

## Business Tax Administrative Rule 400.23-2

### 400.9323-2A – Exemption for Insurance Producers (as Defined in ORS 731.104) (LIC-4.026)

Insurance producers are exempt from filing returns under the **City of Portland** Business License and **the Multnomah County** Business Income Tax **lawsCodes** only when the producer's gross income arises solely from premiums or fees for insurance policies, including all premiums, assessments, dues and fees received or derived. The insurance producer loses this filing exemption if the producer has gross income from any other business activity subject to the **City of Portland** Business License or **Multnomah County** Business Income Tax **lawsCodes**. The gross income from insurance policies and fees remains exempt **throughout the apportionment calculation** and will not be included in the numerator of the sales factor for apportionment purposes.

Example: Marilyn Johnson, an insurance producer, has gross income from insurance activities of \$160,000 a year and generates \$40,000 in fees as a financial counselor. All the activities are managed and performed from **Marilyn's** business location within **theMultnomah** County. **MarilynMs. Johnson** is required to file returns with **theMultnomah** County and will report the net income **or (loss)** earned from **her agency insurance** activities as well as the financial counseling activities. The total **net business net income or (loss)** will be multiplied by the apportionment factor of 240% for **theMultnomah** County (\$40,000 / **\$1200,000**). The gross income from insurance activities is exempt and is not included in the numerator of the **apportionment formula sales factor**, even though it was derived from business activity performed in **theMultnomah** County.

**Note: Applicable for tax years beginning on or after 1/1/2023.**

XX-XX-2023

Thomas Lannom

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Date

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Director, Revenue Division

Adopted XX-XX-2023