

Business Tax Administrative Rule 610.93-1

610.93-1 – Definition of Total Gross Income & Total Gross Receipts for Apportionment and Exemption (LIC-1.04)

Total gross income of a business is defined as all income from whatever source derived, including but not limited to:

- a. gross receipts (less returns and allowances) from the sale of tangible personal property;
- b. gross receipts from the sale of services, including fees and commissions;
- c. gains derived from property transactions (including installment sales);
- d. interest (including interest from installment sales);
- e. rents;
- f. royalties;
- g. dividends;
- h. income from life insurance and endowment contracts;
- i. franchise fee income;
- j. distributive share of partnership gross income;
- k. income received from business contractual agreements, such as non-compete contracts; and
- l. business income from an interest in an estate or trust.

The “gross receipts” determined as earned from the sale of property transactions (as referenced in (c) above), shall be the gain from such transactions for both apportionment and exemption purposes.

Example: Bob Brown sold his commercial rental on January 31, 2010 for a gain of \$30,000 after receiving \$15,000 in gross rents for the year. The commercial rental was sold for \$100,000. For purposes of the City of Portland Business License Law and the Multnomah County Business Income Tax Law, the gross receipts for both apportionment and exemption purposes shall be \$45,000 not \$115,000.

Note: This rule sunsets 12/31/2022 and does not apply to tax years beginning on or after 1/1/2023. See 611.23-1 (LIC 1.08) for later tax years.

XX-XX-2023

Date

Amended XX-XX-2023

Thomas Lannom

Director, Revenue Division