eugene

Includes remote workers who live elsewhere and work for a Eugene employer

Average **\$254/year** (\$21/month)

About **70%** of total revenue

Self Employment Tax



Sole proprietors, partnerships, and LLCs located in Eugene

Applies whether or not the business has employees

Median **\$38/year** (\$3/month)
Average **\$136/year** (\$11/month)

About **1%** of total revenue

Rates (capped by city charter): employer 0.21%, employee 0.44%, self-employment 0.21%. Employee tax applies to workers earning above minimum wage. The first \$100,000 of payroll is taxed at 0.15% for self-employed entities and employers with 0–2 FTE (max savings: \$60). S corporations whose owners are employees pay employer tax and employee tax. Typical – median. A median cannot be calculated for the employee tax, so only the average is shown. Sources: SME from City of Eugene/MUNirevs data for employer tax (tax year 2025) and self-employment tax (tax year 2024, due in 2025); employee tax estimated by SME from Oregon Employment Department OCEW data.



Employer tax contributions range in amount

The median or “typical” employer tax contribution was **\$266** in tax year 2025.

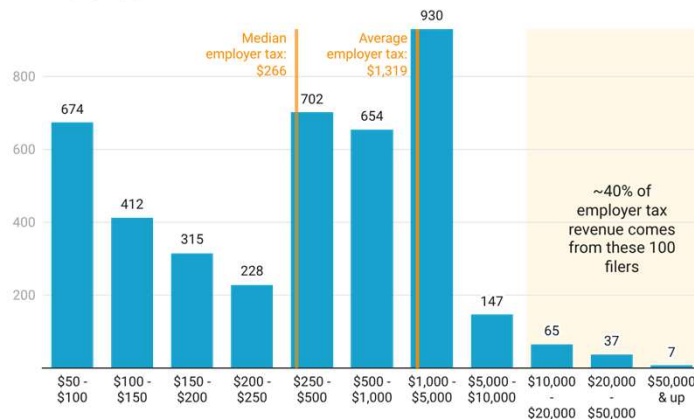
~2,400 of ~5,000 employer tax payments were less than \$250.

The largest 100 filers account for almost 40% of employer tax revenue.

Source: SME from City of Eugene data. Excludes about 1,500 \$0 payments, the majority of which were filed in error.

Distribution of Employers by Employer Tax Contribution, 2025

Total employer payments: 4,955



11



11

Employment fell in Eugene, especially in service sectors (2019 – 2024)

Eugene

↓ 3,626 jobs -4%

Growth in educational services.
Declines in health care and social assistance, retail, and most service sectors.

Salem

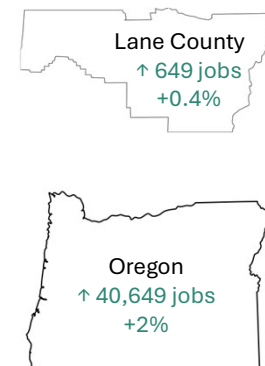
↑ 4,495 jobs +8%

Growth in public administration (state capital).
Growth in health care and social assistance and other service sectors.

Bend

↑ 6,762 jobs +7%

Growth in recreation, health care and social assistance, and other service sectors.



SME from Oregon Employment Department QCEW data. Change for all employment in all sectors is listed in the Appendix.

12

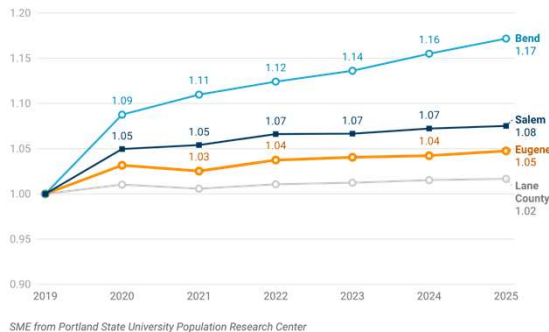


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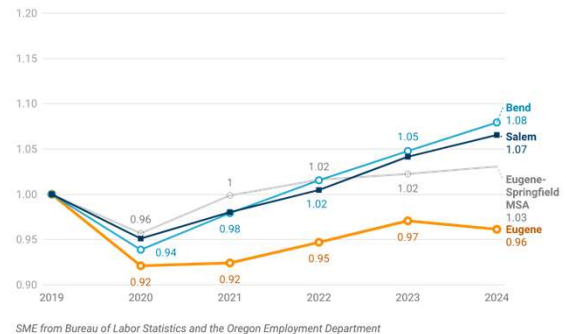
Eugene lags peers and the metro area in population and employment growth

Eugene is growing more slowly than peers in terms of population (left) and employment (right). Employment growth in Eugene lags the metro area.

Population, Indexed to 2019



Employment, Indexed to 2019



13



13

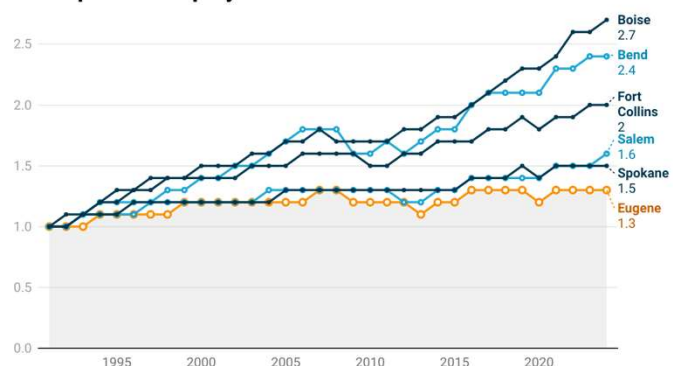
Part of a long-term, regional trend

Sluggish growth is part of a **long-term** and **regional** trend in Eugene.

Employment in the Eugene area grew **33 percent** between 1991 and 2024, compared to:

- 50% in Spokane
- 60% in Salem
- 96% in Fort Collins
- 143% in Bend
- 167% in Boise.

Metropolitan Employment Indexed to 1991



SME analysis for Eugene Technical Advisory Group, January 2026.

14



14

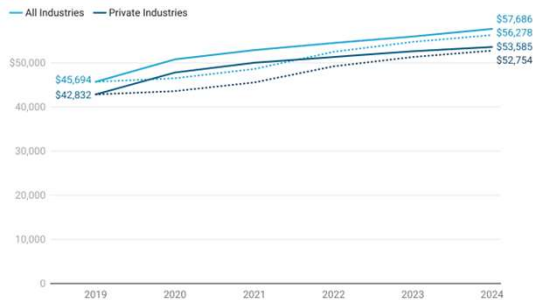
Wages grew faster than inflation, but total payroll did not

Average wages grew slightly faster than inflation from 2019 – 2024.

But because overall employment is down, payroll grew more slowly than inflation.

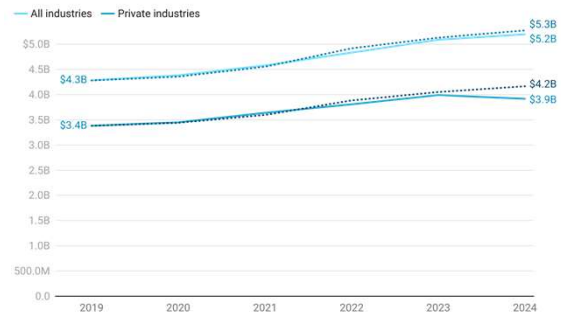
Average Wage, City of Eugene, 2019 - 2024

Dotted lines are 2019 dollars.



Total Payroll, City of Eugene, 2019 - 2024

Dotted lines are 2019 dollars.



15



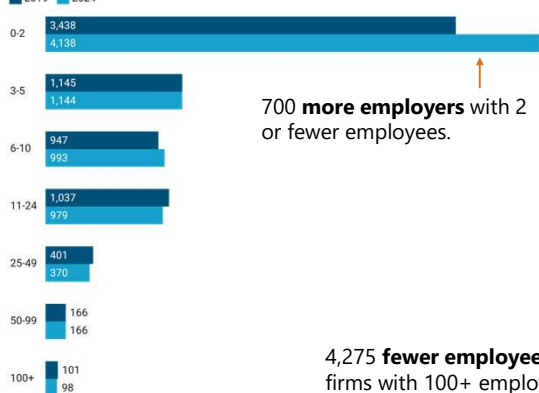
15

The number of very small firms has grown

City of Eugene Employers by Number of Employees

Private Ownership

■ 2019 ■ 2024



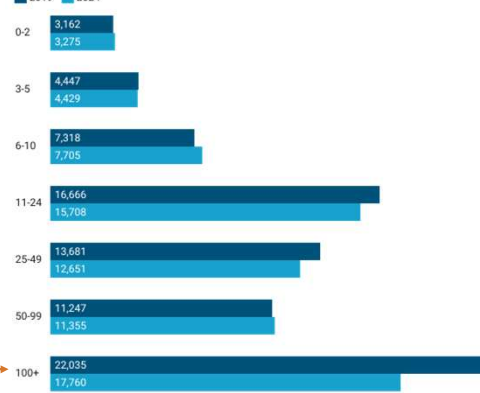
700 **more employers** with 2 or fewer employees.

4,275 **fewer employees** at firms with 100+ employees.

City of Eugene Employees by Size of Employer

Private Ownership

■ 2019 ■ 2024



16



16

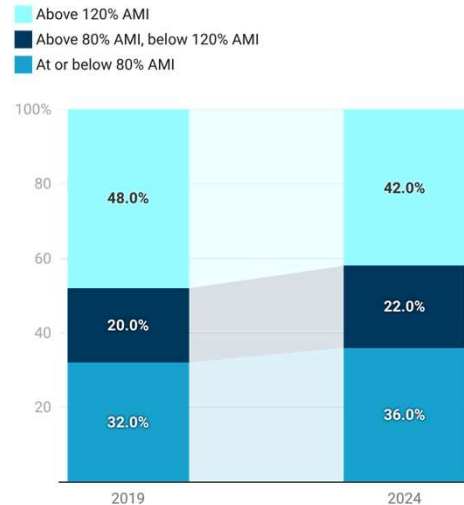
More jobs and earnings below 80% AMI

The shares of earnings **below 80%* of AMI has grown** over the last five years, while those **over 120%* of AMI have fallen**.

*2026, family of 3:

- 80% AMI: \$71k
- 120% AMI: \$106k

Shares of All Earnings by Area Median Income (2019 v. 2024)



17

SME from OED QCEW. All years Q2. Eugene city limits.



17

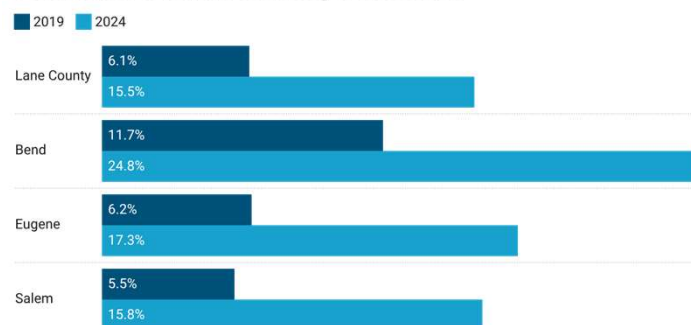
The number of remote workers has almost tripled since 2019

The number of remote workers grew during the pandemic.

Top sectors for remote work: professional & scientific service, information, finance, management of companies and enterprises.

Remote workers are subject to the employee payroll tax if their **employer has a physical location in Eugene**.

Percent of Workers Working from Home



Commuting Characteristics by Sex (Table S0801) American Community Survey 2019 and 2025 5-year estimates.

18



18

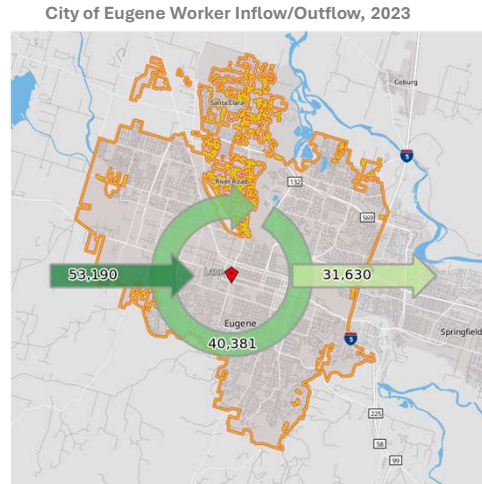
Payroll taxes & commuters

Of ~93,600 workers employed in Eugene in 2023:

- 53,200 commute to Eugene.
- 40,400 live and work in Eugene.

These workers would be subject to the payroll tax **if the employer has a physical location in the City.**

There are 31,600 workers who live in Eugene and commute elsewhere for work. They are not subject to the payroll tax.



Census OnTheMap Inflow/Outflow Analysis, 2023, All Primary Jobs, City of Eugene

19



19

Part 2 of the economic impact analysis

The ordinance asks: *What are the "economic impacts of the payroll tax on businesses in the City"?*

To answer, the CAB will look more closely at the potential impacts of community safety investments.



Downtown study
area



Economic
impact literature



City staff
presentations



Community
engagement



Business
engagement



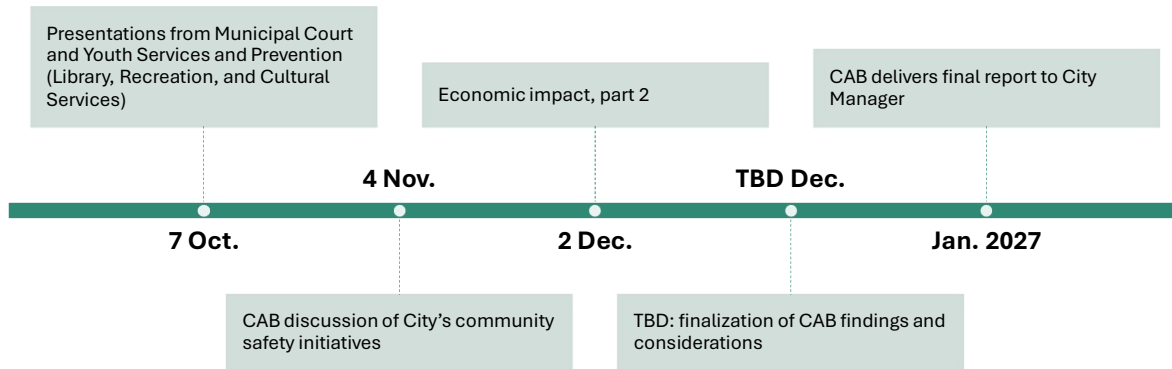
Payroll preparer
feedback

20



20

Forthcoming CAB milestones



21



21

\$85M Invested
in addressing
Community
Needs

**Added more
than 65
Programs and
Services**

**Added 88 New
Positions to
Support
Community
Safety
Response**

Investing in Community



22

22

Investing in the Stabilization and Expansion of Community Services



Proposed West Eugene Police Substation



Stabilization and Potential Expansion of Crisis Response



Continuation of Rapid Response Downtown Clean Team



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Next Steps

October 14 2026

City Council Work Session:
CSPT Funded Investments
& Outcomes

October–December 2026

Community and Stakeholder
Engagement

January 2027

Council Work Session –
CAB Comprehensive Report



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APPENDIX

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Data Notes

Metrics to understand growth and economic conditions

- Population – Portland State University, Population Research Center
- Population in poverty by age – American Community Survey (to exclude aged 18-24 to account for the impact of student-aged population on poverty rates in Eugene)
- Median household income by age – American Community Survey (to exclude households headed by aged 18-24)
- Unemployment – Bureau of Labor Statistics
- Non-farm employment, private employment for metropolitan statistical areas (MSA) – Bureau of Labor Statistics

Metrics to analyze employment base compared to TAG cities and to understand changes over time

- Average Annual Employment
- Job Counts, Total and Private
- Employment and employers by sector
- Total wages and average wages compared to CPI
- *All data from Oregon Employment Department, Quarterly Census of Earnings and Wages*

Data used to analyze trends in the workforce

- Shares of remote workers – American Community Survey
- Self employed workers – American Community Survey
- Worker in-flow and out-flow – Census OnTheMap

Data used to understand payroll tax liability

- Employer payroll, employee payroll, and self employment tax distribution by liability
- Median employer payroll and self employment tax liabilities – to understand “typical” tax liability. The median is what a taxpayer in the middle of the sample would pay.
- Average employer payroll, employee payroll, and self employment tax liabilities. The average is the sum of all tax payments, divided by the number of tax payments.
- *All data from MUNIRevs, City’s payroll tax system*

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APPENDIX



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