

**Priority:** Accountability  
**Program Offer Type:** Existing Operating

**Lead Agency:** County Management  
**Program Contact:** Satish Nath

**Related Programs:**

**Program Characteristics:**

### 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'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 the Inter Governmental Agreements with various school districts that receive ITAX funds, and, (3) 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 \$1.0 million in FY10, of which \$700,000 will be distributed to schools and county programs. Administrative and collection expenses are expected to be about \$300,000.

### Program Justification

This 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 \$8 million is projected to be outstanding as delinquent and non-filers representing about 23,000 accounts.

This program offer provides funding for 2 position in County Attorney's office through December 2009. After that, any remaining accounts not in legal process will be turned over to a debt collection firm for continued collection efforts.

### Performance Measures

Measure Type	Primary Measure	Previous Year Actual (FY07-08)	Current Year Purchased (FY08-09)	Current Year Estimate (FY08-09)	Next Year Offer (FY09-10)
Output	Cumulative ITAX Collected	367,191,482	372,131,163	372,131,163	375,131,163
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 was 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 due.

**Legal/Contractual Obligation**

Multnomah County Ballot Measure 26-48 of May 20, 2003  
 MC Board RESOLUTION NO. 03-145 of 16th day of October, 2003

**Revenue/Expense Detail**

	<b>Proposed General Fund</b>	<b>Proposed Other Funds</b>	<b>Proposed General Fund</b>	<b>Proposed Other Funds</b>
<b>Program Expenses</b>	2009	2009	2010	2010
Personnel	\$405,108	\$0	\$150,113	\$0
Contracts	\$550,000	\$0	\$75,000	\$0
Materials & Supplies	\$130,000	\$0	\$26,000	\$0
Internal Services	\$149,110	\$0	\$46,735	\$0
<b>Subtotal: Direct Exps:</b>	<b>\$1,234,218</b>	<b>\$0</b>	<b>\$297,848</b>	<b>\$0</b>
Administration	\$0	\$0	\$0	\$0
Program Support	\$0	\$0	\$2,152	\$0
<b>Subtotal: Other Exps:</b>	<b>\$0</b>	<b>\$0</b>	<b>\$2,152</b>	<b>\$0</b>
<b>Total GF/non-GF:</b>	<b>\$1,234,218</b>	<b>\$0</b>	<b>\$300,000</b>	<b>\$0</b>
<b>Program Total:</b>	<b>\$1,234,218</b>		<b>\$300,000</b>	
Program FTE	0.50	0.00	1.00	0.00
<b>Program Revenues</b>				
Program Revenue for Admin	\$0	\$0	\$0	\$0
<b>Total Revenue:</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

**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**

✔ **Significantly Changed**

**Last year this program was:**

#72023, Personal Income Tax Collection