



# CITY OF PORTLAND

Budget and Finance Service Area

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[www.portland.gov/revenue](http://www.portland.gov/revenue)

To: House Revenue Committee

From: City of Portland

Date: January 29, 2025

RE: Opposition to House Bill 2110

Dear Chair Nathanson, Vice Chairs Reschke and Walters, and Members of the Committee,

On behalf of the City of Portland, I wish to convey our strong opposition to HB 2110.

The intent of HB 2110 appears to be rigid tax administration uniformity in the name of simplicity. While we certainly support changes that simplify the filing and payment experience for taxpayers, we cannot support this flawed bill in its current form. Some of the many concerns we have include:

- 1) The lack of any attempt to reach out to local jurisdictions in the authoring of this bill. This bill's impact would be sweeping across multiple local taxes administered by the City of Portland's Revenue Division on behalf of Metro and Multnomah County.
- 2) The bill as written preempts the authority of local governing bodies and their voters from setting local tax policy. Simply put, Oregon communities should have the ability to determine their own needs consistent with local values. All local personal incomes taxes in the Portland region are the result of ballot initiatives.
- 3) The language of the bill is broadly written and invites many interpretations. This lack of clarity makes it hard to determine the specific impacts on local taxes in terms of changes for taxpayers, administrators, third party tax preparation software companies and critically, economists attempting to forecast revenues. Recent large forecasting errors have occurred at every level of government in Oregon and must be avoided wherever possible. A detailed tax-by-tax impact analysis must be part of any serious tax policy discussion, and any such effort is lacking here.
- 4) The partial 2025 tax year effective date of the bill is untenable for taxpayers, administrators and our third-party tax preparation software providers.
- 5) The bill seemingly prohibits *all local government modifications to the determination of net income* including the intentionally progressive filing thresholds and deductions adopted by local voter initiatives. As written, it adds tens of thousands of new taxpayers in lower income brackets to the scope of our local taxes. It also appears to end the local exemption for PERS retirement benefits.

This bill appears to be aimed at simplifying tax filing requirements, and as I stated at the outset,

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the City of Portland supports that general goal. But not at the expense of losing all control of local tax policy and many other serious taxpayer impacts.

The City of Portland has continued to work intensively with tax preparation software companies (such as Intuit/TurboTax) to rapidly expand their local tax product offerings. We have seen dramatic increases in the number of Metro, City of Portland and Multnomah County returns electronically filed through such software products since 2021 when the new taxes began. In 2021 we received 9,900 such returns. By 2024 that number had reached 138,000 and is expected to continue growing rapidly as more taxpayers turn away from paper filed and online fillable returns. We anticipate up to 200,000 returns may be filed electronically in 2025, including more than two thirds of personal income tax returns.

**Notably, Intuit's 2025 TurboTax product is being expanded to fully include all Portland area income taxes this filing season**, adding to the broad base it was already supporting in previous tax years. This partnership is critical to our ongoing focus on reducing taxpayer filing burden as such software greatly reduces the complexities of differences in federal, state and local income taxes; the software can usually carry forward relevant prior data and calculates local returns based on that data, relieving the taxpayer of those details.

As written, HB 2110 causes far more problems than whatever it purports to solve, and local solutions have already been implemented. Please join me in opposing HB 2110.

Thomas Lannom, CPFO  
Revenue Division Director  
City of Portland, Oregon