



November 10, 2006 - It's a bit of Alice-In-Wonderland right here in Portland. KINK Considers changing the City's business income tax.

Greenbrier Companies is a great Portland asset. It employs 13-hundred workers, pays family wages, and manufactures railcars at its Gunderson subsidiary. That kind of manufacturing business is very good for Portland because the cars are sold around the world and the money comes to Portland. Greenbrier made a 32-million dollar profit last year on sales of almost a billion dollars. But since none of its sales were made within the Portland city limits, City rules would make its City income tax bill one hundred dollars, the minimum.

Now look at Integrated Data Concepts, a tiny four-person custom software development firm that had been paying four-thousand dollars a year in business income taxes to the City and County.....before decamping to Tigard. That relatively high local tax bite is because Integrated Data has a lot of Portland customers. On a per-employee basis, Integrated Data paid a thousand dollars and Greenbrier would likely pay about seven cents.

City Commissioner Sam Adams wants to change the city business income tax. He is proposing a sliding scale for the minimum payment, depending on number of employees and revenue. Adams is on the right track. Here in the City that Forbes Magazine ranks 20th out of 200 for best places to do business, large companies such as Greenbrier can afford to pay a few thousand dollars and so can many of the other 920 businesses that gross over 20-million a year and pay the one hundred dollar minimum. Adams also wants to give a break that would primarily benefit small business owners.

They would be able to take home 125-thousand dollars a year before the tax kicks in instead of the current 60-thousand. He says that would allow owners to make a family wage before we start taxing them. And he'd like to help really small business owners by not assessing the city business tax at all until a business's sales reach 50-thousand dollars. These are measures that, net-net, would keep more businesses in Portland and encourage start-ups.

Posted by Jacob Lewin