



This Week in State Tax (TWIST)

October 10, 2022



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Oregon: Portland Adopts Market-Based Sourcing

The City of Portland, Oregon recently amended its Business License Tax law (City Code Chapter 7.02) to adopt market-based sourcing effective for tax years beginning on or after January 1, 2023. Currently, receipts from sales of other than tangible personal property are sourced to the City if the income producing activity is performed in the City. The impetus behind the change is for the City tax to align with the rules for apportioning income under Oregon's corporate excise tax law. Although the amended ordinance has been approved, it will not take effect until substantially similar provisions are adopted by the governing bodies of Multnomah County and Metro. Recall, the City of Portland's Revenue Division administers the business income taxes for Multnomah County and Metro. In the City's view, to ease the Revenue Division's administration of the taxes for the three jurisdictions, it is important that substantially similar provisions are adopted by each jurisdiction. The Multnomah County Board of Commissioners approved the first reading of a revised ordinance at its September 29, 2022, meeting. The second reading is scheduled for October 13, 2022. It appears that Metro has yet to propose an ordinance change. Please stay tuned to TWIST for future updates.



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