



**Program #72008B - FRM Motor Vehicle Tax** FY 2024 Proposed

**Department:** County Management **Program Contact:** Eric Arellano  
**Program Offer Type:** New **Program Offer Stage:** Proposed  
**Related Programs:** 72008A  
**Program Characteristics:** One-Time-Only Request

**Executive Summary**

Finance & Risk Management (FRM) Motor Vehicle Tax Program focuses on the administration and enforcement of the Motor Vehicle Rental Tax (MVRT) charged on the rental of cars and light trucks within the County. The program also addresses possible code changes being considered to generate additional revenue for the General Fund.

**Program Description**

The Motor Vehicle Rental Tax (MVRT) is charged on the rental of cars and light trucks within the County. It is currently set at a rate of 17% of rental fees. A portion of the tax (2.5%) is passed through to the Visitors Development Fund to support tourist activities. The Treasury staff currently collects and records tax collections. This program will provide additional audit capacity, tax code enforcement, and will focus on identifying taxpayers who potentially should be paying the tax. The program will also enhance collection methods, tax forms, tax guidance materials, and provide enhanced support to taxpayers. This program funds a limited duration Senior Finance Specialist dedicated to the Motor Vehicle Rental Tax. Factors like revenue generation, reduction in noncompliance, reduction in audits and reduction in delinquency will be assessed to determine the effectiveness of this position prior to submitting a proposal for FY 2025 ongoing funding.

**Performance Measures**

Measure Type	Primary Measure	FY22 Actual	FY23 Budgeted	FY23 Estimate	FY24 Offer
Output	Delinquent accounts discovered and collected through audit	N/A	5	3	5
Outcome	Recover costs of program with new, ongoing revenue	N/A	100%	N/A	100%
Output	Provide enhanced tax guidance materials and direct taxpayer support*	N/A	N/A	N/A	1

**Performance Measures Descriptions**

\*1=achieved; 0=not achieved. There are no FY 2023 performance measure estimates because the position was filled in December 2022. We do not yet have enough data to ascertain the effectiveness of the role.

## Legal / Contractual Obligation

Oregon Revised Statutes ORS 294 and 295 (primarily ORS 294.035), Multnomah County Code Chapter 12 (BIT) and Chapter 11.

## Revenue/Expense Detail

	Adopted General Fund	Adopted Other Funds	Proposed General Fund	Proposed Other Funds
Program Expenses	2023	2023	2024	2024
Personnel	\$159,527	\$0	\$160,884	\$0
Materials & Supplies	\$15,473	\$0	\$14,116	\$0
<b>Total GF/non-GF</b>	<b>\$175,000</b>	<b>\$0</b>	<b>\$175,000</b>	<b>\$0</b>
<b>Program Total:</b>	<b>\$175,000</b>		<b>\$175,000</b>	
<b>Program FTE</b>	0.00	0.00	0.00	0.00

Program Revenues				
Taxes	\$175,000	\$0	\$0	\$0
<b>Total Revenue</b>	<b>\$175,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

## Explanation of Revenues

This program is supported by General Fund revenues.

## Significant Program Changes

Last Year this program was: FY 2023: 72008B FRM Motor Vehicle Tax