



Motor Vehicle Rental Tax

Background and Statistical Information

Multnomah County Budget Office

May 7, 2009

Introduction

- History of Motor Vehicle Rental Tax
 - Ordinance # 122 – April, 1976
 - Changes Since 1976
- Motor Vehicle Tax as % of General Fund
 - Historical Collections
 - Share of FY 2009 Revenue
 - Link to Travel/Tourism
- How Do We Stack Up?
 - Motor Vehicle Tax Compared to Other Jurisdictions
 - Total Travel Taxes Compared to Other Jurisdictions



Ordinance # 122

- Established Motor Vehicle Rental Tax
 - Tax Set @ 10% of Gross Rental Fees
 - Tax Imposed on Individuals, Collected and Remitted by Commercial Vehicle Rental Establishments
 - Exempts Vehicles Over 24,000 lbs. Gross Vehicle Weight

- Tax Collections
 - Collected Quarterly
 - Requires Commercial Establishments Maintain Records
 - Annual License Fee Requirement

- Use of Tax
 - Tax Collected for Use as General Fund Resource



Changes Since 1976

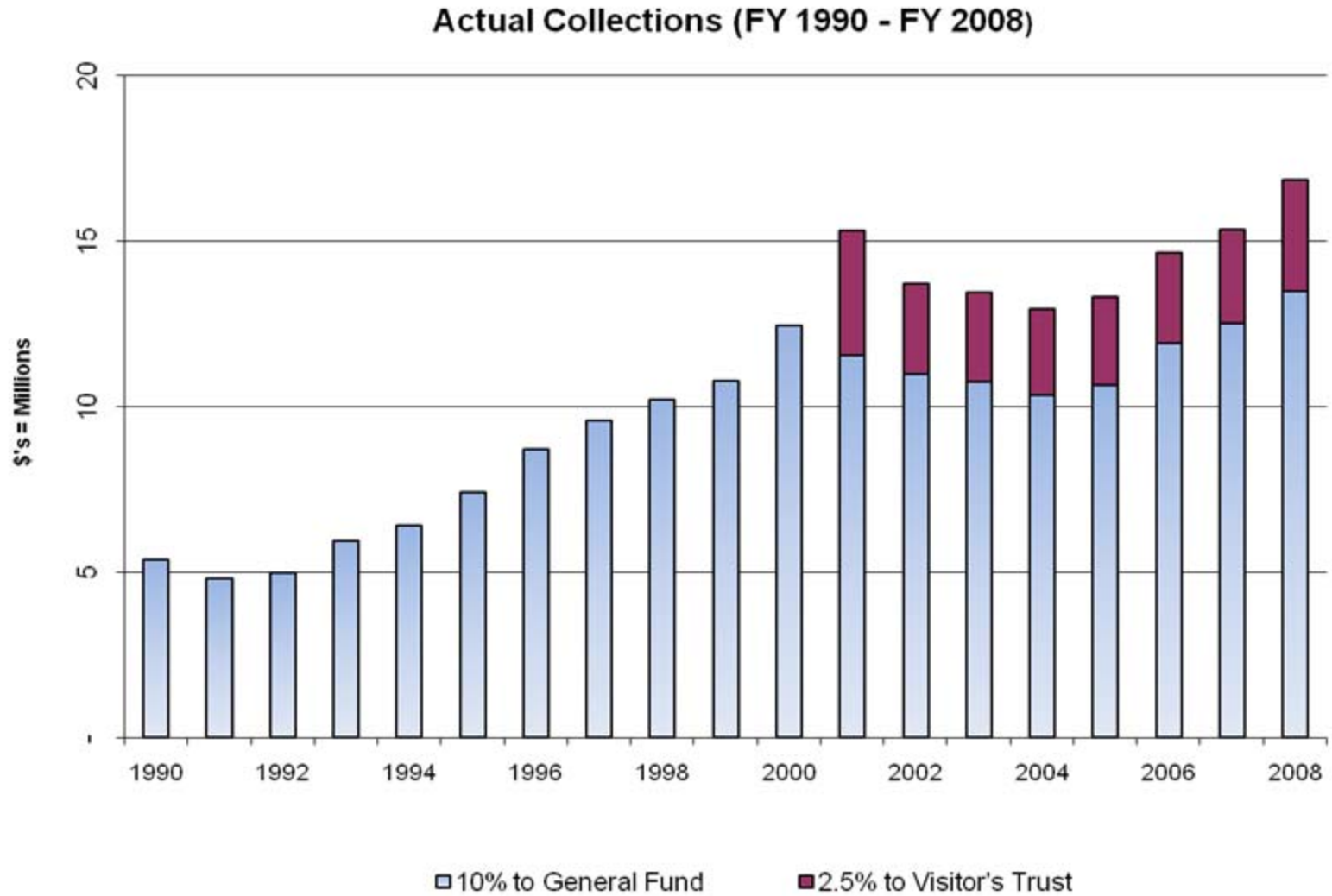
- 1983 - 1998
 - Minor Housekeeping
 - Close Loopholes – Define “Doing Business in The County”
 - Response to Audit

- 1998 - 2001
 - Exemption for Car Sharing Organizations
 - Imposed 2.5% Surcharge to Support Expansion of Convention Center (And Other Tourism Related Venues)

- No Code Changes Since 2001

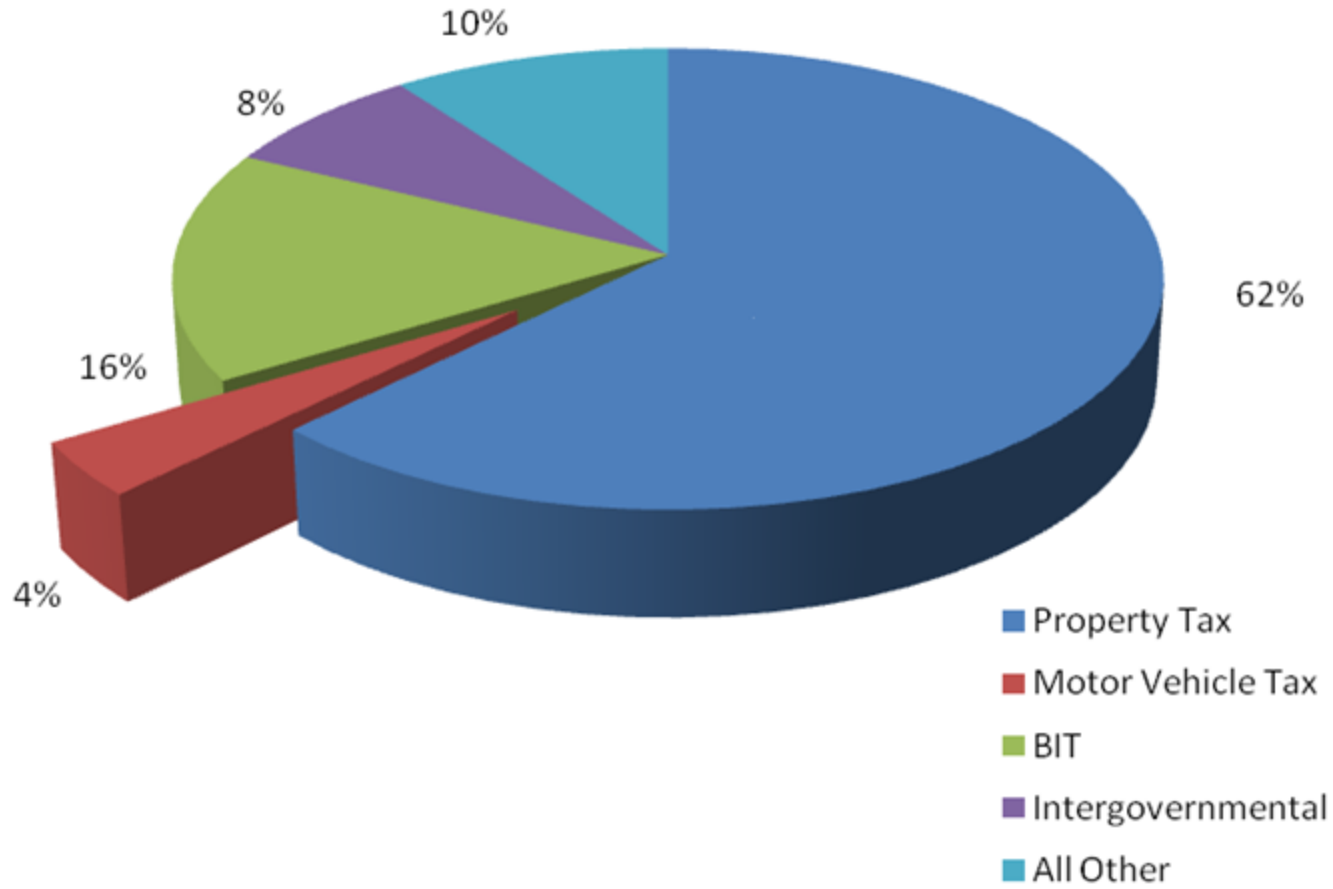


Historical MVR Tax Collections



Motor Vehicle Tax as % of General Fund

Composition of General Fund (FY 2009)



Where Does Motor Vehicle Tax Come From?

	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008
A-1 Rental	4,515	3,222	2,514	2,129	332
Alamo Rent-A-Car	1,318,501	1,655,893	1,933,277	2,122,501	2,309,004
Avis Rent-A-Car	2,604,017	2,320,346	2,545,482	2,584,091	2,768,894
Bob's Rental & Sales	-	-	-	-	161
Brattain Int'l Trucks, Inc.	237	686	1,418	1,450	1,346
Budget Rent-A-Car	1,165,454	1,553,762	1,716,942	1,756,739	1,864,891
Crown Auto Rental	4,517	7,225	9,280	8,540	1,539
Cruise America	48,116	63,972	67,043	69,493	88,804
Dollar Rent-A-Car	1,231,539	1,080,794	1,248,428	1,393,661	1,526,887
Dream Cars NW	-	851	4,705	2,398	-
DSU Truck Rental, Inc.	1,194	2,457	957	140	406
El Monte Rents RV	6,445	6,305	-	-	-
Enterprise Rent-A-Car	1,146,082	1,340,279	1,627,851	1,841,552	2,105,865
FMI Lease & Rental	432	222	264	95	213
Gresham Ford/Bee Rent-A-Car	8,777	6,918	2,413	3,596	165
Hertz Corporation	3,481,020	3,850,996	4,086,723	4,328,678	4,481,459
Latus Motors	2,834	-	-	-	-
Lewis Brothers Rentals	4,202	5,826	6,681	9,466	6,987
National	434,064	-	-	-	-
Northside Ford Truck Sales	-	-	-	50	166
Penske Truck Leasing	88,254	107,888	114,581	125,730	115,283
Rent-A-Wreck	2,808	2,117	-	-	-
Ryder Truck Rentals	22,538	21,313	18,128	23,781	19,962
Speed's Auto Services Group	263	83	123	242	35
Thrifty Car Rental	901,534	874,792	1,053,680	906,759	1,109,774
Town & County Rent-A-Car	20,901	4,893	-	-	-
United Rentals	11,252	53,204	123,769	139,134	38,637
U-Haul of Oregon	368,413	355,310	319,335	319,249	402,000
Wentworth Chevrolet	759	499	681	849	460
Weston Pontiac	598	1,550	2,373	336	21
Jartran Bankruptcy Settlement	4,906	-	-	-	-
	12,884,173	13,321,404	14,886,649	15,640,656	16,843,291
% Annual Increase		3.39%	11.75%	5.06%	7.69%



Rate Comparison

Top Tax Rates (Based on Current Rate) Car Rental Taxes Only

1	Chicago	23.5%
2	Phoenix	21.8%
3	Charlotte	21.2%
4	Las Vegas	19.8%
5	Seattle	19.3%
6	Boston	18.8%
7	Nashville	18.4%
8	Albuquerque	18.3%
9	Salt Lake City	17.6%
10	Houston	17.3%
25	Portland	12.5%



Rate Comparison

Overall Tax Rates

Includes Car Rental, Lodging, and Sales Taxes

1	Chicago	\$	42.44
2	Nashville	\$	39.95
3	Charlotte	\$	38.80
4	Seattle	\$	38.70
5	Houston	\$	37.62
6	Phoenix	\$	37.28
7	San Antonio	\$	37.00
8	Dallas	\$	35.70
9	Austin	\$	35.29
10	Cleveland	\$	34.52
49	Portland	\$	22.83



Summary

- Motor Vehicle Tax Has Been In Place Since 1976
 - Base Rate Has Not Changed Since Inception
- Major Source of Revenue for General Fund
- Bulk of Rental Taxes Generated From Airport Locations
- Current Tax Puts County Exactly in the Middle of Top 50 Survey Markets
 - Base Increase Will Move Us Close to Top 10
 - BUT, Portland Is Second Lowest of Top 50 Survey Markets for Overall “Travel” Taxes

