

Metro Code Subsections 7.05.280(c), (d), and (e) are amended as follows, with underlined text representing inserted text and ~~strike through~~ representing deleted text.

All other subsections in Metro Code 7.05.280 (Interest) remain the same and are unchanged by this Ordinance.

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## 7.05.280 Interest

(c) ~~Unless specifically provided otherwise by administrative rule as provided in subsection (d), the interest rate is 0.833% simple interest per month or fraction thereof (ten percent per annum)~~The interest rate for the Business Income Tax Law is 0.833% simple interest per month or fraction thereof (ten percent per annum). The interest rate for the Personal Income Tax Law is as follows for the listed time periods:

1. For January 1, 2021 to April 17, 2023, the interest rate is 0.833% simple interest per month or fraction thereof (ten percent per annum).
2. For April 18, 2023 to April 15, 2024, the interest rate is 0.5% simple interest per month or fraction thereof (six percent per annum).
3. For April 16, 2024 to April 15, 2025, the interest rate is 0.667% simple interest per month or fraction thereof (eight percent per annum).
4. For April 16, 2025 to April 15, 2026, the interest rate is 0.75% simple interest per month or fraction thereof (nine percent per annum).
5. For April 16, 2026 and beyond, the interest rate is as determined by subsection (d) below.

(d) Beginning on April 16, 2026, and for all subsequent time periods, the interest rate for the Personal Income Tax Law is the same interest rate established by Oregon Revised Statute 305.220, as periodically adjusted by the Oregon Department of Revenue. The adjusted rate is effective on April 15 of each year. If April 15 falls on a weekend or federal holiday, the interest rate change is effective the first business day following the weekend or holiday. If the Administrator determines that the interest rate provided in subsection (c) is at least one percentage point more or less than the effective interest rate on January 1 charged by the State of Oregon Department of Revenue, the Administrator may adjust the interest rate by administrative rule to match the State of Oregon Department of Revenue interest rate. The Administrator may not adjust the interest rate more than once in a calendar year. The adjusted interest rate applies to unpaid tax or underpaid estimated payments outstanding on or after the effective date of the adjusted interest rate.

(e) Notwithstanding subsection (b), there is no interest on underpayment of quarterly estimated payments if:

1. The total tax liability of the prior tax year was less than \$1,000 for tax years 2021-2025 or less than \$5,000 for tax years 2026-2030;

2. An amount equal to at least ninety percent of the total tax liability for the current tax year was paid in accordance with Section 7.05.190; or
3. An amount equal to at least one hundred percent of the prior year's total tax liability was paid in accordance with Section 7.05.190.