

**Program #10022 - Pass-Through Payments to East County Cities****FY 2026 Adopted****Department:** Nondepartmental**Program Contact:** Jeff Renfro**Program Offer Type:** Operating**Program Offer Stage:** Adopted**Related Programs:****Program Characteristics:****Program Description**

The BIT is imposed on the net income derived from business activity within Multnomah County. The BIT was originally set at a rate of 0.6% of net income. In 1985, the tax was increased to 0.95%. In 1987, the tax was further increased to 1.46%. In 1993 the rate was reduced to 1.45% due to the consolidation of collections with the City of Portland's Business License Fee (BLF). The County entered into a tax sharing agreement with the four east county cities, in part to acknowledge the value of business income derived from those cities. The County acts as a fiduciary agent for the four east county cities.

In March 2020, the Board of County Commissioners increased the tax to 2.00%, and increased the owners compensation deduction and gross receipts adjustments. The percent of total collections passed-through was updated to dedicate a portion of the new revenue to East County Cities.

**Performance Measures**

<b>Measure Type</b>	<b>Performance Measure</b>	<b>FY24 Actual</b>	<b>FY25 Budgeted</b>	<b>FY25 Estimate</b>	<b>FY26 Target</b>
Output	Regularly share updates on current collections with East County Cities.	6	6	7	6
		N/A	N/A	N/A	N/A

**Performance Measures Descriptions**

Measure refers to number of BIT revenue update emails sent to East County Cities.

## Legal / Contractual Obligation

The program is mandated under terms of the IGAs with Gresham, Troutdale, Fairview, and Wood Village. The County is obligated to transfer 25% of the revenue associated with the first 0.68% BIT increment.

## Revenue/Expense Detail

	Adopted General Fund	Adopted Other Funds	Adopted General Fund	Adopted Other Funds
Program Expenses	2025	2025	2026	2026
Contractual Services	\$13,744,500	\$0	\$14,852,115	\$0
<b>Total GF/non-GF</b>	<b>\$13,744,500</b>	<b>\$0</b>	<b>\$14,852,115</b>	<b>\$0</b>
<b>Program Total:</b>	<b>\$13,744,500</b>		<b>\$14,852,115</b>	
<b>Program FTE</b>	0.00	0.00	0.00	0.00

<b>Program Revenues</b>				
<b>Total Revenue</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

## Explanation of Revenues

The BIT pass-through is 25% of the first 0.68% of BIT collections.

## Significant Program Changes

**Last Year this program was:** FY 2025: 10022 Pass-Through Payments to East County Cities