



CITY OF PORTLAND
OFFICE OF MANAGEMENT AND FINANCE
Sam, Adams, Mayor
Kenneth L. Rust, Chief Administrative Officer
Sue Klobertanz, Revenue Bureau Director

Terri Williams, Manager
License & Tax Division
Revenue Bureau
111 SW Columbia, Room 600
Portland, Oregon 97201-5840
(503) 823-5157
FAX (503) 823-5192
TTY (503) 823-6868

Voluntary Compliance Policy

It is the policy of the Revenue Bureau to assist businesses with compliance and to encourage future compliance with Portland City Code 7.02 and Multnomah County Code Chapter 12. A limitation on the number of prior year tax payments with a new, unsolicited return is appropriate in order to accomplish this objective. The taxpayer seeking voluntary compliance for open years may do so using one of the two options below.

- 1) Report and pay all taxes due, plus interest for all years of unreported business activity. Upon receipt of returns, taxes and interest, penalties will be waived upon written request.
- 2) Report and pay all taxes, interest and penalties for the current year plus three prior years only. In this case, the penalty will be limited to 25% of the taxes and/or fees due each year. The "current year" shall be defined as the most recent return that would have been required to be filed as determined by the Revenue Bureau.

Example: An application submitted in July 2009, with a start date of business in Portland of 1992 shall be considered in compliance if returns and payments for 2005, 2006 and 2007 are received with payment of 25% penalty and interest from the original due dates of the respective returns, and the 2008 return is filed with the correct penalty and interest (or extension is requested with at least a minimum tax payment).

When it can be verified that notification has been sent to the business or business owner of the requirement for a tax filing prior to receipt of any return and payment, such return and payments are no longer qualified to take advantage of this voluntary compliance policy, and the business will be required to submit all open years, including all taxes, interest and penalties unless some other settlement is reached.

Note: This policy only limits the calculation of penalties and the number of years required to be filed. Nothing in this policy should be construed to limit or expand any other element in the tax calculation, including the owner's compensation add back and deduction or net operating loss deductions. These calculations will be in accordance with provisions in the appropriate City and County codes.

7-8-2009

Date

Sue Klobertanz

Director, Revenue Bureau