

BEFORE THE METRO COUNCIL

FOR THE PURPOSE OF INDEXING THE	)	ORDINANCE NO. 25-1531
SUPPORTIVE HOUSING SERVICES	)	
PERSONAL INCOME TAX EXEMPTION	)	Introduced by Council President
AMOUNTS FOR TAX YEARS 2026-2030 AND	)	Lynn Peterson
ADJUSTING ESTIMATED PAYMENT	)	
REQUIREMENTS	)	

WHEREAS, on February 25, 2020, the Metro Council referred to the Metro area voters a personal and business income tax for the purposes of funding Supportive Housing Services in the Metro region (the “Supportive Housing Services Measure”), which was identified as Metro Measure 26-210; and

WHEREAS, on May 19, 2020, the Metro Area voters approved the Supportive Housing Services Measure, creating the Regional Supportive Housing Services program to be funded by and income tax on higher-earning households and businesses operating in the region with gross receipts over \$5 million; and

WHEREAS, beginning in Tax Year 2021, the Supportive Housing Services Measure imposed a tax of one percent on the entire taxable income over \$200,000 if filing jointly and \$125,000 if filing singly on every resident of the Metro District subject to tax under ORS chapter 316 and upon the taxable income over \$200,000 if filing jointly and \$125,000 if filing singly of every nonresident that is derived from sources within the district which income is subject to tax under ORS chapter 316; and

WHEREAS, the Supportive Housing Services Measure established a sunset date of December 31, 2030, for imposition of these Metro income taxes, unless voters approve an extension; and

WHEREAS, through the hard work of Metro’s county implementation partners and service providers around the region, the regional Supportive Housing Services program helped thousands of households avoid or escape homelessness, including more than 7,200 housing placements, more than 17,000 eviction preventions, and the creation or sustaining of more than 2,500 temporary shelter units in the first three and a half years of the program; and

WHEREAS, the caption of Measure 26-210 described the personal income tax portion of the Supportive Housing Services measure as a “higher earners’ tax”; and

WHEREAS, due to inflation since the passage of the Supportive Housing Services Measure, more households have found a portion of their income subject to the tax; and

WHEREAS, inflation since the passage of the Supportive Housing Services Measure has also contributed to rising costs of housing, food, childcare and other necessities, leading to a reduction in purchasing power for many households even as incomes rise; and

WHEREAS, in July 2024 the Metro Chief Operating Officer recommended that the Metro Council consider indexing the income tax exemption threshold to inflation, among other changes to reform and extend the regional Supportive Housing Services program and taxes; and

WHEREAS, the indexing recommendation received broad support from a wide array of stakeholders and community partners participating in the Chief Operating Officer’s Stakeholder Advisory Table in the spring of 2024, as well as in conversations and engagements with stakeholders since that time; and

WHEREAS, the Metro Council wishes to respect the will of voters to keep Supportive Housing Services personal income taxes focused on higher-earning households and businesses; and

WHEREAS, inflationary increases in the income exemption level will impact overall collections only modestly while maintaining these taxes' intended focus on high-income individuals, households and businesses; and

WHEREAS, the Metro Council seeks to reduce time, confusion, and administrative burden of Supportive Housing Services personal income taxfilers, including the requirement in Metro Code Chapter 7.05.180 for many taxfilers to pay estimated taxes through either quarterly payments or employer provided withholding; now therefore,

THE METRO COUNCIL ORDAINS AS FOLLOWS:

1. Metro Code Chapter 7.06 (Personal Income Tax) is amended as set forth in the attached Exhibit A, with underlined text representing inserted text and strikethrough representing deleted text.
2. Metro Code Chapter 7.05 (Income Tax Administration for Personal and Business Taxes) is amended as set forth in the attached Exhibit B, with underlined text representing inserted text and strikethrough representing deleted text.
3. The Chief Operating Officer may adopt new administrative rules or amend existing income tax administrative rules without a public comment process to ensure conformity with the Metro Code amendments adopted by this ordinance, provided that the adopted or amended rules only address changes to the income exemption and estimated payment amounts affected by this ordinance.

ADOPTED by the Metro Council this \_\_\_ day of June 2025.

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Lynn Peterson, Council President

Attest:

Approved as to Form:

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Georgia Langer, Recording Secretary

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Carrie MacLaren, Metro Attorney