

Metro Business Income Tax Administrative Rule 7.07 – 1105

7.07 – 1105 Apportionment for Freight Carriers

Persons whose business activity is the pick-up and/or delivery of freight, including deliveries or pick-ups of freight occurring outside the Metro district, may apportion the income from such business activity to reflect the business activity outside the Metro district. 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 Metro district, the income shall be apportioned to the Metro district.
2. In those cases where either a pick-up or a delivery occurs within the Metro district with a corresponding pick-up or delivery outside the Metro district, 50% of the income shall be apportioned to the Metro district.

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

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

Date

Amended XX-XX-2023