

**REVENUE: Revenue statement issued**

**FISCAL: No fiscal impact**

---

**Action:** Do Pass as Amended and Be Printed Engrossed and Be Referred to the Committee on Finance and Revenue by prior reference

**Vote:** 3 - 1 - 2

**Yeas:** President Courtney, Schrader, Metsger

**Nays:** George

**Exc.:** Starr, Verger

**Prepared By:** Jim Stenbridge, Administrator

**Meeting Dates:** 4/22, 4/23

---

**WHAT THE MEASURE DOES:** Authorizes increase in employer payroll tax for transit districts from seven-tenths to eight-tenths of one percent of wages paid. Requires any increase to be phased in over ten years, with a maximum 0.02 percent annual increment.

**ISSUES DISCUSSED:**

- Ability of the Tri-County Metropolitan Transportation District (TriMet) to attract federal funding
- Level of employer support for proposed additional transit revenue; central location of large employers
- Success of TriMet light rail
- Possible exemption of small employers
- Creation of additional transit districts

**EFFECT OF COMMITTEE AMENDMENT:** Replaces the measure.

**BACKGROUND:** Oregon's mass transit payroll tax is administered by the Oregon Department of Revenue for the Tri-County Metropolitan Transportation District (TriMet) and the Lane County Mass Transit District (LTD). The TriMet district includes parts of the three Portland-area counties, Multnomah, Washington, and Clackamas. LTD serves the Eugene-Springfield area in Lane County. The department publishes "Transit Payroll Taxes for Employers," a guide to TriMet and Lane Transit payroll taxes. The transit tax is imposed directly on employers, for the amount of gross payroll paid for services performed within the TriMet or LTD district, including salaries, commissions, bonuses, fees, or other items of value paid to persons for services performed within the transit district.

The TriMet budget, including buses, light rail, street-car, and commuter rail, amounted to about \$800 million in FY 2008, with just over half coming from the transit tax. The LTD budget is about \$75 million, with about one-third coming from the transit tax.