



600 NE Grand Ave.  
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oregonmetro.gov

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## Metro Supportive Housing Services (SHS) Income Tax

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In May 2020 voters in greater Portland approved a measure to fund supportive housing services for people experiencing or at risk of experiencing homelessness. This program will provide funding for housing assistance and wraparound services, with the goal of ending chronic homelessness in the region. The program is funded by two separate taxes: a 1% **personal income tax** on taxable income above \$125,000 for individuals and \$200,000 for those filing jointly, and a 1% **business income tax** on net income for businesses with gross receipts above \$5 million. This tax became effective January 1, 2021.

**As a business operating within the Metro jurisdiction, some of your employees may be subject to payroll withholding for the personal income tax. Also, if your business' gross receipts are more than \$5 million, your business is likely subject to the business income tax.** It is strongly encouraged that you talk to your payroll service and/or tax preparer now to plan for these new taxes.

### **Supportive Housing Services (SHS) payroll withholding**

For calendar year 2021, payroll withholding is not required. However, an employer must offer to withhold the Metro personal income tax from employees' wages as soon as the employer's payroll system(s) are able to process the withholding. Metro understands the challenge of this transition and will not assess penalties if the withholding is not available in 2021. Beginning January 1, 2022 withholding will become mandatory for some employees.

### **Supportive Housing Services (SHS) business income tax**

The City of Portland Revenue Division administers both the personal income and the business income taxes. Metro's business income tax is similar to the Multnomah County Business Income Tax, which is also administered by the Portland Revenue Division. If you have filed business income taxes with the Portland Revenue Division in the past, your information is already on file and the process will be similar. If your business is located in Washington or Clackamas County, it is likely you have not filed with the Portland Revenue Division, and you will need to register beginning in April.

### **Next steps**

In April, you will be able to register, remit payroll withholding and/or pay quarterly estimated taxes to the Portland Revenue Division. Estimated tax payments are required, however Metro will not assess penalties if estimated tax payments are not made in 2021. Annual tax returns are due April 15, 2022 (later for fiscal year filers).

Please see our website at [oregonmetro.gov/public-projects/supportive-housing-services](https://oregonmetro.gov/public-projects/supportive-housing-services) for more information about these new taxes, including the tax codes and Frequently Asked Questions. While no specific action is required at this time, we do encourage you to begin planning for these taxes.

For further questions regarding your withholding requirements and business tax filing, please contact the City of Portland Revenue Division, at [SHS.Tax@portlandoregon.gov](mailto:SHS.Tax@portlandoregon.gov) or **(503) 865-4748**.