

Business License Fee/Business Income Tax

The foundation of a strong, sustainable Portland economy is the family-wage job. A successful agenda focused on job creation depends on creating dynamic new businesses, growing our small and local businesses into regional, national and global competitors, and supporting the traded-sector firms already here.

To help boost the opportunity for job creation among smaller, locally-owned businesses, Sam declared his commitment in 2006 to reduce the city business fee burden, known as the Business License Fee (BLF).

Changes to the BLF in 2007 were the first installment in a plan to raise the owner's compensation deduction to \$125,000 over a five-year period. In addition, a \$100 minimum payment for the Business Income Tax (BIT) was adopted in order to better align with the BLF and to increase stability in the tax system. The City Council and County Board also agreed to make the minimum payments progressive by implementing tiers for the minimum. The additional revenue generated by a tiered minimum structure will be used to offset a portion of further increases in the owners' compensation deduction.

The latest step in the Business License Fee/Business Income Tax reform came about in the summer of 2008 as Council voted to support administering the fee as an "after-the-fact" charge rather than the current "before-the-fact" payment. The BLF/BIT reform effort seeks to ease the tax burden on small businesses and to improve the economic competitiveness of our city and county.

The Alliance of Portland's Neighbor Business Association's (APNBA) Executive Director, Jon Turino, outlined how this particular change helps small businesses and our business climate:

"The APNBA supports the proposed change in the city's Business License Fee (BLF) that would (a) administer the fee as a "pay as you earn" charge rather than the current "pay twice to get started" method for businesses being newly organized to operate within the City of Portland, and (b) refund previously paid "final year" taxes over a five year period to the existing businesses that have already paid the up-front double tax.

We think this change will reflect favorably on the City's desire to have its attitude viewed as being more business friendly and that the proposed change represents a fair and reasonable adjustment to the administration of the BLF that will both improve the environment for start-up and small businesses and provide administrative efficiency benefits for the City."

BLOG POSTS

- [BLF Reform Continues](#)

- [BLF Reform Rolls Out](#)
- [Dave Lister: BLF Reform The Right Thing To Do](#)
- [Entrepreneurial Investment Strategy](#)
- [County Joins the Reform Effort](#)
- [BLF Reduced for 13,000 Business in Portland](#)
- [Portland Needs a Strong Workforce System](#)

CITY COUNCIL RESOLUTION

- [Resolution Number 36473](#)

COMMUNITY PARTNERS

- [County Commissioner, Jeff Cogen](#)
- [Portland Business Alliance](#)
- [Portland Business Alliance Letter of Support](#)
- [PSU's Building Business Equity](#)

MEDIA MENTIONS

- [Oregon Catalyst.com: Saving Portland from its Business License Fee](#)
- [Portland Mercury: Sam Adams to Save Small Business?](#)
- [Portland Mercury: BLF Is Gonna Rock Ya](#)
- [East PDX News: Adams Pitches "Fair Business Tax" Plan](#)