

ORDINANCE NO. 39

**AN ORDINANCE OF THE LANE TRANSIT DISTRICT REGARDING
THE EXCISE TAX ON EMPLOYERS AND SELF-EMPLOYED PERSONS;
AMENDING ORDINANCE 34, SECTION 1.03; AND
AMENDING ORDINANCE 38, SECTION 1.10**

FINDINGS:

A. Lane Transit District adopted Ordinance No. 34 on November 20, 1991, establishing a tax upon every subject employer (payroll tax) at the rate of fifty-six hundredths of one percent (.0056) of the wages paid by the employer with respect to services performed within the service area after December 31, 1991.

B. The District adopted Ordinance No. 37 on September 21, 1994, which amended Ordinance No. 34 by increasing the rate of tax from fifty-six hundredths of one percent (.0056) to six-tenths of one percent (.006) with respect to all wages paid by employers subject to the tax with respect to all services performed after September 30, 1994.

C. The District also adopted Ordinance No. 38 on September 21, 1994, establishing a tax on natural persons in an amount equal to six-tenths of one percent (.006) of such person's net earnings from self-employment (self-employment tax) during the Taxable Year in excess of \$400 from activities within the District.

D. ORS 267.385 permits the District by ordinance to increase the payroll tax and self-employment tax rates to seven-tenths of one percent (.007) provided that certain findings are made by the District Board.

E. The Board has considered information relating to regional employment and income growth, including the economic information, data and trends compiled and submitted to the District by Impresa, monthly regional economic reports prepared by the Oregon Employment Department, and information provided by District staff to determine if the economy in the Lane Transit District service area has recovered to an extent sufficient to warrant the increase in the payroll and self-employment taxes authorized by ORS 267.385, as amended by 203 Oregon House Bill 3183, 2003 Or Laws Chapter 739, Sections 7-8.

E. Having considered regional employment and income growth, the Board finds that the economy in the District has recovered sufficiently to warrant the increase in the payroll taxes phased in from January 1, 2007, through January 1, 2013, in the increments set forth in this Ordinance No. 39.

THE BOARD OF DIRECTORS OF LANE TRANSIT DISTRICT PURSUANT TO
ORS 267.380 AND 267.385 DOES ORDAIN AS FOLLOWS:

Section 1. The above Findings are hereby adopted.

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Section 2. Section 1.03 of Ordinance No. 34 is hereby amended to provide in its entirety:

1.03 Rate.

- (1) Every employer subject to tax shall pay an amount equal to six-tenths of one percent (.006) of the wages paid by the employer with respect to services performed within the service area on or after the Effective Date of this ordinance.
- (2) Commencing January 1, 2007, every employer subject to tax shall pay an amount equal to the rate shown in the following table opposite the corresponding calendar year. The tax shall be paid on all wages paid by the employer with respect to services performed within the service area after December 31, 2006.

Tax Period	Rate
Calendar Year 2007	0.0062
Calendar Year 2008	0.0064
Calendar Year 2009	0.0066
Calendar Year 2010	0.0067
Calendar Year 2011	0.0068
Calendar Year 2012	0.0069
Calendar Year 2013	0.0070
Calendar Year 2014 and Thereafter	0.0070

By way of example, the payroll tax rate in calendar year 2007 is sixty-two hundredths of one percent (.0062).

Section 3. Section 1.10A of Ordinance No. 38 is hereby amended to provide in its entirety as follows:

1.10 Imposition of Tax.

- A. Tax imposed. For Taxable Years which start on or after the Effective Date of this ordinance, the rate on such person's Net Earnings from Self-Employment during the Taxable Year in excess of \$400 from activities within the District shall increase to the rate specified opposite each such Tax Year in the table below. For such person's Taxable Years which start on or after the Effective Date of this ordinance, the rate on such person's Net Earnings from Self-Employment during the Taxable Year in excess of \$400 from activities within the District shall

increase to the rate specified opposite each such Tax Year in the table below:

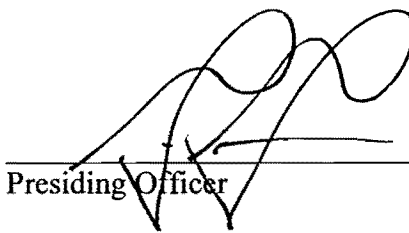
Tax Period	Rate
Taxable Year 2007	0.0062
Taxable Year 2008	0.0064
Taxable Year 2009	0.0066
Taxable Year 2010	0.0067
Taxable Year 2011	0.0068
Taxable Year 2012	0.0069
Taxable Year 2013	0.0070
Taxable Year 2014 and Thereafter	0.0070

By way of example, during the Taxable Year 2007, the rate on Net Earnings from Self-Employment in excess of \$400 shall be sixty-two hundredths of one percent (.0062).

Section 4. With respect to tax periods before the Effective Date of this ordinance, the payroll tax and employment tax shall remain as established by the ordinances in effect during such periods.

Section 5. Effective Date. This ordinance shall be effective January 1, 2006.

ADOPTED: November 16, 2005.



Presiding Officer

ATTEST:



Recording Secretary

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CERTIFICATION

The undersigned duly qualified and acting Administrative Services Manager/Clerk of the Board of the Lane Transit District certifies that the foregoing is a true and correct copy of LTD Ordinance No. 39, adopted at a legally convened meeting of the Board of Directors held on November 16, 2005.



Signature of Recording Officer

Administrative Services Manager/
Clerk of the Board

Title of Recording Officer

November 21, 2005

Date