

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

Lead Agency: County Management
Program Contact: Mindy Harris

Program Characteristics: Joint Offer

Executive Summary

The ITAX Administration Program manages the administrative functions for the Multnomah County three year personal income tax (ITAX) for the tax years 2003, 2004 and 2005 in accordance with Ballot Measure 26-48 approved by the voters in May 2003. The ITAX was sunset on December 31 2005, however the program continues to collect delinquent taxes and is accountable for compliance and regular audits. This is a joint offer with the County Attorney and Sheriff's Office.

Program Description

The program provides leadership, collection analysis, distribution, legal process and accountability for the County's ITAX program. Key efforts include: (1) managing the administrative functions of ITAX , (2) managing Inter Governmental Agreement (IGA) with City Revenue Bureau to collect delinquent ITAX, (3) managing the Inter Governmental Agreements with various school districts that receive ITAX funds, and, (4) taking legal actions against non-payment of ITAX . Program is also responsible for maintaining a complete and accurate county resident database and communicating all relevant issues to taxpayers. The ITAX program expects to collect about \$3.6 million in FY09, of which \$1.8 million will be distributed to schools and about \$600,000 will be directed to county programs. Administrative and collection expenses are expected to be about \$1.2 million.

Program Justification

The ITAX program is linked to the Accountability, Public Safety and Basic Living Needs priorities. For accountability, the program assures that the county is collecting this tax appropriately, fairly and effectively. The collection and distribution of the ITAX for county services such as health, public safety and senior citizens link the program to Public Safety and Basic Living Needs. The program will collect over \$370 million of which about 70% will be distributed to schools.

Currently, approximately \$12 million is projected to be outstanding as delinquent and non-filers representing about 45,000 accounts.

Performance Measures

Measure Type	Primary Measure	Previous Year Actual (FY06-07)	Current Year Purchased (FY07-08)	Current Year Estimate (FY07-08)	Next Year Offer (FY08-09)
Output	Cummulative ITAX Collected	367,191,482	372,131,163	372,131,163	375,731,163
Outcome	Percent of compliance by \$ collected	98.1%	98.5%	98.5%	99.0%

Performance Measure - Description

Results are achieved by taxes collected. The goal is to have 90% of the tax collected within 12 months of the due date and 97% collected within three years of the tax due date. According to Internal Revenue Service, about 87% of federal income tax is collected. For tax years 2003 and 2004, we have collected 95% of the tax dollars.

Legal/Contractual Obligation

Ballot Measure 26-48

Revenue/Expense Detail

	Proposed General Fund	Proposed Other Funds	Proposed General Fund	Proposed Other Funds
	2008	2008	2009	2009
Program Expenses				
Personnel	\$400,074	\$0	\$487,406	\$0
Contracts	\$1,270,140	\$0	\$550,000	\$0
Materials & Supplies	\$155,000	\$0	\$130,000	\$0
Internal Services	\$66,321	\$0	\$149,110	\$0
Subtotal: Direct Exps:	\$1,891,535	\$0	\$1,316,516	\$0
Administration	\$50,091	\$9,325	\$3,124	\$506
Program Support	\$7,956	\$0	\$700	\$0
Subtotal: Other Exps:	\$58,047	\$9,325	\$3,824	\$506
Total GF/non-GF:	\$1,949,582	\$9,325	\$1,320,340	\$506
Program Total:	\$1,958,907		\$1,320,846	
Program FTE	6.50	0.00	6.50	0.00
Program Revenues				
Program Revenue for Admin	\$9,325	\$0	\$506	\$0
Total Revenue:	\$9,325	\$0	\$506	\$0

Explanation of Revenues

Multnomah County Personal Income Tax consists of 1.25% on Oregon Taxable Income less County exemptions, 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: #72021, Personal Income Tax Collection