

Priority: Accountability
Program Offer Type: Existing Operating
Related Programs:

Lead Agency: County Management
Program Contact: Satish Nath

Program Characteristics:

Executive Summary

The Tax Administration Program manages revenue collection on Motor Vehicle Rental Tax (MVRT), Transient Lodgings Tax (TLT) and Business Income Tax (BIT) in accordance with the Multnomah County Code, County's fiduciary responsibilities and Revenue & Taxation policies and procedures.

Program Description

The program supports and monitors County Excise Tax and BIT collection activities by performing regular billing and collection functions including follow-up on any past due accounts and recommending policy changes. The program also manages an inter-governmental agreement with the City of Portland Bureau of License to maintain business accounts, audits and ensures compliance to county's revenue and taxation policies. A portion of the BIT revenue is shared with the Cities of Gresham, Wood Village, Troutdale, Fairview and Maywood Park. A portion of the MVRT and TLT is shared with the City of Portland, Metro, Portland Oregon Visitors Association, Visitor Development Fund Board and Regional Arts and Culture Council. The BIT is imposed on business within Multnomah County. The current business income tax rate is 1.45% of net business income. The Motor Vehicle Rental Tax was originally established for a three year period in 1976 and was extended indefinitely in 1979. A tax rate of 10% is imposed on motor vehicles rented in Multnomah County. The tax was increased by 2.5% in April 2000. This tax is dedicated to a Visitor Development Fund. The TLT was originally established in 1972. The tax rate of 5% of the room rent collected by hotels/motels in unincorporated Multnomah County. In January 1979 an additional 1% tax in unincorporated Multnomah County was established to be used exclusively for the promotion of tourism. This 1% increase was approved by the voters in 1978. A supplemental countywide tax of 3% was adopted in February 1986 and is dedicated to the Oregon Convention Center. In April 2000, an additional tax of 2.5% was adopted by the BCC and is dedicated to a Visitor Development Fund.

Program Justification

The tax administration program contributes to the Accountability Priority by assuring that County MVRT, TLT and BIT are collected effectively and fairly by conducting regular audit of past due accounts, by continuous monitoring of new business to keep our tax collections current and working with Oregon State Department of Revenue to add new accounts. The program also oversees continuous improvement to technology and business processes to ensure that we get the most revenue with least amount spent on each dollar collected. In order to keep tax collections at high levels, the program educates taxpayers and businesses in understanding the taxes. The TLT and MVRT contribute to the Thriving Economy and Vibrant Communities priorities by providing financial resources to operate the Oregon Convention Center, the Portland Performing Arts Center and the Portland Oregon Visitors Association.

Performance Measures

Measure Type	Primary Measure	Previous Year Actual (FY04-05)	Current Year Purchased (FY05-06)	Current Year Estimate (FY05-06)	Next Year Offer (FY06-07)
Output	Business Accounts identified in Multnomah County	0	0	53,551	53,551
Outcome	Tax Returns filed and paid	0%	0%	89%	90%

Performance Measure - Description

The performance of the Tax Administration Program is measured against the monthly collections of the tax managed by County and City Bureau of License.

The tax unit is expected to collect 100% of all taxes identified by tax returns and/or tax dollars budgeted. During FY05, due to aggressive audit activities undertaken by City Bureau of License, additional delinquent taxes were collected.

Legal/Contractual Obligation

Multnomah County Code of Ordinance - Chapter 11, Revenue and Taxation for Motor Vehicle Rental Tax, Transient Lodgings Tax and Business Income Tax.

Revenue/Expense Detail

	Proposed General Fund	Proposed Other Funds	Proposed General Fund	Proposed Other Funds
Program Expenses	2006	2006	2007	2007
Personnel	\$155,567	\$0	\$113,345	\$0
Materials & Supplies	\$7,260	\$0	\$7,260	\$0
Internal Services	\$18,029	\$0	\$7,625	\$0
Subtotal: Direct Exps:	\$180,856	\$0	\$128,230	\$0
Administration	\$0	\$0	\$2,192	\$150
Program Support	\$0	\$0	\$2,481	\$0
Subtotal: Other Exps:	\$0	\$0	\$4,673	\$150
Total GF/non-GF:	\$180,856	\$0	\$132,903	\$150
Program Total:	\$180,856		\$133,053	
Program FTE	0.00	0.00	1.50	0.00
Program Revenues				
Intergovernmental	\$70,000	\$0	\$0	\$0
Program Revenue for Admin	\$0	\$0	\$180	\$0
Total Revenue:	\$70,000	\$0	\$180	\$0

Explanation of Revenues

Multnomah County tax revenues consist of tax collected by County and City Bureau of Licenses, Interest on late payments, Penalties on late filings and Fees generated by checks returned for insufficient funds (NSF).

Significant Program Changes

Last year this program was: #70005, Tax Administration (Non-ITAX)