

BEFORE THE BOARD OF COUNTY COMMISSIONERS  
FOR MULTNOMAH COUNTY, OREGON

**ORDINANCE NO. \_\_\_\_\_**

Amending MCC §12.230, Confidentiality, Of The Multnomah County Business Income Tax Law To Provide Full Confidentiality To Taxpayers Under Any Tax Amnesty Program, And Declaring An Emergency

(Language ~~stricken~~ is deleted; double underlined language is new.)

**The Multnomah County Board of Commissioners Finds:**

- a. Multnomah County, through the City of Portland Revenue Bureau, needs to identify every opportunity to close the business license “tax gap” and increase revenue collections. The tax gap is the difference between taxes owed and taxes paid. All tax collection agencies have a tax gap, including the Internal Revenue Service and the Oregon Department of Revenue.
- b. As the business community begins to show recovery from the economic downturn, it is important to provide an opportunity for those businesses who did not keep up with their tax obligations during the downturn to have an opportunity to do so voluntarily and with reduced penalties to remove this burden from their business recovery efforts.
- c. Providing a period of tax amnesty for businesses can accomplish both goals – closing the tax gap and assisting businesses to come into compliance with local tax laws.
- d. The Washington State Department of Revenue implemented a tax amnesty program between February 1 and April 30, 2011. Over 9,000 taxpayers applied for amnesty and 5,095 amnesties were granted. The program generated an estimated \$345.8 million in revenue for the State of Washington. In the past three years, at least 21 other state and local jurisdictions have conducted tax amnesty programs, including the State of Oregon.
- e. The Revenue Bureau estimates that up to \$1 million will be collected for the City of Portland and Multnomah County, combined, under this program.
- f. An essential element to encouraging business taxpayers to take advantage of an amnesty program is to guarantee confidentiality. Without a guarantee of confidentiality, most business taxpayers will not participate in a voluntary tax amnesty program. Any tax amnesty program offered by Multnomah County considers the identity of taxpayers applying for amnesty to be confidential and that disclosure of the identity of taxpayers taking part in the amnesty program would be not only detrimental to the taxpayer, but also cause harm to the public interest.

**Multnomah County Ordains as follows:**

**Section 1.** MCC §12.230 is amended as follows:

**12.230 Confidentiality.**

Except as provided in this chapter or otherwise required by law, it is unlawful for the division or the Administrator, or any elected official, employee, or agent of the county, or for any person who has acquired information pursuant to § 12.240(A) and (C) to divulge, release, or

make known in any manner any financial information submitted or disclosed to the county under the terms of the Business Income Tax Law. Additionally, it is unlawful to divulge, release or make known in any manner identifying information about any taxpayer applying for tax amnesty, including, but not limited to, the name and address of the taxpayer, unless otherwise required by law. Except as noted above, Nothing in this section should be construed to prohibit:

(A) The disclosure of the names and addresses of any persons who have a tax account with the Administrator;

(B) The disclosure of general statistics in a form which would prevent the identification of financial information regarding an individual taxfiler;

(C) The filing of any legal action by or on behalf of the Division or Administrator to obtain payment on unpaid accounts or the disclosure of information necessary to do so; or

(D) The assignment to an outside collection agency of any unpaid account balance receivable provided that the Division or Administrator notifies the taxfiler of the unpaid balance at least 60 days prior to the assignment of the claim. Any assignment to an outside collection agency is subject to a reasonable collection fee, above and beyond any amount owed to the County.

**Section 2.** This ordinance, being necessary for the health, safety, and general welfare of the people of Multnomah County, an emergency is declared and the ordinance takes effect upon its signature by the County Chair.

FIRST READING AND ADOPTION: May 10, 2012

BOARD OF COUNTY COMMISSIONERS  
FOR MULTNOMAH COUNTY, OREGON

Jeff Cogen, Chair

REVIEWED:

JENNY M. MORF, COUNTY ATTORNEY  
FOR MULTNOMAH COUNTY, OREGON

By Jenny M. Morf, County Attorney

SUBMITTED BY: Jeff Cogen, Multnomah County Chair