

BEFORE THE METRO COUNCIL

FOR THE PURPOSE OF AMENDING METRO)	ORDINANCE NO. 23-1492
CODE CHAPTER 7.05 TO IMPROVE CLARITY)	
REGARDING PENALTIES AND INTEREST)	Introduced by Chief Operating Officer
AND OTHER HOUSEKEEPING UPDATES AND)	Marissa Madrigal and Councilors Christine
DECLARING AN EMERGENCY)	Lewis, Juan Carlos González, Gerritt
)	Rosenthal, Duncan Hwang, and Ashton
)	Simpson in concurrence with Council
)	President Lynn Peterson
)	

WHEREAS, On February 25, 2020, Metro Council adopted Ordinance 20-1442, which among other things imposed a personal income tax of one percent beginning in tax year 2021 for high income earners (the “Personal Income Tax”); and

WHEREAS, before the taxes imposed by Ordinance 20-1442 could take effect, they required approval by Metro area voters; and

WHEREAS, on May 19, 2020, the Metro area voters approved the personal income tax; and

WHEREAS, the revenue derived from the Personal Income Tax imposed by Ordinance 20-1442 funds Metro’s Supportive Housing Services Program; and

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

WHEREAS, Metro Code Chapter 7.05 imposes penalties and interest in certain tax situations, including, among others: a failure to file a tax return, late filing of a tax return, late payment of taxes owed, and underpayment of taxes owed; and

WHEREAS, via an Intergovernmental Agreement, the City of Portland’s Revenue Division acts as Metro’s “Administrator” for purposes of administering and enforcing Metro’s Personal Income Tax Law; and

WHEREAS, because neither Metro nor its Administrator can know in advance who will meet the income threshold for tax liability, Metro relied on media articles, outreach to accountants and employers, and web updates to inform people of the Supportive Housing Services personal income tax before the April 18, 2022, tax due date deadline; and

WHEREAS, while most Oregon accountants, tax attorneys, and employers were aware of the tax, Metro’s outreach proved to be insufficient notice for some taxpayers; and

WHEREAS, many taxpayers were unaware of the launch of the Supportive Housing Services personal income tax and felt it was therefore unfair to have penalties and interest assessed on delinquent tax filings; and

WHEREAS, penalties and interest should be waived for the first tax year (TY 2021) of the Metro personal income tax, and, further, penalties and interest should be waived for estimated taxes for tax year 2022 of the personal income tax; and

WHEREAS, housekeeping updates to the tax code are also necessary; and

WHEREAS, providing accurate tax information to affected taxpayers and ensuring that correct interest rates are in effect before delinquencies occur affects the welfare of Metro area taxpayers; now therefore,

THE METRO COUNCIL ORDAINS AS FOLLOWS:

1. Metro Code Chapter 7.05 is amended to waive penalties and interest for tax year 2021 and for estimated taxes for tax year 2022, as set forth in the attached as Exhibit A in tracked changes.
2. Metro Code Chapter 7.05 is amended to correct certain cross-reference errors and provide other housekeeping updates as set forth in the attached Exhibit A
3. That this ordinance being necessary for the immediate preservation of public health, safety and welfare to ensure consistent and uninterrupted collections and enforcement of Metro's Personal Income Tax Law, an emergency is declared to exist, and this ordinance takes effect immediately upon adoption, pursuant to Metro Charter Section 38(1).
4. 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 6th day of April 2023.

Lynn Peterson, Council President

Attest:

Approved as to Form:

Connor Ayers, Recording Secretary

Carrie MacLaren, Metro Attorney