



This Week in State Tax (TWIST)

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Oregon: Portland Area Localities Adopt 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 change aligns the City tax with the rules for apportioning income under Oregon's state corporate excise tax law. The Portland ordinance included language that it would not actually become effective until substantially similar provisions were adopted by the governing bodies of Multnomah County and Metro, the business income taxes of which are also administered by the City of Portland Revenue Division. Both other localities have recently approved ordinances adopting market-based sourcing; the Multnomah County Board of Commissioners revised County Code Chapter 12 on October 13, 2022, and Metro revised Metro Code Chapter 7.07 on October 27, 2022. The changes will take effect for the 2023 tax year. Please contact [Rob Passmore](#) with questions.



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