



Department of County Management
Division of Assessment, Recording & Taxation

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

Re: Comcast and Dish Tax Appeals Quarterly Update through October 2017

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 issues in Comcast and Dish. The first issue 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 2nd 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 limits the increase in taxable value that would otherwise occur as a result of the DOR's change from local to central assessment. The court has sent this question back for consideration by the Oregon Tax Court---the Tax Court did not address this question when it issued its original opinion. In May 2015, the DOR reported that the Tax Court case management hearings had concluded and that trial dates will be set soon. The opinion of the DOR was that the case will definitely go on to the US Supreme Court and continue at least several more years.

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)
Grand Total							(\$53,354,863)

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)
Dish Network	2017	\$53,894	\$53,894	\$1,617	\$52,277	(\$26,139)
Grand Total						(\$7,861,813)