

IN CONSIDERATION OF ORDINANCE 24-1514, FOR THE PURPOSE OF AMENDING METRO CODE CHAPTER 7.05 (INCOME TAX ADMINISTRATION) REGARDING INCOME TAX CONFIDENTIALITY PROVISIONS

Date: May 21, 2024
Department: Finance & Reg. Services
Meeting Date: June 6, 2024

Presenter(s), (if applicable): Justin Laubscher, Tax Compliance Program Manager
Length: 10 minutes

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ISSUE STATEMENT

In 2023, a district attorney ruled that *local* income tax information was subject to disclosure pursuant to Oregon’s public records laws, even though local law prohibited its disclosure and even though state law protects *state* income tax information from public records requests.

Local governments expressed concerns regarding this ruling. In response, the state legislature recently passed HB 4031, which exempts local income tax information from public records requests. Metro staff seek to amend Metro’s Income Tax Laws (Chapter 7.05) to better align with state statutory language regarding income tax information confidentiality and to whom tax information may be provided. Ordinance No. 24-1514 will provide consistency, clarity and ease to taxpayers and tax representatives regarding what kinds of tax information Metro may disclose and who can receive that information. Metro staff has been working closely with the City of Portland and Multnomah County to implement these requirements uniformly with all three jurisdiction codes..

ACTION REQUESTED

Staff requests that Metro Council adopt Ordinance No. 24-1514.

IDENTIFIED POLICY OUTCOMES

The Metro Income Tax Laws (Chapters 7.05, 7.06, and 7.07 collectively) codify certain provisions of the Supportive Housing Services Measure approved by the voters. The policy outcome of the proposed ordinance would align Metro Code language with state law language regarding the confidentiality and exemption from public records requests with respect to income tax information.

POLICY OPTIONS FOR COUNCIL TO CONSIDER

- Adopt this ordinance. This results in better alignment with state income tax law regarding confidentiality of income tax information and exemptions of public records requests for this information.

- Adopt this ordinance with revisions or modifications as described by Council.
- Reject this ordinance with other direction to staff. The existing income tax code would remain in place and Metro Code language regarding confidentiality of tax information and who can receive that information would not align with state law..

STAFF RECOMMENDATIONS

Staff recommend that Metro Council adopt Ordinance No. 24-1514.

STRATEGIC CONTEXT & FRAMING COUNCIL DISCUSSION

The passage of HB 4031 in the 2024 short legislative session applies income tax information confidentiality requirements to local government agencies that collect, administer, or manage certain local taxes in the same manner the requirements apply to the Oregon Department of Revenue for public records disclosure or other reasons.

This new legislation makes it illegal for Metro officers, employees, or agents to divulge personal taxpayer information. By design and to ensure consistency and confidentiality intent, the proposed code language closely mirrors Oregon statutes on this issue. The major reason for mirroring state statutory language is to signal that Metro will adhere to the intent of HB 4031, which was that ORS 314.835 be applied to local income tax information in the same manner as to state income tax information. Synchronizing the Metro code with State law will minimize the potential for future public records requests battles and at the same time assure the taxpayer community we're doing no more and no less than what the State of Oregon does. The overall intent remains the same. Staff suggests a repeal and replace of Section 7.05.100 (Persons to Whom Information May Be Furnished) because the redline changes are somewhat messy and difficult to follow given the inclusion of state statutory language. However, the overall policy regarding confidentiality or to whom Metro may disclose this information remains the same.