

REVENUE SOURCES FOR PORTLAND

Cities face new demands that can only be met with new revenue. Portland's taxes are already skewed toward the property tax, and our federal and state governments rely heavily on the income tax; so consider 2 new sales taxes.

1. A tax on served food and beverages. Portland's food scene is a major tourist draw. Ashland and Yachats levy 5%. NH, without a general sales tax, levies 9%. A restaurant bill in LA or Seattle contains about a 10% sales tax. Even at 3%, an F & B tax that is broad-based, including food carts and other venues, can derive serious revenue. The restaurant business is challenging, but this tax is trivial, still leaving room for price increases, and it will often be paid by tourists who did not travel to Portland because we have no sales tax.
2. A tax on gross business sales receipts or a gross profit tax in place of the Pdx BizTax (at least the city's portion). The US business census of 2012 estimated Portland business sales at \$76B. Even at a 0.3% rate, this tax could double or triple the revenue derived from the present business income tax. No business can operate in Portland without the support that government provides, so a floor to this tax may not be necessary, but a tax holiday for start-ups might make sense. If business helps devise this tax, it could be a win-win change for the advocates of public services and for business.

Jennings, Gayla

From: Roberta Palmer <roberta.palmer35@gmail.com>
Sent: Thursday, November 10, 2016 4:02 PM
To: Jennings, Gayla
Subject: Jan 4 communication

Hi Gayla,

Per our phone conversation, I would like to address the city council Jan 4, 2017 (or any other Wed. in Jan/Feb) about the need for new revenue sources, specifically a food-and-beverage tax and a switch from the current corporate income tax to a gross receipts tax on business in Portland.

Thanks!

Roberta Palmer
333 NW 9th Ave Unit 1201
Portland, OR 97209

503-774-4667

Request of Roberta Palmer to address Council regarding new revenue sources specifically a food-and-beverage tax and switch from corporate income tax to a gross receipts tax (Communication)

JAN 04 2017

PLACED ON FILE

Filed DEC 27 2016

MARY HULL CABALLERO
Auditor of the City of Portland

By  Deputy

COMMISSIONERS VOTED AS FOLLOWS:		
	YEAS	NAYS
1. Fritz		
2. Fish		
3. Saltzman		
4. Eudaly		
Wheeler		