

## ORDINANCE No. 185312

\*Amend the Business License Law to provide full confidentiality to taxpayers under any tax amnesty program. (Ordinance; amend Code Section 7.02.230)

The City of Portland ordains:

Section 1. The Council finds:

1. The City of Portland, through the Revenue Bureau, needs to identify every opportunity to close the business license “tax gap” and increase revenue collections. The tax gap is the difference between taxes owed and taxes paid. All tax collection agencies have a tax gap, including the Internal Revenue Service and the Oregon Department of Revenue.
2. As the business community begins to show recovery from the economic downturn, it is important to provide an opportunity for those businesses who did not keep up with their tax obligations during the downturn to have an opportunity to do so voluntarily and with reduced penalties to remove this burden from their business recovery efforts.
3. Providing a period of tax amnesty for businesses can accomplish both goals – closing the tax gap and assisting businesses to come into compliance with local tax laws.
4. The Washington State Department of Revenue implemented a tax amnesty program between February 1 and April 30, 2011. Over 9,000 taxpayers applied for amnesty and 5,095 amnesties were granted. The program generated an estimated \$345.8 million in revenue for the State of Washington. In the past three years, at least 21 other state and local jurisdictions have conducted tax amnesty programs, including the State of Oregon.
5. The Revenue Bureau estimates that up to \$1 million will be collected for the City of Portland and Multnomah County, combined, under this program.
6. An essential element to encouraging business taxpayers to take advantage of an amnesty program is to guarantee confidentiality. Without a guarantee of confidentiality, most business taxpayers will not participate in a voluntary tax amnesty program. Any tax amnesty program offered by the City of Portland considers the identity of taxpayers applying for amnesty to be confidential and that disclosure of the identity of taxpayers taking part in the amnesty program would be not only detrimental to the taxpayer, but also cause harm to the public interest.

NOW, THEREFORE, the Council directs:

- a. Amend Portland City Code 7.02.230 as follows:

### **7.02.230 Confidentiality.**

It is unlawful for any City employee, agent or elected official, or for any person who has acquired information pursuant to Section 7.02.240 A. and C., to divulge, release or make known

in any manner any financial information submitted or disclosed to the City under the terms of the Business License Law, unless otherwise required by law. Additionally, it is unlawful to divulge, release or make known in any manner identifying information about any taxpayer applying for tax amnesty, including, but not limited to, the name and address of the taxpayer, unless otherwise required by law. Except as noted above, This section does not prohibit:

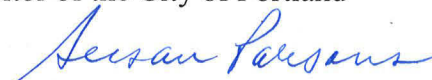
- A. The disclosure of the names and addresses of any persons that have a Bureau account;
- B. The disclosure of general statistics in a form which would prevent the identification of financial information regarding an individual taxfiler;
- C. The filing of any legal action by or on behalf of the Bureau to obtain payment on unpaid accounts; or
- D. The assignment to an outside collection agency of any unpaid account balance receivable, provided that the Bureau notifies the taxfiler of the unpaid balance at least 60 days prior to the assignment of the claim. Any assignment to an outside collection agency is subject to a reasonable collection fee, above and beyond any amount owed to the Bureau.

Section 2. The Council declares that an emergency exists because a delay will result in taxpayers who would otherwise self-identify and come into compliance under the 2012 tax amnesty program planned if their identity was confidential may elect to forego the option and remain non-compliant, which jeopardizes the addition of much needed tax revenues to the City's General Fund; therefore, this ordinance shall be in full force and effect from and after its passage by the Council.

Passed by the Council: MAY 09 2012

Mayor Adams  
Prepared by: Terri Williams  
Date: April 13, 2012

**LaVonne Griffin-Valade**  
Auditor of the City of Portland

By:   
Deputy

Agenda No. **185312**  
**ORDINANCE NO.**  
 Title

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INTRODUCED BY Commissioner/Auditor: <b>Mayor Adams</b>	CLERK USE: DATE FILED <u>MAY 03 2012</u>
COMMISSIONER APPROVAL Mayor—Finance and Administration - Adams <i>[Signature]</i> Position 1/Utilities - Fritz Position 2/Works - Fish Position 3/Affairs - Saltzman Position 4/Safety - Leonard	LaVonne Griffin-Valade Auditor of the City of Portland  By: <i>[Signature]</i> Deputy
BUREAU APPROVAL Bureau: Revenue Bureau Head: Thomas W. <i>[Signature]</i>	ACTION TAKEN:
Prepared by: Terri Williams Date Prepared: 4/23/2012	
Financial Impact & Public Involvement Statement Completed <input checked="" type="checkbox"/> Amends Budget <input type="checkbox"/>	
Portland Policy Document If "Yes" requires City Policy paragraph stated in document. Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	
Council Meeting Date <b>May 9, 2012</b>	
City Attorney Approval: required for contract, code, easement, franchise, comp plan, charter <i>[Signature]</i>	

<b>AGENDA</b>
<b>TIME CERTAIN</b> <input type="checkbox"/> Start time: _____  Total amount of time needed: _____ (for presentation, testimony and discussion)
<b>CONSENT</b> <input type="checkbox"/>
<b>REGULAR</b> <input checked="" type="checkbox"/> Total amount of time needed: <b>5 minutes</b> (for presentation, testimony and discussion)

FOUR-FIFTHS AGENDA	COMMISSIONERS VOTED AS FOLLOWS:		
		YEAS	NAYS
1. Fritz	1. Fritz	✓	
2. Fish	2. Fish	✓	
3. Saltzman	3. Saltzman	✓	
4. Leonard	4. Leonard	✓	
Adams	Adams	✓	