

Multnomah County

Measure 26-238

ARGUMENT IN OPPOSITION

Vote “no” on this harmful and regressive tax. It will be paid by all residents regardless of their income. And it will pay for services that are already funded.

Measure 26-238 would create a **whole new bureaucracy without any basis for need!**

Who will pay? Everyone.

- **Senior citizens will pay the tax** when they withdraw savings for retirement or sell their homes to pay for end-of-life care.
- **County residents will pay it whenever they sell their homes, regardless of their income** or the value of their homes. This will reduce the equity available to buy their next homes.
- Small, family owned business will have to pay, too, even though they're struggling through a recession and unprecedented regulatory burdens.

Taxes in the Portland area have skyrocketed, raising the cost of living for everyone significantly. Another tax will just make things worse and more expensive while county residents struggle with rising inflation.

Worse, this tax would pay for services that are being funded already. In 2020, voters approved a tax to provide rental assistance for the needy. That money can be used to hire lawyers for people facing eviction. **Existing programs prioritize low-income residents**, who are the people who most need the help. There is a reason so many diverse interests and political voices are coming together in opposition to this tax.

Vote NO on more taxes and NO on unnecessary programs.

(This information furnished by Erik Lukens, Oregon Business and Industry PAC)

ARGUMENT IN OPPOSITION

Tax Fairness Oregon is a network of volunteers who advocate for a fair, equitable, and efficient tax code. **We fight tax breaks for large corporations and wealthy individuals.** We seek a more progressive tax system where higher income taxpayers pay a higher tax rate than lower income filers.

We oppose Multnomah County Ballot Measure 26-238. It is poorly designed, expensive to implement, and inequitable.

Since the measure is not means tested, even residents with modest incomes would be taxed, but on a random basis.

- Seniors who have saved for retirement could owe the tax when they withdraw funds.
- Stock sales by grandparents made to contribute to 529 college funds will be taxed.
- Homeowners could be taxed on the sale of their homes

It will add complexity. In the past few years we have

added the Portland Art Tax, the Portland Clean Energy tax, the Metro supportive housing services tax, and the Multnomah preschool for all tax. Each has a different design and dedicates funds to specific uses regardless of how much money they raise or how priorities change.

As designed, the new Measure 26-238 tax would be calculated differently than these other taxes and differently than on state or federal forms. It may not be calculated by Turbo Tax or other tax packages. It would be difficult and costly to enforce.

Because a new system would be required to implement this tax, administration would eat a significant portion of the funds raised.

It is highly inefficient to use a separate tax to fund a narrow program, especially when taxpayers are already funding these same services and protections for renters through the Metro Supportive Services measure passed in 2020.

Voters should reject Measure 26-238 as inequitable and wasteful.

(This information furnished by John Calhoun, Tax Fairness Oregon)

ARGUMENT IN OPPOSITION

MEASURE 26-238: A STEP BACKWARDS FOR OUR HISTORICALLY UNDERSERVED COMMUNITIES

As the CEO of Hacienda CDC, a Latino Community Development Corporation, I work daily to strengthen families by providing affordable housing, homeownership support, economic advancement and educational opportunities. Part of the work that we do is building generational wealth by creating pathways to homeownership for underserved communities, like people of color, low income people and senior citizens.

I don't have to think hard to identify people in my life that will be unfairly hurt by Measure 26-238. My father retired earlier this year, and now my parent's retirement income is only \$1,000 per month. That is simply not enough for them to survive. Thankfully, they do own their home, an asset they can sell to survive in their retirement. However, if they were residing in Multnomah County, **Measure 26-238 would tax every dollar of their home sale** because it will retroactively apply to every home sale this past year in Multnomah County. **Measure 26-238 will directly chip away at everything they have built, without any regard for their income or their financial stability.**

While this measure is well-intended and aligns closely with the work that I do every day leading Hacienda CDC, it was poorly written and will have serious unintended consequences for our community's most vulnerable residents.

Measure 26-238 will chip away at the limited generational wealth my family and so many others have worked to build. It will be a step backwards for

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historically underserved communities.

Low income people, people of color and senior citizens need access to the equity that they have built into their homes over the years and Measure 26-238 would prevent just that. They are at highest risk of losing the equity they've built into their homes to this tax.

Please join me in voting NO on Measure 26-238

Ernesto Fonseca
CEO, Hacienda CDC

(This information furnished by Javier Alomia, Building Our Future Together)

ARGUMENT IN OPPOSITION

Capital Gains Tax 101: A Primer for Regular Folks with Regular Incomes

The folks behind Measure 26-238 are telling us this is a tax on the wealthy, but looks like lots of regular folks are going to get caught in the net.

First, what the heck are net capital gains?

Capital gains are money made from the sale of assets or investments. Most of us don't routinely calculate our net capital gains because most of us don't have them unless we sell our house or cash in retirement or other savings that are in investments. And the IRS has lots of exemptions to federal taxes on those gains for lower and middle income folks, but this tax has none.

Measure 26-238 has no exceptions or exemptions, which means homeowners would owe (potentially thousands of dollars) after selling a home.

How will you know that you owe?

Good question!

- "Net capital gains" do not appear on any other tax return in Oregon.
- No exemptions or protections for vulnerable residents.
- Tax is paid starting at the first \$1 of capital gains.

Which all means you might need to hire an accountant just to double check whether you owe, which could cost more than this tax.

And if you forget to pay because you didn't realize you owe this odd new tax?

There could be a 20% penalty after four months, based on other local late tax fines — or even a \$500 civil penalty if the tax collector sends you a notice. Yikes.

But I thought this tax was only on the rich?

Nope! In fact, while wealthier people have more capital gains, they also have losses or other financial tools and paid financial advisors to help them reduce what they owe.

That will leave local business owners, seniors, and even young savers holding the bag.

Send Measure 26-238 Back to the Drawing Board Vote No by May 16th

www.BuildingOurFutureTogether.org

(This information furnished by Javier Alomia, Building Our Future Together)

ARGUMENT IN OPPOSITION

MEASURE 26-238: SLOW, EXPENSIVE & UNNECESSARY

- Multnomah County won't see funding from Measure 26-238 until **April 15, 2024**.
- It will take a **year** for the new program to be fully operational.
- Approximately **half** of the funds collected will go to **administrative overhead and collection costs**.
- The rest will go to **lawyers and landlords** — not low-income tenants.

TENANTS CAN'T AFFORD TO WAIT FOR MEASURE 26-238

Fortunately, they don't need to.

Eviction representation programs already exist in Multnomah County, funded by taxpayer dollars — including the voter-approved Supportive Housing Services (SHS) tax on high-income earners and businesses with gross receipts above \$5 million.

As of January 2023, more than **\$51.5 million in SHS funds have gone to Multnomah County for housing programs, including eviction prevention** — a proven strategy to reduce homelessness, and save taxpayer funds in the long run.

"Multnomah County spent over \$18 million on **short-term rent assistance and legal services** in the first twelve months of the SHS fund," according to a March 10, 2023 update from Metro (<https://bit.ly/MetroEvictionPrevention>)

And the tax funding we already approved is delivering real results:

- According to the Joint Office of Homeless Services, emergency rent assistance and legal representation funded by the SHS tax — combined with other local, federal, and state funds — have **prevented evictions for 9,320 people in Multnomah County in just the first 18 months**.
- One community-based program, **Oregon Law Center's Eviction Defense Project**, launched with "support from Metro's supportive housing services fund in July 2021 when the first funding was released," according to Metro's March 10 update.
- "[Supportive Housing Services] funds supported **537**

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households who received eviction notices, by providing these households with legal services through the Oregon Law Center,” according to Multnomah County’s FY 2022 Supportive Housing Services Annual Report (<https://bit.ly/MultCoSHSreport>)

(This information furnished by Javier Alomia, Building Our Future Together)

ARGUMENT IN OPPOSITION

Democratizing Housing

For generations, homeownership has been a key part of the American Dream.

And for generations people in our communities were prevented from attaining that goal. Women couldn’t open bank accounts until the 1960s; credit discrimination against women and people of color was legal until 1974.

Even if you had money, there were other barriers. Here is a clause found in the deed of a home sold locally in 2018: “No Negroes, Chinese, or Japanese shall own or occupy property in this neighborhood unless they are a worker or a servant” (<https://bit.ly/OPBraciallyrestrictivecovenants>).

Change is here, and we are proud to be leading the charge. As real estate agents, we work alongside young families, small business owners, seniors and everybody in between to make the dream of homeownership a reality.

Measure 26-238 will impede the progress we are making toward democracy in homeownership by introducing another burdensome tax.

The inability to own homes has had incredibly negative impacts in communities of color, by preventing generational wealth building that other families have long had access to. Our communities are working hard to realize the American Dream of owning their own homes and building equity, Measure 26-238 directly restrains this goal.

While many of us are called to the need that Measure 26-238 identifies, it was constructed without consideration to the lasting economic impact this will have on families of color and already disenfranchised communities.

JOIN US IN VOTING NO ON M26-238

Tony Kelly, President, President Elect, Portland Metropolitan Association of Realtors®
April Henson, National Association of Hispanic Real Estate Practitioners
Javier Alomia, Vice Chair, Hacienda CDC Board of Directors
Gabriela Mann, President, National Association of Hispanic Real Estate Practitioners
Alex Phan, Asian Real Estate Association of America, Portland Chapter
Mel George, Portland Metropolitan Association of Realtors®

Rochelle Yukick, Women’s Council of Realtors, Oregon Chapter
Maabi Munoz, President Elect, National Association of Real Estate Brokers

(This information furnished by Javier Alomia, Building Our Future Together)

ARGUMENT IN OPPOSITION

Support the Black Business Association of Oregon Vote NO on Measure 26-238

At the Black Business Association of Oregon (BBAO), we strive to achieve economic equity that is sustainable and lasting, through economic development and opportunity. We represent hundreds of local, Black-owned businesses. We focus on building up Black businesses, entrepreneurs, students, and communities in the state of Oregon.

Our most important goal is to create economic equity for Black Oregonians and elevate Black businesses. In our work, we proudly represent many of Multnomah County’s small and medium-sized businesses, and local investors in our community.

MEASURE 26-238 WOULD BE AN UNFAIR NEW TAX ON MANY OF THE BUSINESSES WE REPRESENT.

In the Black community, we have long tried to build economic security and generational wealth through homeownership and entrepreneurship—often facing institutional barriers that make it harder to secure capital or compete for opportunities.

For Black businesses to be successful, it is important to have access to the resources they need to thrive and be competitive. **Adding a local capital gains tax runs counter to this goal, and creates a new barrier. That’s out of line with our community’s values.**

And: This tax will not impact the region’s biggest corporations or businesses owned by people who don’t live in Multnomah County—furthering an unfair playing field for our locally-owned businesses. Measure 26-238 would disproportionately affect the Black-owned businesses we represent, and disadvantage Multnomah County’s economic growth.

The good news is that Multnomah County voters have already approved new taxes that fund programs to prevent evictions—making this new tax unnecessary and redundant.

**Join the Black Business Association of Oregon
Vote NO on Measure 26-238
Support Multnomah County’s Black-Owned Businesses**

(This information furnished by Javier Alomia, Building Our Future Together)

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ARGUMENT IN OPPOSITION

Measure 26-238: A New Tax on All Homeowners

Like so many others, we worked hard to be able to save enough money for a down payment on a house in Multnomah County so we could start our families and build a community here. **Measure 26-238 would be an additional burden on homeowners like us who have worked hard to invest in and maintain our properties.** Homeownership for us is a nest-egg for our retirement; most of our savings have been directly reinvested into our homes.

Unlike federal capital gains taxes, this proposed local tax will apply to all proceeds from the sale of our families primary homes. For federal tax purposes, the first \$250,000 in capital gains on the sale of a primary residence (\$500,000 for joint filers), can be excluded from taxation.

Measure 26-238 does not include any exclusions. People selling a home in Multnomah County will be taxed on every dollar.

As homeowners, we strongly oppose the introduction of a new tax—especially because eviction representation programs already exist, funded with the supportive housing tax we proudly voted for three years ago.

The Supportive Housing Services (SHS) tax on higher-income earners and businesses with gross receipts above \$5 million have funded more than **\$51.5 million for housing programs in Multnomah County, including eviction prevention.** We are proud that our community has already come together to address the housing crisis but we cannot afford another tax.

Join us in voting NO on Measure 26-238

Amy Reilly
Bianca McCarthy
Donna Ziegler
Julie Gustafson
Laura Sol
Laurie Byers
Mark Bulka
Michele Gila
Michael Ziegler
Miriam Garcia
Peter Hiebler
Rick Gustafson
Scott Harvey
Traci Hildner

(This information furnished by Javier Alomia, Building Our Future Together)

ARGUMENT IN OPPOSITION

WRONG TOOL, WRONG TIME VOTE NO ON MEASURE 26-238

“Using this kind of tax measure to raise \$15 million a year

seems like using a sledgehammer to pound a nail. **This isn't the right solution.**”
— **Multnomah County Chair Jessica Vega Pederson,**
Willamette Week, March 30, 2022

Measure 26-238s goal is to provide legal representation for renters facing eviction. We support that goal, which is why **we strongly support existing local programs that help renters in eviction court and provide emergency rent assistance. These programs prioritize low-income tenants and are paid for with current taxes.**

“Fortunately, local programs like this already exist and we have the funding to continue them. Measure 26-238 is unnecessary, confusing, and expensive.”
— **Metro President Lynn Peterson**

- The Eviction Defense Project, run by Oregon Law Center, provides free legal assistance to all Multnomah County low-income tenants facing eviction cases.
- The Metro Supportive Housing Services measure, approved by voters in 2020, provides funding for emergency rent assistance and can also be used to fund legal representation for tenants and other eviction-prevention programs.

The last thing we need right now is another tax on local residents and small businesses.

This tax would apply to all Multnomah County residents, regardless of income or ability to pay — including local small business owners, seniors, and homeowners.

**We're voting NO on Measure 26-238
Let's focus on the programs we have — they're working.**

Congressman Earl Blumenauer
State Treasurer Tobias Read
State Representative Zach Hudson
Metro Council President Lynn Peterson
Metro Councilors Ashton Simpson and Mary Nolan
Multnomah County Commissioners Sharon Meieran and
Lori Stegmann
Mayors Ted Wheeler, Travis Stovall, Randy Lauer, and John Miner
Portland City Commissioners Carmen Rubio, Dan Ryan,
Rene Gonzalez, Mingus Mapps
Gresham City Councilor Vince Jones-Dixon
Wood Village City Councilor Jairo Rios-Campos

(This information furnished by Javier Alomia, Building Our Future Together)

ARGUMENT IN OPPOSITION

With no income thresholds in Measure 26-238, retirees like us are not protected.

Every Multnomah County resident is subject to this tax. There are no income thresholds in Measure 26-238, which means your income could be under the poverty level and

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you'd still have to pay this tax if you cash in a government bond, or sell your car. There should be exclusions to protect vulnerable residents, including retirees with limited resources and fixed incomes.

Our Cost of Living is Already High

In case you haven't gotten here yet, getting older can be very expensive. Medical and prescription costs in particular can be crushing. And inflation hits retirees like us, living on fixed incomes, the hardest. As we withdraw savings from retirement investment accounts, we could pay an additional local capital gains tax, reducing our retirement income.

Ours Homes are Our Nest Eggs

Like many middle class Americans, homeownership has been our path to economic stability. Owning a home has been the main way we have built enough equity to support ourselves and our families in emergencies, or for college tuition, and now as retirees. Many of our friends are also depending on the sale of their homes to fund the last years of their lives — things like assisted living or health care costs.

Recent property tax increases have already made it more and more challenging for us to keep the homes we bought decades ago; homes that we put a significant portion of our income into for upkeep and maintenance. Now we are counting on being able to use all of that equity to cover our living expenses.

It would be one thing if only wealthy homeowners would have to pay this tax, but that isn't the case.

Join us in voting NO on Measure 26-238

Donna Ziegler
Mark Bulka
Miriam Garcia
Peter Hiebler
Rick Gustafson
Scott Harvey

(This information furnished by Javier Alomia, Building Our Future Together)

ARGUMENT IN OPPOSITION

NEW CAPITAL GAINS TAX IS NOT AS ADVERTISED MEASURE 26-238'S UNINTENDED CONSEQUENCES

An analysis by Perkins & Co, Portland's largest locally-owned accounting firm, raises serious red flags about Measure 26-238.

Small and Medium-Sized Business Owners Will Pay

Although this tax is intended to be imposed on individuals, we believe this tax would also apply to small and medium-sized business owners.

"In the event that a Multnomah County business owner

must sell their business, which represents their entire net worth, due to personal hardship — for example, to fund medical expenses, or their child's education — **[the business owner] will also have to pay this tax with no other investments to offset any gains.**"

"If the ERA capital gains tax passes, a **Portland small business owner may face an all-in state and local tax rate of over 26.2 percent.** This says nothing of other taxes including property tax and indirect taxes such as fuel, excise, etc."

Homeowners Will Pay

"Residents selling their home would not benefit from the exclusion on the sale of their principal residence and would owe the proposed local capital gains tax on all gains from the sale. This tax could not only disincentivize home ownership in Multnomah County, but could also negatively impact senior residents of the county."

Seniors Will Pay

Seniors often rely on the equity in their homes as a source of retirement income.

"If a senior needed to sell their home to downsize, relocate to a more affordable area, pay for healthcare or end of life costs, this tax would impact them. They would retain less proceeds on the sale of their home due to this tax."

"Due to the seemingly simplistic nature of this tax as proposed, we believe there may be several unintended consequences making this tax anything but simple." — Perkins & Co analysis of Measure 26-238, February 16, 2023.

Read the whole report: www.BuildingOurFutureTogether.org/TaxAnalysis

(This information furnished by Javier Alomia, Building Our Future Together)

ARGUMENT IN OPPOSITION

Professional accountants at Perkins & Co found **so many red flags in Measure 26-238**, it takes two statements just to cover the highlights.

Guess Who Won't Pay Their Fair Share? Big Corporations and Wealthy Investors

Big companies like Citibank and Walmart will not pay a dime, no matter how much profit they make in Multnomah County because only "residents" of the county are required to pay.

"We believe this tax would also apply to small and medium-sized business owners. Businesses organized as pass-through entities such as a sole proprietorship, partnership,

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limited liability company (**except those electing to be taxed as a C corporation**), and S corporation are taxed at the individual level.”

Wealthy investors can offset their gains.

“A wealthy investor is more likely to make riskier investments and have access to sophisticated advice on how to manage their portfolio to avoid taxes. We believe that this could put the **small business owner or middle-class investor at a disadvantage and more likely to pay this tax than wealthy residents.**”

“Volatile, Cumbersome, and Costly”

“Capital gains taxes are volatile and unpredictable sources of revenue, making it difficult to budget accurately to fund programs... this volatility could lead to political pressure to **increase the local capital gains tax rate or to impose new taxes** to make up for revenue shortfalls...”

“Given that this tax is anything but simple, this could mean that the [administrative and collection] **costs would be even higher** due to the processing of a separate return for the County, developing a filing system, monitoring compliance, issuing notices, auditing returns in addition to providing taxpayer education and responding to inquiries.”

Read the whole report: www.BuildingOurFutureTogether.org/TaxAnalysis

(This information furnished by Javier Alomia, Building Our Future Together)

ARGUMENT IN OPPOSITION

Corporations never pay their fair share.

Measure 26-238 lets them off the hook again.

We’ve all seen some version of this headline: “55 Corporations Paid \$0 in Federal Taxes in 2020.” (Institute on Taxation and Economic Policy, April 2021)

So it begs the question, how do they do it?

Mostly through fancy account schemes the rest of us can’t use, like accelerated depreciation, profit shifting, offshoring of profits, deductions and tax credits.

Wait, what? Will corporations pay the Measure 26-238 tax like the rest of us?

No. Corporations will not be taxed under Measure 26-238, no matter how much they profit from their businesses in our county.

Why?

Beats us.

No, really. This measure is so poorly worded that Measure

26-238 ensures that only “residents” of the county are required to pay this new tax, meaning that no corporations will pay this tax.

So – would Goldman Sachs, Starbucks, Target, Staples, Citigroup, Capital One, BlackRock, or any of these other big corporations pay?

Nope.

Who would?

You.

VOTE NO ON MEASURE 28-238

(This information furnished by Javier Alomia, Building Our Future Together)

ARGUMENT IN OPPOSITION

A Tale of Two Capital Gains Taxes

You can learn a lot about a ballot measure by reading what’s in the full text. Or, in the case of Measure 26-238 — **taking note of what’s missing.**

The six-page measure has just one small section describing the actual tax: “Residents in Multnomah County shall pay a tax on net capital gains as defined by the Internal Revenue Code. The initial rate for this tax shall be 0.75%. The rate for this tax may be adjusted by Multnomah County as necessary to ensure compliance with the program objectives as set forth in this ordinance.”

That’s it. No exceptions or exemptions. No deductions. No one is off the hook. No protections for anyone.

Compare that with the capital gains tax from Washington State — it has entire sections devoted to making sure middle class families and workers are protected, **making it clear who does and doesn’t pay.**

Check it out:

**Washington State
County**

RCW 82.87
238

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REAL ESTATE?

Yes, exemption
exemptions

Nope, no

RETIREMENT ACCOUNTS?

Yes, exemptions
mentioned

Not even

SELLING THE FAMILY-OWNED SMALL BUSINESS?

Yes, deduction
that

Nothing about
that

The printing of these arguments does not constitute an endorsement by Multnomah County, nor does the county warrant the accuracy or truth of any statements made in the arguments.

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STANDARD DEDUCTION?

Yes, annually
Nothing

Those Washington State exemptions and deductions ensure only people in a financial position to sell large assets are impacted by the tax. Progressive tax advocates in Washington State call that structure a “tax on the ultra-rich” aimed at “the excessive profits of Washington’s mega-millionaires and billionaires.” That is also the false claim of the proponents of this tax.

Then there’s Measure 26-238, which will impact everyone.

When confronted with the flaws in this measure, a campaign spokesperson told Willamette Week the County Board of Commissioners can “align it later.”

But there’s zero guarantee that will happen.
Do you want to make that bet on your family’s financial future?

(This information furnished by Javier Alomia, Building Our Future Together)

ARGUMENT IN OPPOSITION

Measure 26-238 is a regressive tax policy.

The best tax policies are structured so that those who have the most, pay the most. That is not what is in front of us.

Most taxes have “brackets,” with rising rates for rising incomes. Not Measure 26-238.

We are being asked to support a new tax on all capital gains on all types of assets and property, including certain retirement accounts, local small business income, and family home sales, starting at the first dollar of gain, without regard to income or ability to pay.

And if that isn’t bad enough, **the rate will likely have to be adjusted from year to year to account for uncertain program costs and the fluctuating nature of capital gains.**

See: “Sec 4.D. The Fund shall **accrue and then maintain reserve funds adequate to ensure 18 months of continued operation of the ERA program.**”

Q. Is this normal you might be wondering?
A. No. Not at all.

We looked and looked and couldn’t find another tax where the rate could be, and is intended to be, adjusted regularly with no guidance on who pays how much, and at what level.

In fact, taxes applied to all residents at the same rate, regardless of income, are regressive and highly inequitable.

When questioned about the flaws, measure proponents say, “that can be fixed later”.

Q. What is the tax rate for Measure 26-238?

A. Good question, it starts at .75% on the first dollar of capital gains, for all residents of Multnomah County.

But there is no limit on how high the tax rate could go, and the costs of the program required under the measure are uncertain.

**Reject Regressive Taxes
Vote No on Measure 26-238**

(This information furnished by Javier Alomia, Building Our Future Together)

ARGUMENT IN OPPOSITION

NEW TAX = NEW HEADACHES, FINES, AND PENALTIES

Remember the February headlines? Late notices, penalties, and fines for people who didn’t realize they owed new local taxes that fund homeless services or preschool. Those new taxes only apply to higher-income earners.

But Measure 26-238 will apply to everyone who lives in Multnomah County with a capital gain — regardless of income.

For many people, gains from selling a home or tapping retirement investments are exempt from other taxes. **But Measure 26-238 has no exemptions.**

HOW WILL YOU KNOW WHAT YOU OWE?

Great question! Local taxes don’t always show up in TurboTax or other tax software, and not everyone hires an accountant.

Like the Portland Arts Tax, it will be too **easy to forget** — especially if the amount owed is small.

WHAT HAPPENS IF YOU DON’T PAY?

Multnomah County will need to implement penalties and fees for Measure 26-238 — important for tax accountability.

If they’re similar to Preschool for All’s penalties? Expect up to **25% in late filing fees, 5% underpayment penalties, and 10% interest** on any unpaid tax. Eventually, **\$500 penalties** can also be added, for each violation.

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HERE'S AN EXAMPLE:

A family sells their home, realizes **\$200,000 in net capital gains**, and uses that equity toward a new house that meets their current needs.

Next March, they file their taxes with online software. The home sale gains aren't taxed federally, and the software doesn't calculate the new local tax.

Fast forward to November 2024: The family gets an official notice: **they owed \$1,500**. Now seven months late, **\$600 in penalties and interest are added. That's \$2,100**.

But the home sale proceeds aren't in their bank account anymore. The family files, but scrambles to find \$2,100; if they don't pay in 60 days, it's a possible **\$500 fine**.

HERE'S ONE THING NO ONE SHOULD FORGET: VOTE NO ON MEASURE 26-238

(This information furnished by Javier Alomia, Building Our Future Together)

ARGUMENT IN OPPOSITION

Every day, our organizations and our members are working to build a strong local economy. We live here and work here. We are committed to policies that are socially and economically sustainable, and solutions that are fair and equitable to individuals and local businesses.

Measure 26-238 isn't fair or equitable. It will hurt our small and mid-sized business, and our economy. We urge you to vote no.

Our organizations aren't opposed to all taxes, and we've supported measures and policies that provide affordable housing and fund other housing stability programs.

In fact, taxes many of us already pay through the Supportive Housing Services measure — passed by voters in May 2020 — fund eviction prevention programs, including legal representation for tenants. That makes Measure 26-238 unnecessary.

Measure 26-238 is also poorly written, and will have a much broader tax impact than its supporters are saying. Multnomah County residents, including seniors and middle class families, will pay this tax. Small and mid-sized locally owned businesses will pay this tax. Seniors on the verge of retirement will pay this tax.

In December, Willamette Week ran a story that compared "Portland to similarly sized U.S. cities, mostly in the West, in categories from minimum wage to tallest building." They found that Portland has a "top marginal tax rate of 14.7%,

higher than any other city we examined."

We don't need another tax on everyone, to fund a service that's already provided, when local taxes are high enough. Join us in voting no on Measure 26-238.

Black Business Association of Oregon
East Metro Association of REALTORS®
Gresham Area Chamber of Commerce
Home Building Association of Greater Portland
Oregon Business & Industry
Oregon Smart Growth
Portland Business Alliance
Portland Metropolitan Association of Realtors®
Revitalize Portland Coalition
Working Waterfront Coalition

(This information furnished by Javier Alomia, Building Our Future Together)

ARGUMENT IN OPPOSITION

Dear Neighbors,

Our mission at the Portland Business Alliance is to doggedly advocate for our entire community's health and prosperity. We believe wholeheartedly that Portland's best days are ahead. Collectively, our members employ over 500,000 people. The thousands of local business owners we represent range from solopreneurs to some of our largest local employers.

We and our members have actively supported recent local tax measures to fund solutions to our homelessness and housing crisis like the Portland Housing Bond, Metro Housing Bond, and Metro Supportive Services measure.

But we strongly oppose Measure 26-238.

Multnomah County residents are already paying for and receiving the renter protection and support services included in this measure through existing funding streams. And the state legislature just added more money to those funding streams.

Measure 26-238 will disproportionately impact locally owned businesses, including restaurants and other small businesses that are just getting back on their feet after the pandemic.

Small business owners who live in Multnomah County will pay this new tax, while their counterparts in neighboring counties will not. We have a regional

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economy and community and adding this additional tax only to entrepreneurs in one county, is a disincentive for them to live in the communities where they work.

Proponents made the tax rate adjustable with no cap on how high it could go, nor do voters get to approve any increases in the rate.

This measure is a tax on all residents of Multnomah County, regardless of income or ability to pay. And it applies to critical family support devices like mutual fund investments for your grandchildren's college fund, or younger workers' small investment accounts.

While our community focuses on rebuilding after the pandemic, this is the last thing we need. Adding a difficult-to-navigate and punitive tax to local businesses, homeowners, seniors, and young savers is reckless and unnecessary.

Please vote No on Measure 26-238.

**Portland Business Alliance
Portland Small Business Council**

(This information furnished by Javier Alomia, Building Our Future Together)

ARGUMENT IN OPPOSITION

MEASURE 26-238 DOESN'T MAKE FINANCIAL SENSE

As current and former Oregon State Treasurers, we've focused on strengthening Oregonians' financial security—providing tools and opportunities to help workers, seniors, and families plan for the future.

We've also ensured our state has the financial tools to support priorities like affordable housing and a strong economy.

That's why we oppose Measure 26-238.

This new local tax has **no exceptions or protections** for seniors and workers planning for their retirement, parents saving and investing for their kids, or small business owners building their own financial future. And it's the **wrong tool** to fund an important program like eviction prevention.

Measure 26-238 will impact everyone.

- **No exemption for retirement investment accounts**, making it harder for seniors to afford retirement.
- **No exemption for selling a home**, taking away equity a homeowner may need to fund retirement, or find a

different home that better meets a family's needs.

- **No deduction for selling a family-owned small business**, leaving less for a small business owner who built something from scratch.
- **No deduction or minimum threshold to protect modest financial gains**. Even a dollar of capital gains would be taxed.

And a capital gains tax is a volatile source of funds, with revenue fluctuating year to year. **That makes it the wrong tool for a local eviction prevention program, which needs stable funding to meet tenants' needs.**

Fortunately, **Multnomah County already has the right tools.** Funds from a voter-approved supportive housing measure already go into emergency rent assistance and legal representation programs. Thousands of tenants have been stabilized since that funding started in July 2021.

**Measure 26-238 doesn't make financial sense.
Please vote NO by May 16.**

State Treasurer
Tobias Read

Former State Treasurers
Ted Wheeler
Randall Edwards

(This information furnished by Javier Alomia, Building Our Future Together)

ARGUMENT IN OPPOSITION

**East Multnomah County
will pay a higher price if this measure passes.**

Often Portlanders think that "East County" starts on the east side of I-205.

But you'll have to head a little further to truly discover the many cities and communities that make up the eastern portion of our county. We are proud to hail from Gresham, Fairview, Troutdale, Wood Village, Corbett, and communities east, almost to Cascade Locks.

East Multnomah County is a diverse mix of opportunity, possibility, and challenges.

It may surprise you to learn that **the percentage of people of color living in East County communities is in many cases much higher than in Portland**, especially among Latino and Black residents.

Many more of our residents are workers without college degrees, which means **our median and per capita incomes are much lower than Portland's**, and

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poverty rates are higher.

But we also have a higher rate of homeownership and many, many entrepreneurs with locally owned small businesses.

Many of our homeowners are already struggling to keep up with rising property taxes. This measure has no protection for the equity homeowners have been built over time – often the only investment working families have.

Local family business owners will all have to calculate and pay this tax in years they are in the black, even when the next they could be deeply in the red.

There is no limit to how high the tax could go, no guidance on how to “step up or step down” the rates, and voters will not get to weigh in on future changes.

If you genuinely care about diversity, equity, and fairness, vote no.

East County residents will pay a higher opportunity cost than Portlanders for M26-238.

Please join us in voting NO

Multnomah County Commissioner Lori Stegmann
State Representative Zach Hudson
Gresham Mayor Travis Stovall
Troutdale Mayor Randy Lauer
Wood Village Mayor John Miner
Gresham City Councilor Vince Jones-Dixon
Wood Village City Councilor Jairo Rios-Campos

(This information furnished by Javier Alomia, Building Our Future Together)

ARGUMENT IN OPPOSITION

NO ON 26-238: THE WRONG TAX AT THE WRONG TIME

“The county with the second-highest top marginal income tax rate in the country will ask voters to consider adding another tax—this one a 0.75% tax on capital gains,”
Willamette Week, December 29, 2022.

WE HAVE PROGRAMS AND FUNDING IN PLACE THIS IS AN UNNECESSARY NEW PROGRAM

Measure 26-238 calls for a large, new program to provide legal representation and rent assistance for all tenants, regardless of income, administered by Multnomah County. We already have programs in place that have helped nearly 10,000 renters in Multnomah County in the last 18 months.

Support for tenants who have fallen on hard times and are

facing eviction is a proven way to prevent homelessness. That’s why we support the local programs that already exist, paid for with current taxes, to assist low-income tenants.

A NEW TAX OUR COMMUNITY CAN’T AFFORD

Measure 26-238 creates a new capital gains tax on EVERY resident of Multnomah County, regardless of income. There are no exceptions or exclusions to protect vulnerable residents from this new tax.

And the county will be required to adjust the capital gains tax rate every year to ensure adequate funding for the program. There’s no limit on how high the new tax can go.

Our local taxes are already among the nation’s highest. We don’t need another tax when these funds and programs already exist.

Measure 26-238 creates more problems than it solves.

VOTE NO BY MAY 16

IBEW Local 48
Hacienda CDC

(This information furnished by Javier Alomia, Building Our Future Together)

ARGUMENT IN OPPOSITION

Taxpayers Association of Oregon

VOTE NO ON 26-238

Multnomah County has the **second-highest** marginal individual income tax rate in the United States after New York City.

Portland businesses and residents already have to deal with more than 10 different taxes:

1. Federal income
2. State income
3. Property taxes
4. Oregon Corporate Activity Tax (CAT)
5. Multnomah County Business Income Tax
6. Multnomah County Preschool for All tax
7. Metro Supportive Housing business tax
8. Metro Supportive Housing personal tax
9. Portland Business License Fee
10. Portland Arts Tax
11. Portland Clean Energy Surcharge tax on retail sales

If Measure 26-238 passes, a typical Portland business

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owner with a sole proprietorship, S corporation, partnership, or limited liability company could pay a **67.1%** tax rate.

They're coming for your house

You will be taxed on every dollar you make from selling your home.

Unlike federal and state capital gains taxes, Measure 26-238 does not exclude gains from the sale of a principal residence.

Measure 26-238's tax is based only on the Internal Revenue Code definition of net capital gains—but the measure does not include language regarding exclusions.

They're coming for your retirement

If your retirement account made money over all the years you've been saving, you will have to pay Measure 26-238's tax on all of your capital gains.

If you have to cash out your investments or sell your business to pay for medical expenses or your kids' college tuition, **you will have to pay Measure 26-238's tax on all of your capital gains**.

The tax is "adjustable" which means expect it to go up.

Measure 26-238 set an "adjustable" tax rate of 0.75%. Once this tax is enacted, expect the politicians to keep raising it.

VOTE NO ON 26-238

follow us at OregonWatchdog.com

(This information furnished by Jason Williams)

ARGUMENT IN OPPOSITION

Taxpayers Association of Oregon VOTE NO ON 26-238

7 ways Multnomah and Portland are wasting your tax dollars

#1. \$18,000 of tax dollars to send Multnomah and Portland politicians to Europe for a meeting (Willamette Week 6/30/2022).

#2. Multnomah bought 22,700 brand new tents and 69,514 brand new tarps to lavish on the homeless. That is nearly five free tents/tarps per homeless person (KGW-TV 12/7/22)

#3. Multnomah County gave out \$500 cash loaded debit cards to the homeless. No wonder homeless grew 22% in Oregon while it grew .3% nationwide (OPB 12/24/23).

#4. Portland ended up with a \$62 million projected budget surplus in 2021 and \$35 million surplus in 2022. Where did this near \$100 million tax surplus go? (Oregonian 10/8/21, Willamette Week 5/6/2022).

#5. Portland unloaded millions of city taxpayer dollars in grants to private business marijuana shops while police were defunded, 911 calls hit record delays, street trash was left to expand into mountain-sized problems and pot holes remained unfixed.

#6. Over \$85 million of tax dollars and government help for a private (yes, private) luxury Portland hotel that barely lasted one year before facing closure (Willamette Week 4/1/20).

#7. Portland gave out \$3 million in cash loaded \$364 debit cards to random strangers with the promise that they would use it for personal internet expenses. No record of who used it or how it was spent. One person alone took home 6 debit cards. (KGW 10/21/21)

No New taxes until politicians cut the waste

Follow us on OregonWatchdog.com

(This information furnished by Jason Williams)

ARGUMENT IN OPPOSITION

Oregon Small Business Association Encourages a No vote on 26-238

MEASURE 26-238 IS AN ATTACK ON SMALL BUSINESS OWNERS

The measure says that businesses are not subject to the tax. But, read the fine print.

If you're a sole proprietor or own an S corporation, partnership, or limited liability company **Measure 26-238 will be coming after you.**

Income from sole proprietorships, partnerships, limited liability companies, and S corporations "passes through" to the owners. **Most small business income is taxed at the individual level.**

Most Multnomah County small business owners' business income is reported on their individual income tax returns. That means Measure 26-238 will tax every dollar of capital gains earned by the business that passed through to the Multnomah County owner.

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NO HARDSHIP EXEMPTION

Measure 26-238 doesn't care if times are tough. If you're a Multnomah County small business owner, you will be hit with the tax when you sell your business.

- If you sell because **you have to retire, you'll have to pay** the Measure 26-238 tax.
- If you sell to **pay medical bills, you'll have to pay** the Measure 26-238 tax.
- If you sell to **pay your kid's college tuition, you'll have to pay** the Measure 26-238 tax.
- If you sell **because the economy is in recession, you'll have to pay** the Measure 26-238 tax.

"ADJUSTABLE" MEANS THE TAX RATE WILL ONLY GO UP

Measure 26-238 set an "adjustable" tax rate of 0.75%.

We've all been here before ... Do you really think Multnomah County would ever lower the tax rate?

Of course not—the only way is up.

VOTE NO ON 26-238—WE CAN'T AFFORD IT

(This information furnished by TJ Reilly, Oregon Small Business Association)