



Program #72008B - FRM Motor Vehicle Tax FY 2025 Department Requested

Department: County Management **Program Contact:** Eric Arellano
Program Offer Type: Operating **Program Offer Stage:** Department Requested
Related Programs: 72008A
Program Characteristics: In Target

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 regional tourist activities. The Treasury staff currently collects and records tax collections. This program provides additional audit capacity, tax code enforcement, and has a focus on identifying new taxpayers to maintain tax equity. The program will also enhance collection methods, tax forms, tax guidance materials, and provide enhanced support to taxpayers. This program funds a Senior Finance Specialist dedicated to the Motor Vehicle Rental Tax. Factors like revenue generation, reduction in noncompliance, number of audits and reduction in delinquency will be assessed to determine the program effectiveness.

Performance Measures

Measure Type	Performance Measure	FY23 Actual	FY24 Budgeted	FY24 Estimate	FY25 Target
Output	Delinquent or noncompliant accounts discovered and collected through audit*	N/A	5	7	3
Outcome	Recover costs of program with new, ongoing revenue**	N/A	100%	100%	100%
Output	Provide enhanced tax guidance materials and direct taxpayer support***	N/A	1	1	1

Performance Measures Descriptions

*This reflects the total number of accounts identified through audit to be delinquent and non-compliant. Identifying delinquent/noncompliance accounts timely helps ensure they are corrected and adhere to the County tax code.
 ** Annual tax receipts collected through audit exceed the cost of the program
 *** 1=achieved; 0=not achieved.

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	Department Requested General Fund	Department Requested Other Funds
Program Expenses	2024	2024	2025	2025
Personnel	\$160,884	\$0	\$167,700	\$0
Materials & Supplies	\$14,116	\$0	\$14,116	\$0
Total GF/non-GF	\$175,000	\$0	\$181,816	\$0
Program Total:	\$175,000		\$181,816	
Program FTE	0.00	0.00	1.00	0.00

Program Revenues				
Taxes	\$0	\$0	\$0	\$0
Total Revenue	\$0	\$0	\$0	\$0

Explanation of Revenues

This program is supported by General Fund revenues.

Significant Program Changes

Last Year this program was: FY 2024: 72008B FRM Motor Vehicle Tax

The position in the program was converted from a limited duration one-time only request to a full time ongoing request. After a year of work we determined the function is needed ongoing to maintain taxpayer compliance.