



Department of County Management  
Division of Assessment, Recording & Taxation

Administration Section  
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March 31, 2018

To: Multnomah County Taxing Districts  
From: Claire Goldsmith, Finance Supervisor

**Re: Comcast and Dish Tax Appeals Quarterly Update through March 31, 2018**

Deferred billing credits for the Comcast appeals have been issued for the 2009 - 2016 tax years. In October 2016, a deferred billing credit was also issued for Dish Network appeals. On October 6, 2017 HB 2407 changed ORS 305.286 to set up a provision for issuance of a potential refund credit for large value appeals. This new provision is not retroactive, and all prior year deferred billing credit will remain in place.

Any potential refund credit is withheld from distribution under ORS 311.395 and is segregated into a separate trust and agency account being invested and accruing bank interest until resolution of appeal and issuance of refund. If a refund is issued as the result of appeal, the potential refund credit and bank interest accrued from the payment date until the refund date is issued. If taxes held are determined to be due to the taxing districts, the potential refund credit and bank interest accrued will be transferred into the unsegregated tax trust and agency fund to be distributed to the taxing districts.

The Oregon Department of Revenue (DOR) defended the appeals and the Tax Court found in favor of Comcast and Dish. The Department of Revenue appealed the decision to the Oregon Supreme Court. On October 2, 2014, the Oregon Supreme Court rendered a decision on this case. There were two primary issues. The first concerned the proper method of assessment (local assessment v. central assessment by the DOR). The choice of method is important because, generally, central assessment results in a much higher tax. In its' October 2<sup>nd</sup> decision, the Oregon Supreme Court upheld DOR's change in method in 2009 from local assessment to central assessment.

The second issue was whether Measure 50 would limit the increase in taxable value that would otherwise occur as a result of that change from local to central assessment. The Oregon Supreme Court remanded that question back to the Oregon Tax Court. A trial was held and on November 30, 2017 the Tax Court ruled in Comcast's favor on the Measure 50 question. The DOR appealed that decision to the Supreme Court in January, 2018.

Shortly after this litigation began, the counties obtained authority to defer the billing of taxes in situations like this that involve a large sum of money plus very high rates of interest. Per Board approval, the Multnomah County Assessor has been deferring the billing of a portion of the taxes to Comcast and Dish to protect Multnomah County's funds. This remains in effect for the tax years 2009 through 2016, but changes for the 2017 tax year due to this new provision provided by HB2407 and ORS 305.286. Because a significant question of value still remains in the Comcast and Dish lawsuit, the Assessor recommends that the deferred billing for 2009-2016 and the withheld Potential Refund Credit for 2017 continue.



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A summary of the deferred billing credits follows:

Taxpayer	Tax Year	Original Value	Undeferred Value	Deferred Value	Original Levy	Undeferred Levy	Deferred Billing Credit
Comcast Corporation	2009	\$318,952,100	\$48,688,193	(\$270,263,907)	\$5,112,776	\$783,750	(\$4,329,026)
Comcast Corporation	2010	\$338,520,300	\$44,685,194	(\$293,835,106)	\$5,405,979	\$716,688	(\$4,689,291)
Comcast Corporation	2011	\$351,391,900	\$41,082,449	(\$310,309,451)	\$6,190,979	\$657,067	(\$5,533,912)
Comcast Corporation	2012	\$375,816,900	\$37,795,853	(\$338,021,047)	\$7,436,062	\$608,043	(\$6,828,019)
Comcast Corporation	2013	\$407,218,200	\$34,772,185	(\$372,446,015)	\$8,456,930	\$587,409	(\$7,869,521)
Comcast Corporation	2014	\$455,633,900	\$31,990,410	(\$423,643,490)	\$8,847,112	\$540,416	(\$8,306,696)
Comcast Corporation	2015	\$469,303,300	\$29,431,178	(\$439,872,122)	\$9,567,792	\$492,338	(\$9,075,454)
Comcast Corporation	2016	\$457,811,800	\$53,135,970	(\$404,675,830)	\$7,860,216	\$1,206,195	(\$6,654,021)
							(\$53,285,940)
Dish Network	2016	\$4,204,000	\$0	\$4,204,000	\$68,923	\$0	(\$68,923)
<b>Grand Total</b>							<b>(\$53,354,863)</b>

A summary of the potential refund credit follows:

Taxpayer	Tax Year	Original Levy	Tax due	Less 3% Discount	Net total Paid 11/15/17	Potential Refund Credit
Comcast Corporation	2017	\$8,939,024	\$8,939,024	\$268,171	\$8,670,853	(\$7,835,674)
Accrued Bank Interest	2017					(\$40,469)
<b>Total for Comcast</b>						<b>(\$7,876,143)</b>
Dish Network	2017	\$53,894	\$53,894	\$1,617	\$52,277	(\$26,139)
Accrued Bank Interest	2017					(\$135)
<b>Total for Dish</b>						<b>(\$26,274)</b>
<b>Grand Total</b>						<b>(\$7,902,417)</b>