

Priority: Accountability **Lead Agency:** County Management
Program Offer Type: Existing Operating **Program Contact:** Mindy Harris
Related Programs:
Program Characteristics:

Executive Summary

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

Program Description

The program supports: education, data analysis, reporting, and accountability for the tax collection activities. Key efforts include: (1) performing regular billing and collection functions including follow-up on any past due accounts, (2) recommending policy changes, (3) educating employees and taxpayers regarding taxes, and, (4) managing inter-governmental agreement with the City of Portland Bureau of Revenue to maintain business accounts, (5) auditing and ensuring compliance with county's revenue and taxation policies.

The program distributes Business Income Tax collections as follows: Multnomah County and Cities of Gresham, Wood Village, Troutdale, Fairview and Maywood Park. Motor Vehicle Rental and Transient Lodging Taxes are distributed to City of Portland, Metro, Portland Oregon Visitors Association, Visitor Development Fund Board and Regional Arts and Culture Council.

The BIT is assessed on businesses 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. 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 taxes 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 tax collections 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 (FY05-06)	Current Year Purchased (FY06-07)	Current Year Estimate (FY06-07)	Next Year Offer (FY07-08)
Output	Business Accounts identified in Multnomah County	47,694	51,125	51,125	54,000
Outcome	Business Accounts Tax Returns filed and paid	94.7%	96.1%	96.1%	98.0%

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.

Legal/Contractual Obligation

Taxes are created by law and are affected by County voters. Administration of the local taxes is in accordance with these laws.

Revenue/Expense Detail

	Proposed General Fund	Proposed Other Funds	Proposed General Fund	Proposed Other Funds
Program Expenses	2007	2007	2008	2008
Personnel	\$112,013	\$0	\$127,776	\$0
Materials & Supplies	\$7,260	\$0	\$6,300	\$0
Internal Services	\$7,625	\$0	\$3,576	\$0
Subtotal: Direct Exps:	\$126,898	\$0	\$137,652	\$0
Administration	\$11,997	\$398	\$11,560	\$2,152
Program Support	\$1,803	\$0	\$1,836	\$0
Subtotal: Other Exps:	\$13,800	\$398	\$13,396	\$2,152
Total GF/non-GF:	\$140,698	\$398	\$151,048	\$2,152
Program Total:	\$141,096		\$153,200	
Program FTE	1.50	0.00	1.50	0.00
Program Revenues				
Program Revenue for Admin	\$469	\$0	\$2,152	\$0
Total Revenue:	\$469	\$0	\$2,152	\$0

Explanation of Revenues

Multnomah County tax revenues consist of tax collected by County and City Bureau of Revenue, 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: #72037, Tax Administration (Non-Itax)

Last year this program offer was: #72037, Tax Administration (Non-ITAX) and Cost Center #704800