

LIC-4.02 - Exemption for Insurance Agents - [Printable Version](#)**EXEMPTION FOR INSURANCE AGENTS**

Administrative Rules Adopted by Bureau of Licenses Pursuant to Rule-Making Authority
ARB-LIC-4.02

Insurance agents are exempt from filing returns under the Business License and the Business Income Tax laws *only* when the agent's gross income arises solely from premiums or fees for insurance policies, including all premiums, assessments, dues and fees received or derived. The insurance agent loses this filing exemption if the agent has gross income from any other business activity subject to the Business License or Business Income Tax laws. The gross income from insurance policies and fees remains exempt throughout the apportionment calculation.

Example: Marilyn Johnson, an insurance agent, has gross income from insurance activities of \$ 60,000 a year and generates \$40,000 in fees as a financial counselor. All the activities are managed and performed from her business location within the County. Ms. Johnson is required to file returns with the County and will report the net income (loss) earned from her agency activities as well as the financial counseling activities. The total business net income (loss) will be multiplied by the apportionment factor of 40% for the County (\$40,000 / \$100,000). The gross income from insurance activities is exempt and is not included in the numerator of the apportionment formula, even though it was derived from business activity performed in the County.

REFERENCES

Portland City Code Section [7.02.400 B](#).

Multnomah County Code Section [5.600.400 B](#).

Oregon Revised Statutes Sections [731.840 \(4\) \(a\) and \(b\)](#).

HISTORY

Submitted for inclusion in PPD September 17, 2002.

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