



Arts Education and Access Income Tax Update

Status Update for the Arts
Education and Access Fund
Citizen Oversight Committee

Bureau of Revenue and Financial Services – Revenue Division

October 26, 2016

Overview

- Combined tax year 2012-15 revenues, collections costs & disbursements
- Update on current collection efforts and pending disbursements
- Lawsuit

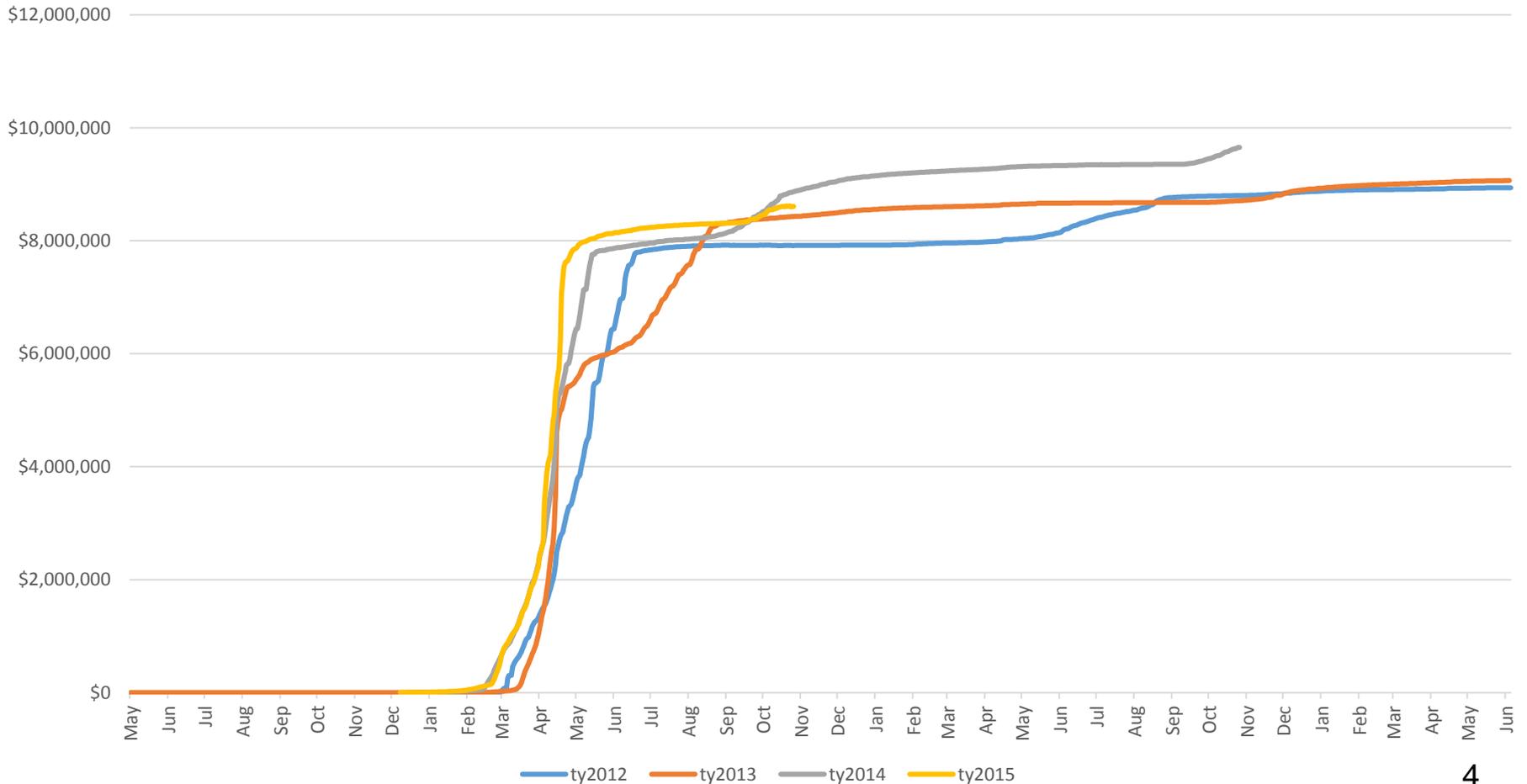
**All TYs (2012-15)
Combined:
Revenues,
Collection Costs &
Disbursements
(rounded to nearest dollar)**

Revenues			
1	Gross Tax Collections	\$ 37,023,990	100.0%
2	Refunds to Taxpayers	\$ (105,322)	0.3%
3	Net Tax Collections	\$ 36,918,669	
Collection Costs			
4	Credit Card Fees (net of convenience fees)	\$ (298,733)	0.8%
5	One-time start-up costs	\$ (589,085)	1.6%
6	General Fund Overhead Charge	\$ (75,000)	0.2%
7	Revenue Division collection costs (PCC 5.73.090 A)	\$ (2,713,218)	7.3%
8	Total Collection Costs	\$ (3,676,036)	9.9%
9	Net Revenues (PCC 5.73.010 E)	\$ 33,242,633	89.8%
Disbursements (actual and pending)			
10	Centennial School District	\$ 2,169,313	5.9%
11	David Douglas School District Schools	\$ 3,811,572	
12	David Douglas School District Charter School	\$ 70,294	
13	Total David Douglas School District Disbursement	\$ 3,881,866	10.5%
14	Parkrose School District	\$ 1,242,840	3.4%
15	Portland Public School District Schools	\$ 17,827,844	
16	Portland Public School District Charter Schools	\$ 445,993	
17	Total Portland Public School District Disbursement	\$ 18,273,837	49.4%
18	Reynolds School District	\$ 1,543,131	4.2%
19	Riverdale School District	\$ 175,210	0.5%
20	Total School Disbursements	\$ 27,286,198	73.7%
21	Regional Arts & Culture Council (\$1.4 million pending)	\$ 5,639,000	15.2%
22	Total Disbursements to Date	\$ 32,925,198	88.9%
23	Net revenues less disbursements	\$ 317,435	0.9%
24	Contingency reserve	\$ (350,000)	0.9%
25	Interest earnings on AEAFF	\$ 133,775	
26	Balance	\$ 101,210	

Net Payments by Tax Year

as of October 26, 2016

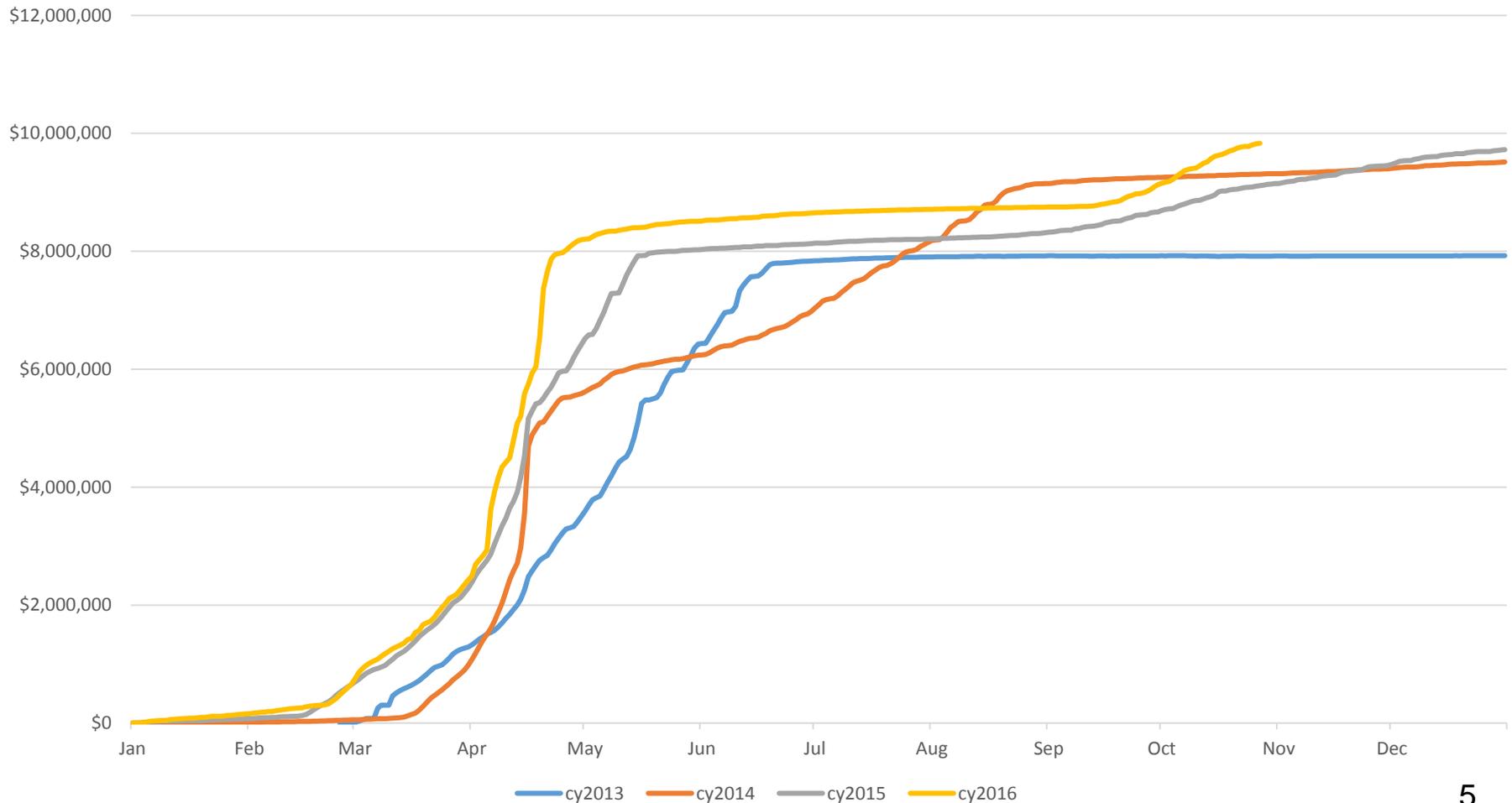
Net Payments by TaxYear
(excludes CF)



Net Payments by Calendar Year

as of October 26, 2016

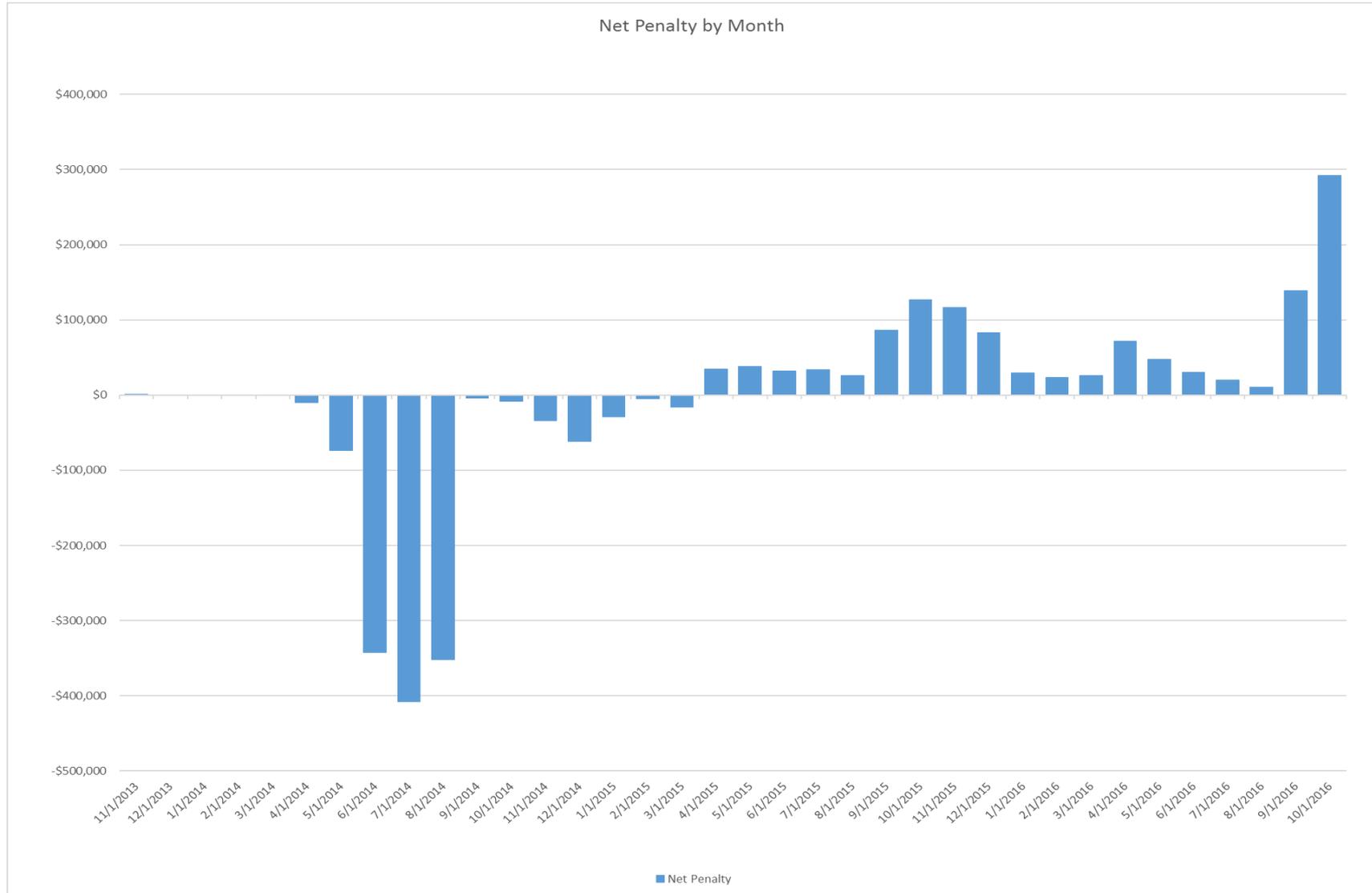
Net Payments by Calendar Year
(excludes CF)



Update on Collection Efforts

- Calendar year 2016 will be the first year to exceed \$10 million in total collections
- Revenue mailed 41,000 “final demand” letters in September/October posting over \$1.06 million in payments to date, most successful letter to date
- 40,000+ additional “final demand” letters to begin next week
- Taxpayers who fail to respond to these letters will have their income verified against IRS records and will then be referred to a collection agency
- Schools are fully funded again this year
- Record-breaking RACC December disbursement is pending (at least \$1.4 million)
- Record-breaking RACC total disbursement of \$2.5 million is expected by fiscal year-end

Update on collection efforts



Wittemeyer v. City of Portland

- Lawsuit challenges the constitutionality of the tax, plaintiff alleges tax is a “poll” or “head” tax
- City Attorney is representing the Revenue Division
- Oregon Court of Appeals ruled in favor of the City on June 8, 2016
- Wittemeyer appealed to the Oregon Supreme Court
- On September 15, 2016, the Oregon Supreme Court announced that they would review the case