

BEFORE THE METRO COUNCIL

FOR THE PURPOSE OF AMENDING METRO	)	ORDINANCE NO. 22-1484
CODE CHAPTER 7.07 RELATED TO	)	
APPORTIONMENT AND ALLOCATION OF	)	Introduced by Chief Operating Officer
INCOME TO BETTER ALIGN WITH OREGON	)	Marissa Madrigal in concurrence with
STATE INCOME TAX APPORTIONMENT LAW	)	Council President Lynn Peterson
FOR CERTAIN BUSINESSES	)	

WHEREAS, on May 19, 2020, the Metro area voters approved Metro’s Supportive Housing Services Ballot Measure (“Measure”); and

WHEREAS, on December 17, 2020, the Metro Council adopted Ordinance No. 20-1454, which established new Metro Code Chapters 7.05 (Income Tax Administration for Personal and Business Taxes") and 7.07 (“Business Income Tax”); and,

WHEREAS, the administration of income taxes often requires code and rule amendments to address issues such as federal and state law changes, as well as technology associated with tax filing and enforcement; and,

WHEREAS, as part of Ordinance No. 20-1454, the Metro Council required “an evaluation of the apportionment methodology for gross business income under Chapter 7.07 no later than December 1, 2022,” and Council further required that as part of that evaluation process Metro staff “coordinate with regional governmental partners and engage with stakeholders, including businesses and tax specialists”; and,

WHEREAS, in drafting these proposed Metro Code changes, Metro staff worked closely with both City of Portland and Multnomah County staff that oversee their respective business income tax codes; and

WHEREAS, these proposed Metro Code changes not only align with Oregon Tax Law, but they also align with changes recently adopted by the Portland City Council and the Multnomah County Board of Commissioners to their respective business income tax codes, thus making tax filings easier, less costly, and more efficient for businesses; and

WHEREAS, the proposed business income apportionment code changes for all three jurisdictions involved a public comment process, including involvement with businesses and tax specialists; and

WHEREAS, this update to Metro Code addresses concerns brought to Metro’s attention during the implementation of its business income tax and largely aligns with state tax law related to income apportionment for tax purposes for most businesses for which the provision applies; now therefore,

THE METRO COUNCIL ORDAINS AS FOLLOWS:

1. Metro Code Sections 7.07.070 and 7.07.080 are amended, and Metro Code Sections 7.07.071 and 7.07.081 are added to Chapter 7.07 as set forth in Exhibit A. These changes take effect on January 1, 2023.

ADOPTED by the Metro Council this \_\_\_ day of \_\_\_\_\_ 2022.

\_\_\_\_\_  
Lynn Peterson, Council President

Attest:

Approved as to Form:

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Connor Ayers, Recording Secretary

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Carrie MacLaren, Metro Attorney