

City of Portland - Revenue Division

Comparison of proposed modifications to the Clean Energy Surcharge (October 3, 2019)

	<u>Measure 26-201</u>	<u>Option 2</u>	<u>Option 2a</u>	<u>Option 2b</u>
<u>What is changing?</u>	As Passed	Narrowed definition of "Large Retailer" and exemptions	Construction, Garbage, and Domestic Insurers exclusions	Garbage, and Domestic Insurer exclusions; Construction exemption
<u>Amendments Needed to Achieve</u>	n/a	1) Modification to PCC 7.02 definition of "Large Retailer" 2) New Definition for "Qualified Construction Equipment" 3) Amendment to PCC 7.02.500F for additional exemption	1) Modification to PCC 7.02 definition of "Large Retailer" 2) Modification of applicable administrative rules	1) Modification to PCC 7.02 definition of "Large Retailer" 2) Potential definition additions related to construction 3) Amendment to PCC 7.02.500F for additional exemption 4) Modification of applicable administrative rules
<u>Projected Revenue</u> ¹	\$54m - \$71m	\$44m - \$61m	\$44m - \$62m	\$44m - \$63m

¹ Based on assumptions about taxable sales and tax year 2016-2017 data; high end of range is low confidence.

<u>Listed below are some scenarios to give a limited highlight of the impact of each option.</u>				
1	A "big box" retailer sells a lawnmower to an individual.	In	In	In
2	A law firm provides its services to an individual.	In	In	In
3	A grocery store sells pet food to an individual.	In	In	In
4	A construction company is contracted to build a custom home for an individual.	In	Out	In ²
5	Franchised garbage haulers picking up garbage and recycling for residential homes.	In	Out	Out
6	An automobile dealer sells vehicles to a rental car company.	In	In	In
7	An accounting business sells its services to another business.	In	In	In
8	A construction company is contracted to build a skyscraper downtown for a commercial real estate broker, or a school for the school district.	In	Out	Out ³
9	Sales of construction equipment to a business.	In	Out	In
10	An office supplier sells supplies to a government agency.	In	In	In
11	A domestic insurance company sells retirement benefits to an employer for their employees.	In	Out	Out

² An exemption would be allowed for the following: Sales of low income-housing and ADU's.

³ These businesses would still be considered a Large Retailer, but an exemption for these sales would be allowed.