

IMPACT STATEMENT

Legislation title: Amend Tax on Recreational Marijuana Sales to match the State of Oregon's administrative provisions for the collection of Oregon's retail recreational marijuana tax (Ordinance; amend Code Chapter 6.07)

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Presenter name: N/A (Consent Agenda)

Purpose of proposed legislation and background information:

On November 8, 2016, voters approved a 3% tax on retail sales of recreational marijuana in Portland effective for sales made on or after January 1, 2017. The City has determined that it would be appropriate to enter into an IGA with the Oregon Department of Revenue (DOR) to collect the tax effective for sales made on or after January 1, 2017. The 3% tax would be collected along with the State's 17% tax on the same sales.

In order to enter into an IGA with the DOR, some administrative provisions of PCC 6.07 must be amended to match the provisions that the DOR will be using to collect the tax on behalf of many local jurisdictions across Oregon. These amendments primarily relate to the due dates of payments and tax returns and the penalties and interest charges for non-compliance.

Financial and budgetary impacts:

No impact is expected to the General Fund as a result of these changes. The City has estimated that the IGA with the DOR would decrease overall costs to the City. This in turn would add more revenues to the Recreational Marijuana Tax Fund to fund drug and alcohol treatment, public safety investments and support for neighborhood small businesses.

Community impacts and community involvement:

The legislation has no foreseeable negative impacts to the community. The legislation positively impacts businesses as the legislation will enable them to pay state and local marijuana taxes in a single transaction.

Budgetary Impact Worksheet

Does this action change appropriations?

- YES: Please complete the information below.
- NO: Skip this section

Fund	Fund Center	Commitment Item	Functional Area	Funded Program	Grant	Sponsored Program	Amount