



# FY 2022 Business Income Tax (BIT) Update

**Board Briefing**  
**Tuesday, November 2, 2021**  
**10:00 a.m.**



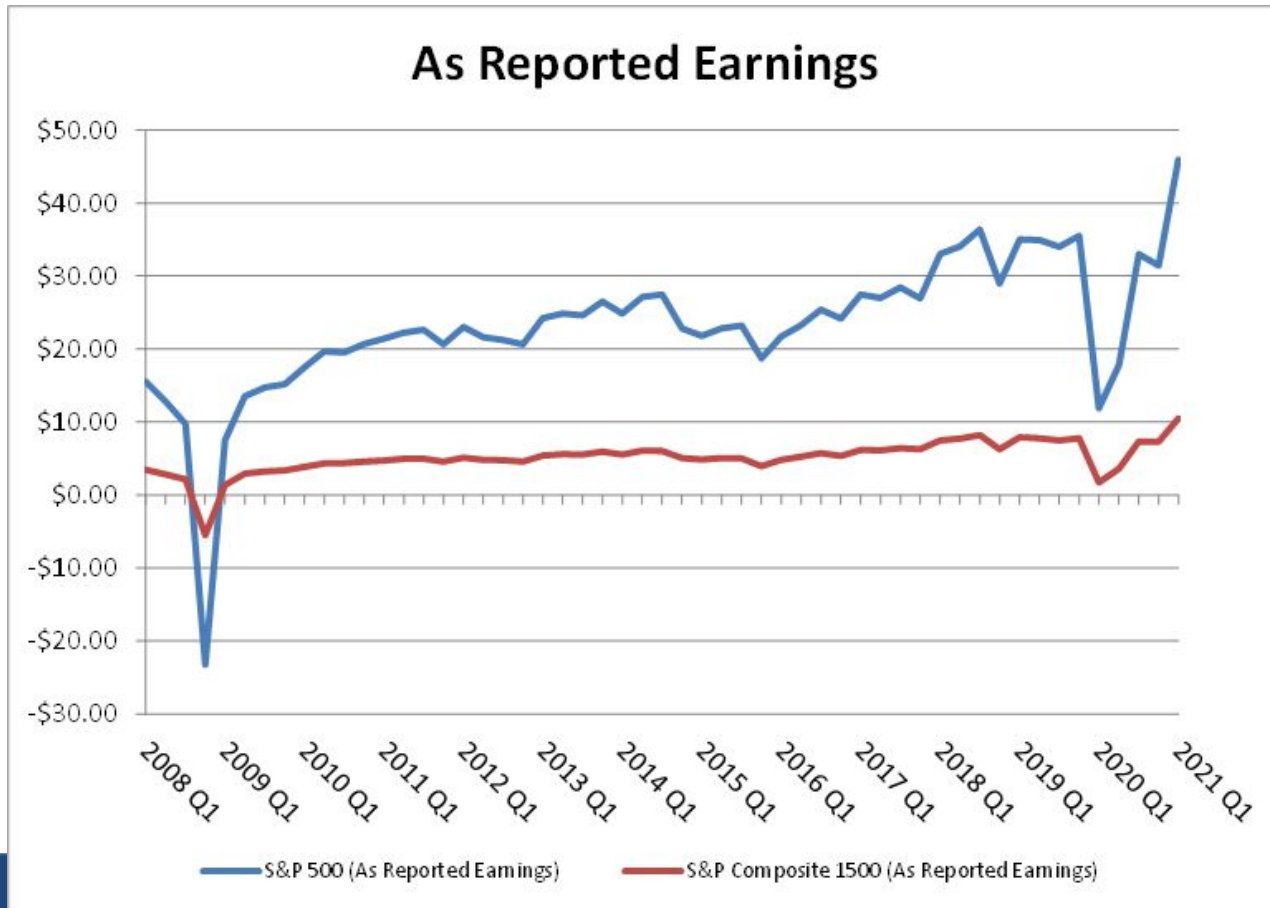
## Government Stimulus and Economic Intervention

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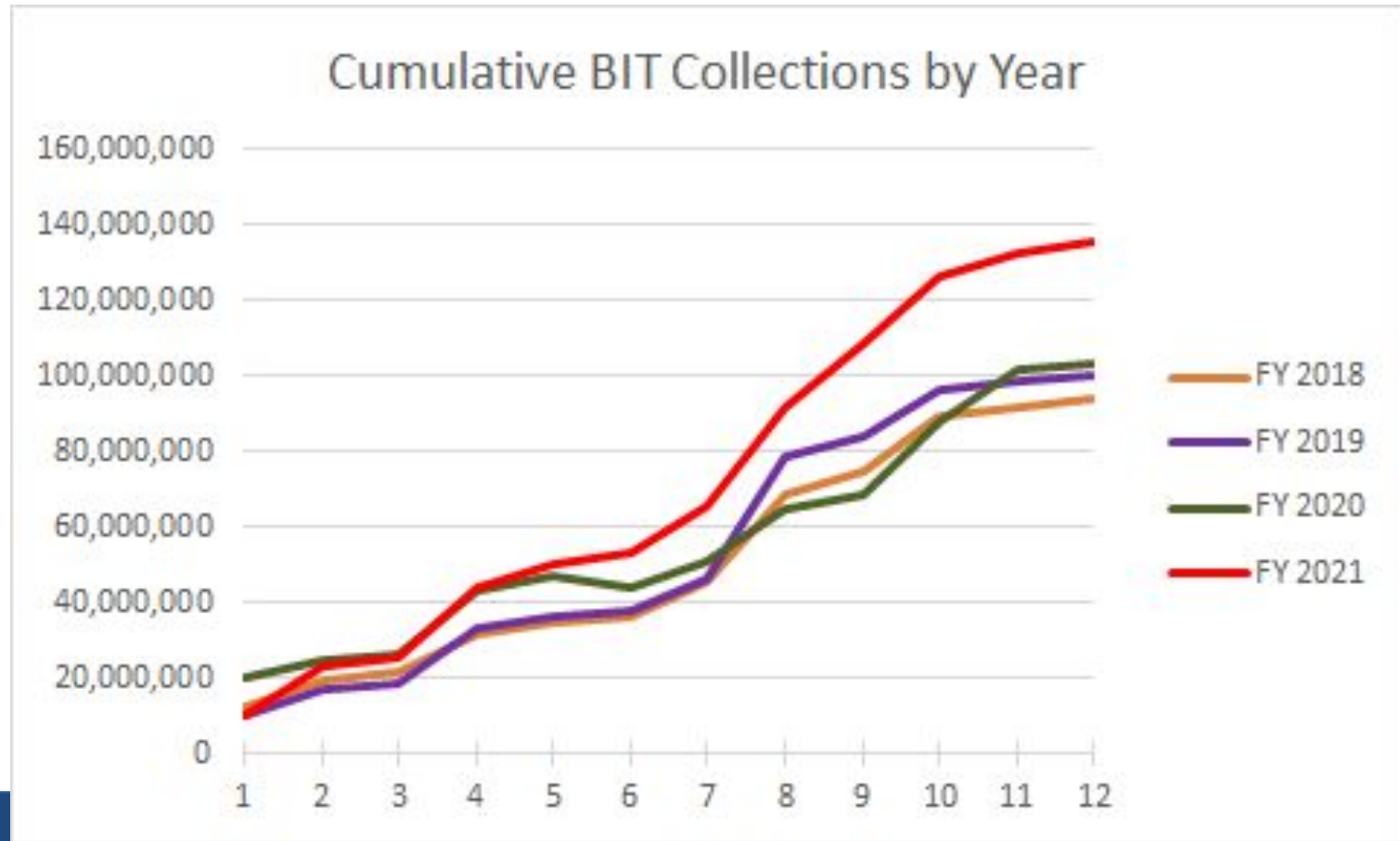
- **Extraordinary Federal Gov't intervention** increased overall income and supported aggregate demand.
- Relatively **small group** of large companies with **large profits**.
  - Cut costs while revenues flat/improved
- Firms **realizing income/gains** ahead of expecting Federal tax changes.
- **Extension of filing deadline**
  - June looked a lot different than May.



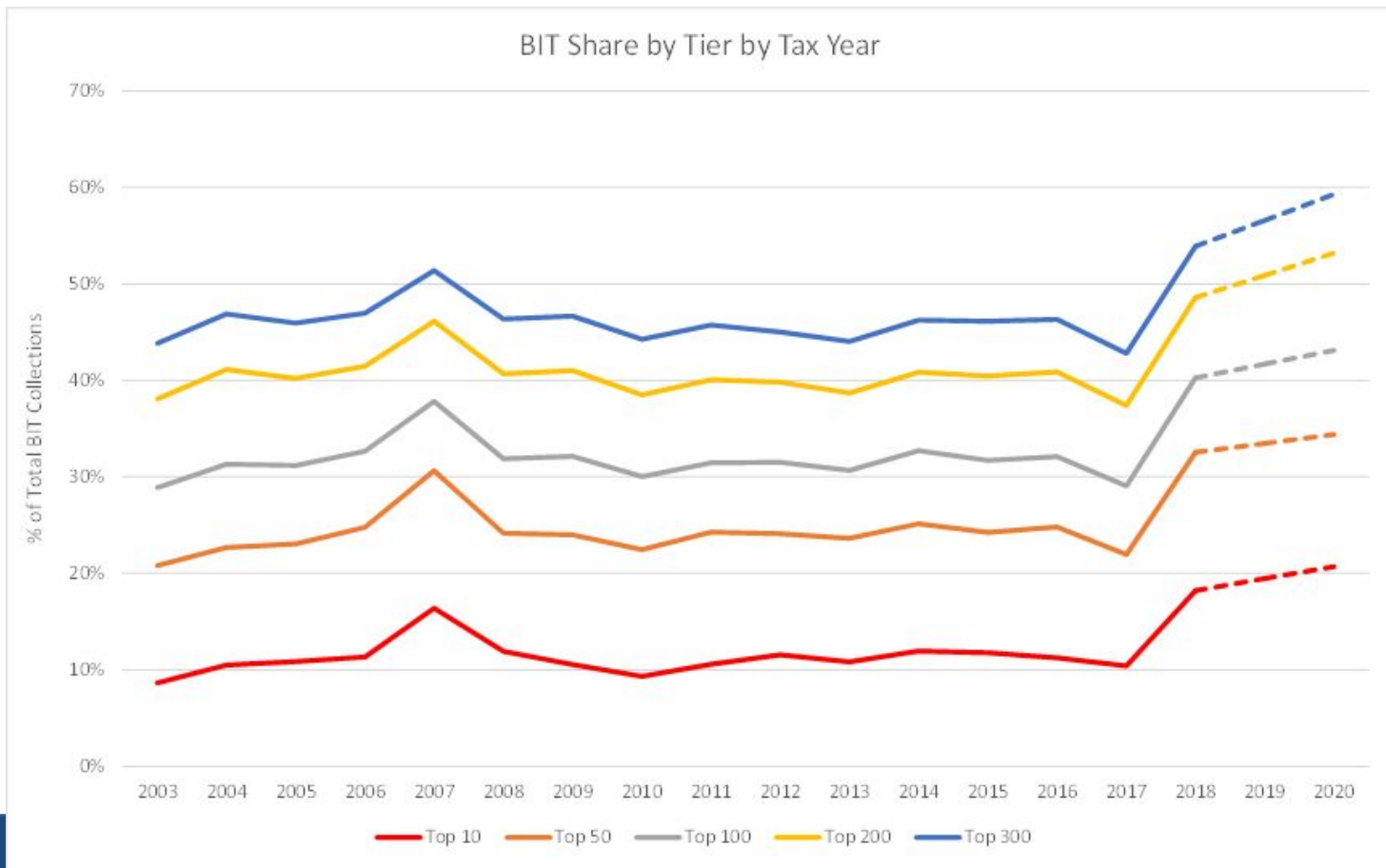
# Corporate Earnings



## BIT Year-to-Date



# Increasing Concentration



## Increasing Concentration

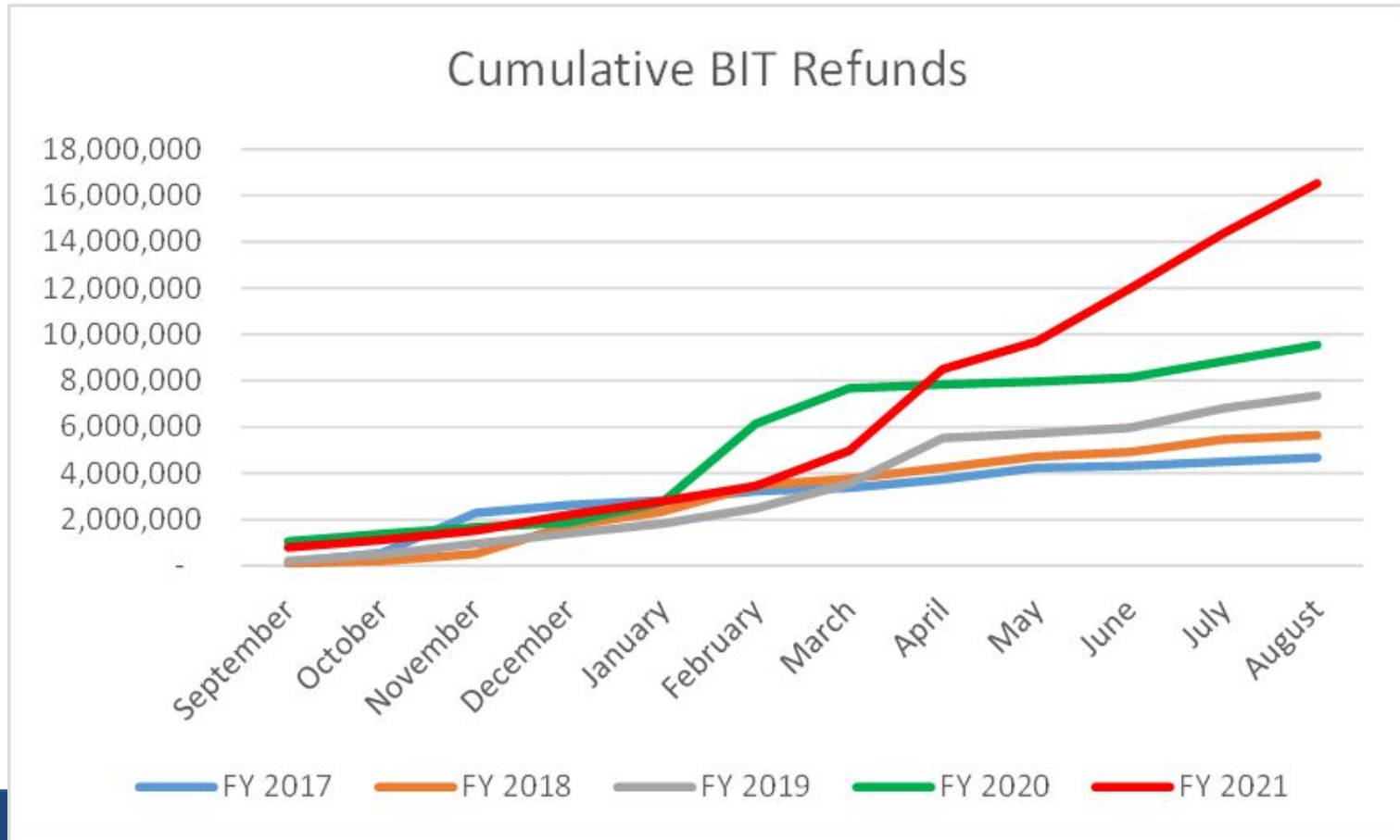
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|         | <b>2003 - 2017 Average Contribution</b> | <b>Tax Year 2020 Contribution</b> |
|---------|---|-----------------------------------|
| Top 10  | 11.19%                                  | 20.70%                            |
| Top 100 | 31.67%                                  | 43.10%                            |
| Top 300 | 45.90%                                  | 59.30%                            |

Note: Data is cumulative

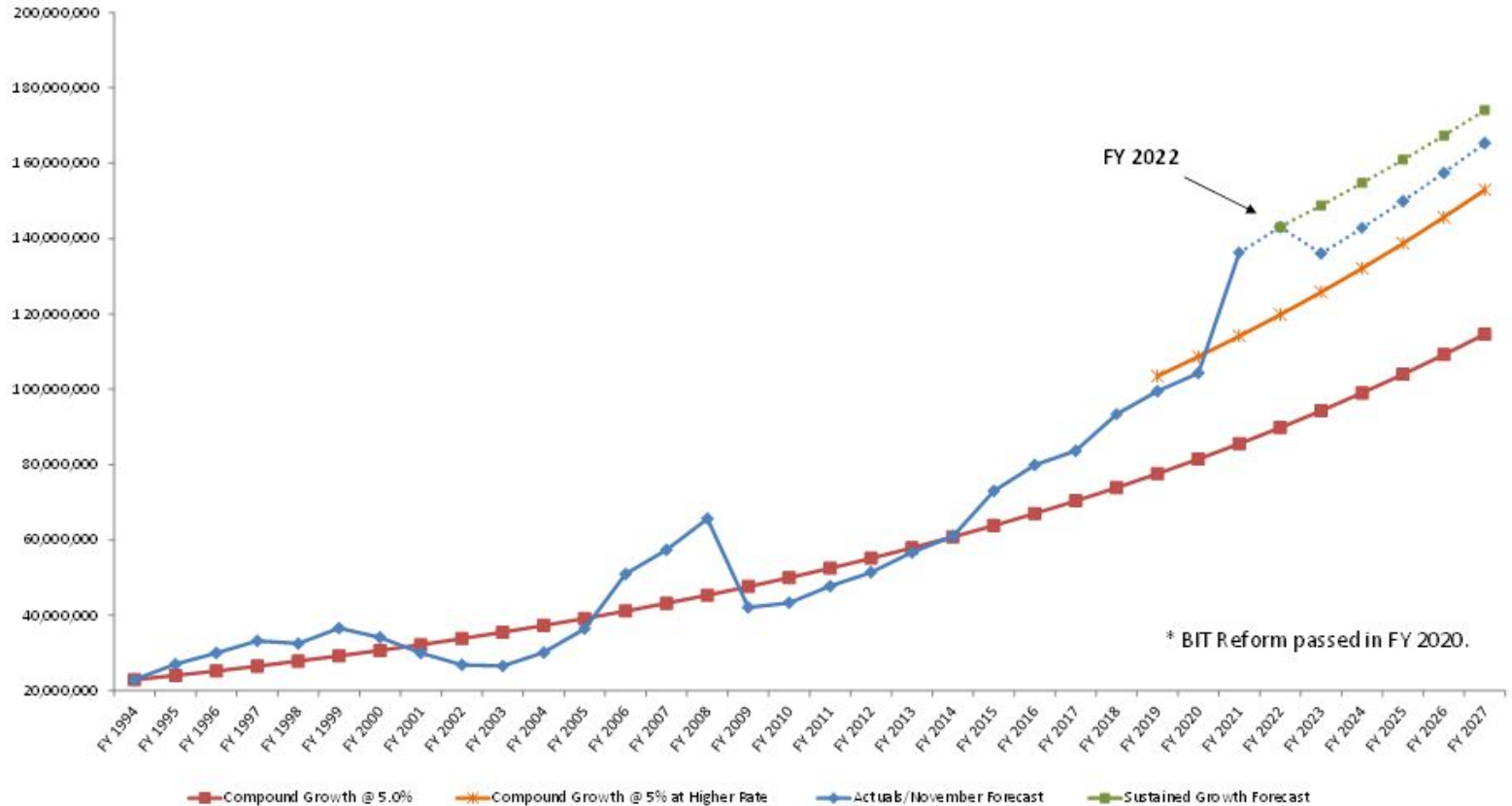


# Refunds



# Current BIT Forecast

Annual BIT Collections





## Conclusions

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- **\$30.4 million** in FY 2021 BIT above forecast available to allocate for **emergency purposes in FY 2022**.
  - Budmod before Board November 9, 2021
- FY 2022 BIT forecast changes available for **OTO allocation as part of FY 2023 budget adoption** (normal practice).
- High amount of **uncertainty** remains in forecast
  - Full forecast update later in November. BIT forecast will continue to evolve into March.
- BIT forecast will continue to **reflect latest data** along with County's approach to **risk management**.





# FY 2021 East County Cities BIT Payment Summary

## FY 2021 East County Cities BIT Payment Summary

|              | Impact of FY 2021 BIT<br>Collections Over May<br>Forecast | Total FY 2021 BIT<br>Payment |
|--------------|---|------------------------------|
| Gresham      | 1,934,202   | 8,673,550                    |
| Fairview     | 168,598   | 756,045                      |
| Troutdale    | 310,020   | 1,390,225                    |
| Wood Village | 69,539  | 311,834                      |
| <b>Total</b> | <b>2,482,359</b>  | <b>11,131,654</b>            |

