

**BEFORE THE BOARD OF COUNTY COMMISSIONERS  
FOR MULTNOMAH COUNTY, OREGON**

**RESOLUTION NO. 2021-029**

Resolution Approving Amendment to Intergovernmental Agreement to Share Business Income Tax with the Cities of Gresham, Troutdale, Fairview, and Wood Village

**The Multnomah County Board of Commissioners Finds:**

- a. The County and the Cities of Gresham, Troutdale, Fairview, and Wood Village (the “East County Cities”) entered into an intergovernmental agreement (IGA) on July 14, 1988, with minor modification made in 1998, describing how the parties would administer and share business income tax (BIT) revenue collected in the East County Cities.
- b. The interests of the business community are best served when a system of taxation does not impose duplicative administrative and reporting requirements. The IGA ensures tax collections follow a uniform tax code, simplifies the filing process for taxpayers, and reduces administrative costs for all parties.
- c. On March 19, 2020, the County approved an increase to the BIT rate from 1.45% to 2.00%, effective for the tax year beginning January 1, 2020. The County also increased the gross receipts exemption from \$50,000 to \$100,000 and increased the owners’ compensation allowance deduction from \$108,000 to \$127,000.
- d. On May 28, 2020, the County approved an amendment to the IGA that provided a change to the collective share calculation beginning in tax year 2020. Through the amendment, East County Cities received 3.0% of the estimated new BIT revenues from tax rate increase, net of other tax code changes (increases to gross receipt exemption and owners compensation deduction). The amendment expires on June 30, 2021.
- e. The attached amendment maintains the revenue share split with East County Cities approved in May 2020 (East County Cities will receive 3.0% of the estimated new BIT revenues from the tax rate increase, net of tax code changes), increases the notice period to East County Cities from 60 to 90 days for any amendment to Multnomah County Code (MCC) § 12.500, and requires the County to make all reasonable efforts to work with its BIT administrator, the City of Portland, to obtain certain East County business activity apportionment data for future tax years from business filers.
- f. The parties will reconvene to assess the “collective share” approach of the IGA when sufficient apportionment data from business filers in East County Cities is available, but not after July 1, 2026.
- g. BIT receipts that are shared with the East County Cities support essential public services.
- h. This amendment will be effective July 1, 2021

**The Multnomah County Board of Commissioners Resolves:**

The Board of County Commissioners approves the attached Amendment No. 2 to the City of Gresham, City of Troutdale, City of Fairview And City of Wood Village Multnomah County Business Income Tax Intergovernmental Agreement.

**ADOPTED this 29th day of April, 2021.**



BOARD OF COUNTY COMMISSIONERS  
FOR MULTNOMAH COUNTY, OREGON

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Deborah Kafoury, Chair

REVIEWED:

JENNY M. MADKOUR, COUNTY ATTORNEY  
FOR MULTNOMAH COUNTY, OREGON

By   
William Glasson, Senior County Attorney

**SUBMITTED BY:** Eric Arellano, CFO