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191450

Ordinance

Amend Business License Law Code to require certain tax returns be filed electronically (amend Code Section 7.02.510)

Passed

The City of Portland ordains:

Section 1. The Council finds:

1. Electronically filed tax returns enhance administrative efficiency by reducing data entry errors during return processing and reducing the time required to enter tax return data into the return processing system.
2. Having the City's tax forms available for taxpayers to file electronically will benefit taxpayers and tax preparers by allowing them to prepare and file tax returns within the same software.
3. Not all of the City's tax forms are available from all software vendors for electronic filing purposes. Implementing a mandate to file tax returns electronically is likely to increase the number of tax forms that are made available for taxpayers and tax preparers to file electronically.
4. Granting the Revenue Division authority to implement a mandate to file tax returns electronically through administrative rules will allow the mandate to be phased-in in a manageable manner that accommodates taxpayers, tax preparers, tax software vendors, and Revenue Division resources.
5. Over a decade ago, both the federal government and the State of Oregon successfully implemented similar mandates.
6. The Revenue Division has been working closely with Multnomah County and Metro with the intent to implement this mandate uniformly with all three jurisdictions.

NOW, THEREFORE, the Council directs:

Changes

[Ordinance 191450](#)

October 13, 2023

[View all changes](#)

Introduced by

[Mayor Ted Wheeler](#)

Bureau

[Management and Finance;](#)
[Revenue Division](#)

Contact

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Monday through Friday,
8:00 to 4:30

Requested Agenda Type

Consent


Date and Time Information

Requested Council Date
September 13, 2023

Changes City Code

A. City Code Section 7.02.510 is amended as set forth in the attached exhibit A.

Documents and Exhibits

 [Exhibit A \(https://www.portland.gov/sites/default/files/council-documents/2023/amend-pcc-7.02.510-to-add-electronic-filing-requirement-exhibit-a-final.docx\)](https://www.portland.gov/sites/default/files/council-documents/2023/amend-pcc-7.02.510-to-add-electronic-filing-requirement-exhibit-a-final.docx) 19.7 KB

An ordinance when passed by the Council shall be signed by the Auditor. It shall be carefully filed and preserved in the custody of the Auditor (City Charter Chapter 2 Article 1 Section 2-122)

Passed by Council
September 13, 2023

Auditor of the City of Portland
Simone Rede

Impact Statement

Purpose of Proposed Legislation and Background Information

Electronically filed tax returns increase administrative efficiency and reduce return processing errors that can result from manual return processing. Many taxfilers and tax preparers currently file our tax returns electronically since they already file that way for federal and state purposes, and it is efficient for them to do so.

Not all our tax returns are available from software providers to taxfilers and tax preparers which impacts the ability to file electronic tax returns. The federal government and the State of Oregon (State) both experienced this issue when they began accepting electronically filed tax returns. They implemented mandates requiring that certain taxpayers and tax preparers file tax returns electronically. Over time, this resulted in more federal and state tax returns and forms being filed electronically.

The Revenue Division would like to increase the number of tax returns filed electronically by implementing a mandate for electronic filing. This legislation will authorize the Revenue Division to implement a mandate by administrative rule. The administrative rules would allow the Division to phase-in the requirement. This is how the State implemented its electronic filing mandate.

It is the Revenue Division's intent to implement these requirements beginning with the 2024 tax year (tax returns generally due in April of 2025). It will not be implemented prior to the 2024 tax year.

Financial and Budgetary Impacts

The proposed code changes would not have a material impact on City revenue or expenses.

Community Impacts and Community Involvement

Most federal and Oregon tax returns are prepared electronically as it facilitates the ease of tax return preparation and filing. It also expedites processing of tax returns, reduces data entry errors, and allows issuance of refunds sooner. An e-file mandate for the City will encourage tax software developers to write software that accommodates the electronic filing of City tax returns which in turn will provide taxpayers with the same ease of tax return preparation and filing.

100% Renewable Goal

The legislation has no direct impacts on this goal.

Budget Office Financial Impact Analysis

The Revenue Division believes that the proposed code changes would not have a material impact on City revenue or expenses. Much of the work to develop electronic forms has already been done, and most forms have already been adapted for e-filing. Many vendors are already supporting e-filing, and the division is currently accepting returns that way. The Revenue Division states that it is prepared to absorb any additional work that comes as a result of this ordinance.

Agenda Items

744 Consent Agenda in [September 6, 2023 Council Agenda](https://www.portland.gov/council/agenda/2023/9/6)
(<https://www.portland.gov/council/agenda/2023/9/6>)

Passed to second reading

Passed to second reading September 13, 2023 at 9:30 a.m.

768 Consent Agenda in [September 13-14, 2023 Council Agenda](https://www.portland.gov/council/agenda/2023/9/13)
(<https://www.portland.gov/council/agenda/2023/9/13>)

Passed

Agenda item 768 was pulled from the Consent Agenda for discussion.

Commissioner Rene Gonzalez Yea

Commissioner Mingus Mapps Yea

Commissioner Carmen Rubio Yea

Commissioner Dan Ryan Yea

Mayor Ted Wheeler Yea