

Program #10022 - Pass-Through Payments to East County Cities

FY 2026 Department Requested

Department: Nondepartmental Program Contact: Jeff Renfro

Program Offer Type: Operating Program Offer Stage: Department Requested

**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								
Measure Type	Performance Measure	FY24 Actual	FY25 Budgeted	FY25 Estimate	FY26 Target			
Output	Regularly share updates on current collections with East County Cities.	6	6	7	6			
Output		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	Department Requested General Fund	Department Requested Other Funds
Program Expenses	2025	2025	2026	2026
Contractual Services	\$13,744,500	\$0	\$14,682,115	\$0
Total GF/non-GF	\$13,744,500	\$0	\$14,682,115	\$0
Program Total:	\$13,744,500		\$14,682,115	
Program FTE	0.00	0.00	0.00	0.00

Program Revenues						
Total Revenue	\$0	\$0	\$0	\$0		

# **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