



Multnomah County Preschool For All Personal Income Tax Employee Notification

Western Oregon University Employees,

On November 3, 2020, Multnomah County Voters approved a measure to establish a tuition-free preschool program; which imposes 1.5% income tax on households with income over \$125,000 (single) or \$200,000 (joint) and an additional 1.5% income tax on households with income over \$250,000 (single) or \$400,000 (joint). The initial rate will increase by 0.8% in 2026.

Only income above the thresholds will be taxed at the corresponding rate. All income up to that first threshold amount (based on filing status) is not taxed for the Preschool For All Personal Income Tax.

Examples:

A joint filing couple residing in Multnomah County reporting \$275,000 Oregon taxable income would pay a 1.5% tax on \$75,000. Income below \$200,000 is not subject to the Preschool For All Personal Income Tax.

A single filer residing in Multnomah County reporting \$500,000 Oregon taxable income would pay a tax of 1.5% on income from \$125,000 to \$250,000 (\$125,000 total taxed at 1.5%). They would pay a 3% tax on income from \$250,001 to \$500,000 (\$249,999 taxed at 3%).

A non-resident whose taxable income is sourced in Multnomah County is subject to the Preschool For All Personal Income Tax thresholds only on the income sourced in Multnomah County. An example of this situation is a resident of Hillsboro who works in Multnomah County.

The tax started on January 1, 2021 and is due by the following April 15th each year.

If you make over \$200,000, your employer will automatically withhold for the Preschool For All Personal Income Tax. Employers located in Multnomah County are responsible for withholding the tax from employee wages. An employee has the option to opt in or out of withholding based on their personal tax situation by completing a form and giving it to the payroll department.

The City of Portland Revenue Division will be collecting the tax on behalf of Multnomah County for the Preschool For All Personal Income Tax. All payments and tax returns will be sent to the City of Portland.

Estimated tax calculator <https://multco.us/pfa-personal-income-tax-calculator>

Metro/MULT Opt In/Out Form: <https://multco.us/opt-inout-form>

City of Portland: PFA.Tax@portlandoregon.gov or (503) 865-4748

Preschool For All Program Information: <https://multco.us/dchs/preschool-all>

Preschool For All Personal Income Tax Information: <https://multco.us/finance/preschool-all-personal-income-tax>

Portland Revenue Online: pro.portland.gov

Employer Withholding expected by 02/28/2022