



**Integrated Tax System**  
Modern. Simple. Better.

## **Metro and Multnomah Income Tax Info Session**



# Agenda

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- **Introductions**
- **Income Tax Details**
- **Technical Approach**
- **Schedule**
- **FAQ's**
- **Q&A**

# Introductions

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## Fast Enterprises

- David Parker, Vendor Project Manager
- Mike Patterson, Solution Architect

## Portland Revenue

- Barbra Rice, Project Manager
- Jason McKay, Lead Subject Matter Expert
- Scott Karter, Audit and Accounting Manager
- Tyler Wallace, Tax Division Manager

## Metro

- Rachael Lembo, Finance Manager

## Multnomah County

- Margot Wheeler, Treasury Analyst

# Metro Income Tax Information



- 1% tax imposed on:
  - **Residents** - the entire Oregon Taxable Income of every resident of the District subject to tax.
  - **Nonresidents** - the Metro Taxable Income of every nonresident of the District subject to tax.
- **Joint filers** exempt from the first \$200,000 of taxable income
- **Single filers** exempt from the first \$125,000 of taxable income
- **Example:** Single filer expects to earn \$275,000 for tax year 2021
  - \$150,000 taxable income at 1% = \$1,500 tax due

# Multnomah Income Tax Information



- 1.5% tax imposed on:
  - **Residents** - the entire Oregon Taxable Income of every resident of the County subject to tax.
  - **Nonresidents** - the Multnomah Taxable Income of every nonresident of the County subject to tax.
- **Joint filers** exempt from the first \$200,000 of taxable income
- **Single filers** exempt from the first \$125,000 of taxable income
- **Example:** Single filer expects to earn \$200,000 for tax year 2021
  - First \$125,000 taxable income is exempt
  - \$75,000 taxable income at 1.5% = \$1,125 tax due

# Multnomah Income Tax Information

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- An additional tax of 1.5% for joint filers over \$400,000 and single filers over \$250,000
- **Example:** Single filer expects to earn \$300,000 for tax year 2021
  - First \$125,000 of taxable income is exempt
  - \$125,000 of taxable income at 1.5% = **\$1,875**
  - Last \$50,000 of taxable income at 3% = **\$1,500**
  - **\$3,375** total tax due

# How should withholding be pro-rated?

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- **Option A:** Employee “opts in” for automated payroll deductions each pay period based on withholding tables
- **Option B:** Employee “opts out”
- **Option C:** Employee designates other amount per paycheck

# When are withholding returns due?

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- **Quarterly Reconciliation** – due the last day of the month following the quarter to which the report relates
- **Annual Withholding Reconciliation** – due the last day of January following any calendar year in which payroll withholdings have been made by any employer



# Compliance for 2021 Tax Year

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- Voluntary for the Employer - an employer must offer in writing to its employees to withhold from their wages as soon as the employer's payroll system(s) can be configured to capture and remit the taxes withheld.
- Voluntary for the Employee - can “opt in” or “opt out” as needed

# Compliance for 2022 Tax Year

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- All employers must offer withholding option
- Mandatory for employees earning over \$200,000. Any employee can “opt in” or “opt out”

# How often to Remit?

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- Matches Oregon state requirements for Dept of Revenue

# Technical Approach - Payments

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- ACH Credit
- An addenda record format will be provided

# Technical Approach - Returns and W2

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- Each provider will logon to Portland Revenue Online (PRO)
- Validate and Submit bulk XML file with return and W2 data

# Wave 1 - Rollout Schedule

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- **Dec 1 - Dec 31:** Finalize Specs
  - ACH Addenda format provided
  - XML file specifications provided for return and W2
- **Jan 4 - Feb 12:** Initial Testing
- **Feb 15 - March 12:** Acceptance Testing
- **March 29:** Project Go-Live
- **April 1:** begin payroll withholding for Q2
- **July 31 - Q2 tax return due**

# Who to contact during implementation?

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- Technical employer questions
  - Email box forthcoming
- Metro tax compliance for taxpayers
  - Email box forthcoming
- Multnomah tax compliance for taxpayers
  - [pfatax@multco.us](mailto:pfatax@multco.us)

# When will rules and forms be published?

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- Metro
  - Tax Code in final stages of approval
  - Admin rules (examples, clarifying details) – early 2021
  - Forms and instructions coming soon
- Multnomah
  - Tax Code and Rule in progress. First reading on Jan 7
  - Forms and instructions will be available after code adoption



# Questions?

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Thank you for your time!