

Department of County Management Division of Assessment, Recording & Taxation

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To: Multnomah County Taxing Districts

From: Claire Goldsmith, Finance Supervisor

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 2nd 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. In May 2015, the DOR reported that the Tax Court case management hearings had concluded and that trial dates will be set soon. The opinion of the DOR was that the case will definitely go on to the US Supreme Court and continue at least several more years.

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)
Comcast Corporation	2015	469,303,300	29,431,178	(410,440,945)	\$9,567,792	\$492,338	(\$9,075,454)
•		•	•			•	(\$46,631,919)