

BEFORE THE METRO COUNCIL

FOR THE PURPOSE OF AMENDING METRO)	ORDINANCE NO. 26-1542
CODE SECTION 7.05.150 (DEFICIENCIES AND)	
REFUNDS) TO EXTEND TAX REFUND FILING)	Introduced by Chief Operating Officer
DEADLINES FOR TAX YEARS 2021 AND 2022)	Marissa Madrigal in concurrence with Acting
UNDER CERTAIN CIRCUMSTANCES)	Council President Duncan Hwang

WHEREAS, Metro Code Chapter 7.05 (Income Tax Administration for Personal Income and Business Taxes) administers Metro’s Supportive Housing Services (SHS) business and personal income taxes; and

WHEREAS, consistent with state law (ORS Chapter 314), the Metro Code authorizes a three-year statute of limitations to seek a tax refund from the date the taxfiler filed the original tax return, or two years from the date in which the tax was paid if no return was filed; and

WHEREAS, Metro staff recently learned that several thousand individuals had taxes withheld by their employers during Tax Years 2021 and 2022, but these individuals did not ultimately meet the income threshold necessary to owe Metro’s Supportive Housing Services personal income tax (SHS Personal Income Tax); and

WHEREAS, these individuals may not have been aware that they could seek a refund of overpaid income tax amounts withheld by their employers, and yet the time for seeking a refund under current Metro Code has expired for Tax Years 2021 and 2022; and

WHEREAS, Metro’s tax administrator is proactively monitoring similar situations for tax years after 2022 to ensure that individuals are aware of refund opportunities of withheld taxes if they are not ultimately required to pay the SHS Personal Income Tax due to not meeting the income thresholds; and

WHEREAS, it is the public interest that Metro amend its SHS Income Tax Code to authorize an extended statute of limitations to allow an individual to seek a refund for tax years 2021 and 2022 if the individual: (1) had the tax withheld from wages, (2) did not otherwise owe the SHS Income Tax, and (3) may have been unaware of the individual’s ability to seek a refund; and

WHEREAS, this extended statute of limitations only applies to a subset of individuals for tax years 2021 and 2022. Namely, those that: had SHS Income Tax withheld by their employers, ultimately did not meet the income threshold required to owe the SHS Income Tax, failed to file a tax return or seek a timely refund, and proactively file a refund request no later than April 15, 2027; and

WHEREAS, upon this Ordinance’s adoption, Metro’s tax administrator will begin notifying all affected individuals that they may seek a refund for these overpayments by filing an original tax return and refund request no later than April 15, 2027; and

WHEREAS, the Metro Council has previously acknowledged that externally facing regulatory Metro Code chapters—primarily the solid waste and income tax code chapters—require more frequent code updates to ensure ongoing regulatory clarity, align with state and federal law changes, and maintain best practices (Resolution No. 22-5293); and

WHEREAS, pursuant to Resolution No. 22-5293, the Office of Metro Attorney reviewed Metro Code Section 7.05.150 to consider whether any plain language revisions were necessary and determined that no additional changes were needed; now therefore,

THE METRO COUNCIL ORDAINS AS FOLLOWS:

SECTION 1. Metro Code Section 7.05.150 (Deficiencies and Refunds) is amended as set forth in the attached as Exhibit A, with inserted language in underlined text and deleted language in strikethrough text.

SECTION 2. The amendment to Metro Code Section 7.05.150 made by Section 1 of this Ordinance is repealed on May 1, 2027.

SECTION 3. The Chief Operating Officer may, if necessary, 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.

SECTION 4. That this ordinance being necessary for the immediate preservation of public health, safety or welfare, an emergency is declared to exist, and this ordinance takes effect immediately upon adoption pursuant to Metro Charter Section 38(1). The Council finds that an immediate ordinance effective date is necessary to ensure timely and appropriate refunds to individuals that paid Metro's SHS Income Tax but did not meet the necessary income tax thresholds upon which the tax is imposed and therefore did not owe the tax.

SECTION 5. If a court of competent jurisdiction finds that any portion of this ordinance is invalid or unenforceable as a matter of law, that finding does not invalidate or render unenforceable any other provisions of this ordinance.

ADOPTED by the Metro Council this 14th day of May 2026.

Duncan Hwang, Acting Council President

Attest:

Approved as to Form:

Georgia Langer, Recording Secretary

Carrie MacLaren, Metro Attorney