

Metro Code Sections 7.06.040 and 7.06.070 are amended with underlined text representing inserted text and ~~striketrough~~ representing deleted text, and a new Section 7.06.045 is added to the Metro Code as follows:

7.06.040 Personal Income Tax Imposed; Filing Status; Inflation Indexing

- (a) A tax of one percent is imposed on the entire Oregon Taxable Income of every resident of the District subject to tax under ORS chapter 316. For Tax Years 2021-2025, taxfilers~~Taxfilers~~ that file a joint Metro return may exempt the first \$200,000 of taxable income; taxfilers that file a single Metro return may exempt the first \$125,000 of taxable income. For Tax Years 2026-2030, the exemption amounts will be indexed for inflation based on the indexing factor as determined annually pursuant to ORS 316.037(1)(c) and (d) for cost-of-living adjustments as further set forth in Section 7.06.045. Indexing also applies to any tax year beyond 2030 if voters approve an extension of the SHS Income Tax.
- (b) A tax of one percent is imposed upon the Metro Taxable Income of every nonresident of the District subject to tax under ORS chapter 316. For Tax Years 2021-2025, taxfilers~~Taxfilers~~ that file a joint Metro return may exempt the first \$200,000 of taxable income; taxfilers that file a single Metro return may exempt the first \$125,000 of taxable income. For Tax Years 2026-2030, the exemption amounts will be indexed for inflation based on the indexing factor as determined annually pursuant to ORS 316.037(1)(c) and (d) for cost-of-living adjustments as further set forth in Section 7.06.045. Indexing also applies to any tax year beyond 2030 if voters approve an extension of the SHS Income Tax.
- (c) Taxfiler filing status must follow the filing status of the taxfiler's Oregon income tax return.
 - 1. Taxfilers using Oregon filing statuses married filing jointly, head of household and qualifying widow(er) must file a joint Metro return.
 - 2. Taxfilers using Oregon filing statuses single and married filing separately must file a single Metro return.

7.06.045 Rounding of Indexed Exemption Amounts; Publication of Amounts

- (a) If the result obtained after indexing the income exemption amounts for inflation is not a multiple of \$1,000, Metro will round the increase to the next lower multiple of \$1,000. If the result is negative (deflation), income exemptions will remain at the prior year's levels.
- (b) Metro or Metro's Tax Administrator will annually publish the adjusted exemption amounts by November 15 prior to the start of the adjustment year. Metro will post the adjusted exemption amounts on its website and in any other manner Metro deems reasonably calculated to inform the public of the adjusted amounts.

7.06.070 Individuals Required to File a Tax Return

(a) For Tax Years 2021-2025, every~~Every~~ resident of the District who is required to file an Oregon income tax return for the taxable year and who reports Oregon Taxable Income over \$200,000 using Oregon filing status married filing jointly, head of household or qualifying widow(er), or over \$125,000 using Oregon filing status single or married filing separately is required to file a Metro Personal Income Tax return. For Tax Years 2026-2030, the requirement to file a Metro tax return applies to a District resident who is otherwise required to file an Oregon income tax return and whose income is equal to or above the exemption amounts as determined in Section 7.06.040(a) for single and joint filers after indexing for inflation.

(b) For Tax Years 2021-2025, every~~Every~~ nonresident of the District who is required to file an Oregon income tax return for the taxable year and who reports Metro Taxable Income over \$200,000 using Oregon filing status married filing jointly, head of household or qualifying widow(er), or over \$125,000 using Oregon filing status single or married filing separately is required to file a Metro Personal Income Tax return. For Tax Years 2026-2030, the requirement to file a Metro tax return applies to every nonresident of the District who is otherwise required to file an Oregon income tax return and whose income is equal to or above the exemption amounts as determined in Section 7.06.040(b) for single and joint filers after indexing for inflation.

(c) Nothing contained in this section precludes the Administrator from requiring any individual to file a return when, in the judgment of the Administrator, the individual should file a return.

(d) The Administrator will release the form that the taxfiler must file. The Administrator may accept substitute forms (such as created by tax software) provided the forms include identical information in comparable format as provided on the Metro tax return form.

(e) A copy of the taxfiler's Oregon tax return is required to be filed with the tax return. If the personal income tax has been withheld from wages, a copy of Form W-2 is required to be filed with the Personal Income Tax return unless otherwise notified by the Administrator. The Administrator is authorized to require a taxfiler to submit additional information with the taxfiler's report if, in the Administrator's sole discretion, such information is necessary to effectively administer the tax imposed under this chapter.