

Division: Nondepartmental - All Other

Program Characteristics:

Program Description

The Business Income Tax (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.

Equity Statement

The County is a committed partner in managing the Business Income Tax funds and sharing the revenue with East County cities. By following our official agreements, we send this funding back to these cities so they can use it for their own community priorities and services.

Revenue/Expense Detail

	2026 General Fund	2026 Other Funds	2027 General Fund	2027 Other Funds
Contractual Services	\$14,852,115	\$0	\$15,708,566	\$0
Total GF/non-GF	\$14,852,115	\$0	\$15,708,566	\$0
Total Expenses:	\$14,852,115		\$15,708,566	
Program FTE	0.00	0.00	0.00	0.00
Total Revenue	\$0	\$0	\$0	\$0

Performance Measures

Performance Measure	FY25 Actual	FY26 Estimate	FY27 Target
Regularly share updates on current collections with East County Cities.	6	7	6
	N/A	N/A	N/A