

Business Tax Administrative Rule 100.23-2 (LIC-1.09)

Like-Kind Exchanges

The City of Portland, Multnomah County, and Metro (collectively “Jurisdiction”) adopt the federal and Oregon treatment of like-kind exchanges allowing a deferral for recognition of a gain in such exchange. If a taxfiler elects to defer a gain on a like-kind property for federal or Oregon purposes, the taxfiler has made that election for the Jurisdiction. The taxfiler must report the Jurisdiction gain when it is reported on the federal and Oregon returns.

Reporting:

Report the Jurisdiction gain on the sale or other disposition of the acquired property when it’s reported on the federal and Oregon returns. A Jurisdiction tax return must be filed for each tax year from the date of the exchange with a deferred gain until the tax year in which the gain is reported even where there is no other requirement to file a Jurisdiction tax return.

Irrevocable election to recognize gain immediately:

A taxfiler may make an irrevocable election to recognize and report the gain on the exchange or involuntary conversion in the year it occurs, paying the Business License Tax and Business Income Taxes in that year. This election will allow the taxfiler to avoid filing requirements related to making the deferral election and related interest when the gain is reported for federal and Oregon purposes.

XX-XX-2023

Date

Director, Revenue Division

Adopted XX-XX-2023