

Remember in 2022, when we all heard about the Portland housing tax after the fact? Portland was kind enough to waive most fees in the year of 2021, knowing they hadn't done a good job of getting the word out about the new tax. By the following year, the city has taken a stronger stance, issuing penalties and interest on unpaid or late taxes.

Your tax board has discussed this issue at length. On the one hand, we are the **Oregon** Board of Tax Practitioners, not the **Portland** Board. These local taxes don't even apply to about half of the population. Do we even have any jurisdiction here? On the other hand, about half of the population **does** live and work in this area.

The board has decided that it is a matter of ethics and competency. Licensees who have any client who may be subject to an income-based tax bears the responsibility to notify the client of the taxes. They are not required to complete such taxes (see below for a list of taxes, as of the writing of this notice). They are expected to notify clients that the taxes exist, that the client may be subject to the taxes, and where they can get more information. We recommend putting this information in writing, for your own protection.

Here are the current local, personal, income-based taxes in Oregon:

- Transit taxes: Both the Tri-Met district (Tri-county, which refers to Multnomah, Washington, and Clackamas counties) and Lane County district have a tax on self-employment income. These are generally based on any work done within those districts. For example, if your office is in Yamhill county, but you travel into the Tri-Met district for work from time to time, you'd need to pay the tax on just the income you did within that district. For more information, go to <https://trimet.org/taxinfo/> and <https://www.ltd.org/payroll-self-employment-tax-information/>

- Metro Taxes: The Metro Supportive Housing Services Personal Income Tax is a 1% tax on single taxpayers who live and/or work within the Metro area with income over \$125,000, or joint taxpayers in the area with income over \$200,000. The Multnomah Preschool For All Personal Income Tax is a 1.5% tax on single taxpayers who live and/or work within Multnomah County with income over \$125,000, or joint taxpayers in the county with income over \$200,000, and an additional 1.5% (for a total of 3%) on single taxpayers in the county with income over \$250,000, or joint taxpayers in the county with income over \$400,000. For more information on both of these taxes, go to <https://www.portland.gov/revenue/personal-tax>.
- The Corporate Activity Tax (sometimes called the CAT tax) is instituted on all types of businesses (C-corps, S-corps, partnerships, and sole props), if their **gross** income is over one million dollars, with some caveats. Businesses are required to register before they meet that threshold, so if you have any business that comes anywhere close to \$1 million, make sure you're aware of the law and requirements. More information can be found at <https://www.oregon.gov/dor/programs/businesses/pages/corporate-activity-tax.aspx>
- The Eugene Community Safety Payroll Tax has a payroll component that functions a lot like the statewide transit tax. This has a fixed percentage that is deducted from a W-2 employees pay. There are two additional components which are a tax on businesses and a self-employment tax for individuals. If you have clients who live and/or work in the Eugene area, make sure you're up-to-date on these changes. More information can be found at <https://www.eugene-or.gov/4281/Community-Safety-Payroll-Tax>

The following taxes do not fall under this decision:

- The Portland Arts Tax, which is a flat \$35 for individuals who live within the City of Portland.
- Personal and business property taxes
- Payroll taxes such as unemployment, withholding, etc.