

The Oregonian

Arts tax proposal meets Dan Saltzman's timely skepticism: Editorial Agenda 2016

*By The Oregonian Editorial Board
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At least one of Portland's five commissioners, Dan Saltzman, seemed less than enthusiastic Wednesday about a proposal to hide the names and addresses of those who do — and don't — pay the city's arts tax. Approved by voters in 2012, the tax requires every income-earning adult living in a household above the federal poverty line to cough up \$35 per year.

The "everybody pays" concept isn't quite as advertised, however. As a result of adjustments to the tax made by City Council after its passage, many perfectly well-off Portlanders with public pensions don't pay, either. And then there's the unimpressive compliance rate, which was only 68 percent during the most recent year for which the city has data. All in all, the tax is a mess: regressive, inequitable and ignored by many.

Even worse — if you're the city or a supporter of the tax — is the fact that the names and addresses of those who do and don't pay it are a matter of public record. The city last year released the names of those who paid the tax in response to a public records request, and Willamette Week published a database online. The Oregonian requested a more comprehensive database that also included people who'd received arts-tax notices for nonpayment. The latter request fizzled, however, when the city proposed to charge \$1,208 for the information. Still, Willamette Week's database allowed people to look for their friends, neighbors and colleagues, providing interested taxpayers a very personal and immediate sense of the tax's inequity. Imagine having paid the tax yourself but failing to locate the names of better-heeled acquaintances.

The city's revenue department now wants to hide such information, to which end officials have: Other government entities are very protective of income-tax information; taxpayers expect privacy, the database can have errors, and so on. But when revenue officials made their case during Wednesday's first reading of the hide-the-data ordinance, Saltzman was openly skeptical, even suggesting that the release of payment and nonpayment information might be useful in shaming tax scofflaws.

His point was well-timed. Only one day later, on Thursday, Joe Rose of The Oregonian/OregonLive wrote about the state's release of a list of Oregon's biggest tax dodgers. So much for the notion that income tax information is protected universally within a magical bubble of privacy. Failure to pay income taxes also can lead to the filing of tax liens against property, and these are a matter of public record. So, for that matter, are property taxes.

But the biggest flaw in the city's tax-privacy argument is its implication that arts-tax information is like other income-tax information and, therefore, entitled to a comparable expectation of privacy. This is nonsense. The arts tax is, in effect, a head tax that applies across broad income categories. Releasing the names of people who do and don't pay the tax says exceedingly little

about their actual income, which is the sort of information about which taxpayers are justifiably protective. To claim equivalence between income tax information and arts tax information is to engage in a convenient fiction supporting a desired end: Keeping the public in the dark about the operation of a policy train wreck.

Hopefully, Saltzman's skepticism this week predicts a "no" vote on the city's misguided proposal when it receives a second reading. Let's hope, too, that at least a couple of his colleagues recognize that secrecy in this case is neither necessary nor productive.