

Business Tax Administrative Rule 610.93-7

610.93-7 – Apportionment for Freight Carriers (LIC-6.17)

Persons whose business activity is the pick-up and/or delivery of freight, including deliveries or pick-ups of freight occurring outside the City or County, may apportion the income from such business activity to reflect the business activity outside the City or County. For those businesses performing pick-up and delivery of freight, the following general apportionment standard shall be applied:

1. In those cases where both the pick-up and delivery are within the City and/or County, the income shall be apportioned to the City and/or County.
2. In those cases where either a pick-up or a delivery occurs within the City and/or County with a corresponding pick-up or delivery outside the City and/or County, 50% of the income shall be apportioned to the City and/or County.

Interstate carriers of freight (long-haul trucking) may also partially offset the income received from pick-up or delivery within the City and/or County (such offset not to exceed 50% of City or County income determined in #2 above) by a reasonable methodology which may include:

1. Total mileage outside the City or County related to the delivery or pick-up which occurs within the City or County (for long-haul trucking).
2. Extent of business activity occurring within the City or County (compared to elsewhere).
3. Extent of business presence within the City or County (compared to elsewhere).
4. Apportionment as reported to the State of Oregon compared to City or County apportionment.
5. Comparability within the industry.

Persons whose business activity is contracting with others to perform pick-up or delivery services may not apportion such activity.

Note: This rule sunsets 12/31/2022 and does not apply to tax years beginning on or after 1/1/2023.

XX-XX-2023

Thomas Lannom

Date

Director, Revenue Division

Amended XX-XX-2023