



Department of County Management  
Division of Assessment, Recording & Taxation

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October 21, 2014

To: Multnomah County Taxing Districts

From: Gary Bartholomew, Tax Revenue Manager

**Re: Comcast Tax Appeal Update**

On October 2, 2014, the Oregon Supreme Court issued its decision in *Comcast vs. Oregon Department of Revenue* (attached). This property tax case concerns the taxation of cable and internet service providers. Given the substantial amount of tax revenue at issue in this matter, this case has been of interest to the communications industry as well as local taxing jurisdictions in Oregon, like Multnomah County.

There were two issues in *Comcast*. The first issue concerned the proper method of assessment (local assessment vs. central assessment by the DOR). The choice of method is important because, generally, central assessment results in a much higher tax. In its' October 2<sup>nd</sup> decision, the Oregon Supreme Court upheld DOR's change of method in 2009 from local assessment to central assessment.

The second issue was whether Measure 50 limits the increase in taxable value that would otherwise occur as a result of the DOR's change from local to central assessment. The court has sent this question back for consideration by the Oregon Tax Court---the Tax Court did not address this question when it issued its original decision.

Shortly after this litigation began, the counties obtained authority to defer the billing of taxes in situations like this that involve a large sum of money plus very high rates of interest. Per Board approval, the Multnomah County Assessor has been deferring the billing of taxes to Comcast to protect Multnomah County's funds. Because a significant question of value remains in the Comcast lawsuit, the Assessor recommends that the deferred billing credit continue.

A summary of the deferred billing credits are stated below:

| Taxpayer            | Tax Year | Original Value | Undeferred Value | Deferred Value | Original Levy | Undeferred Levy | Deferred Billing Credit |
|---------------------|----------|----------------|------------------|----------------|---------------|-----------------|-------------------------|
| Comcast Corporation | 2009     | 318,952,100    | 48,688,193       | (270,263,907)  | \$5,112,776   | \$783,750       | (\$4,329,026)           |
| Comcast Corporation | 2010     | 338,520,300    | 44,685,194       | (293,835,106)  | \$5,405,979   | \$716,688       | (\$4,689,291)           |
| Comcast Corporation | 2011     | 351,391,900    | 41,082,449       | (310,309,451)  | \$6,190,979   | \$657,067       | (\$5,533,912)           |
| Comcast Corporation | 2012     | 375,816,900    | 37,795,853       | (338,021,047)  | \$7,436,062   | \$608,043       | (\$6,828,019)           |
| Comcast Corporation | 2013     | 407,218,200    | 34,772,185       | (372,446,015)  | \$8,456,930   | \$587,409       | (\$7,869,521)           |
| Comcast Corporation | 2014     | 455,633,900    | 31,990,410       | (423,643,490)  | \$8,847,112   | \$540,416       | (\$8,306,696)           |
|                     |          |                |                  |                |               |                 | (\$37,556,465)          |