



Oregon Department of Environmental Quality

# Primary Standard Industrial Classification and North American Industry Classification System Codes

## Understanding NAICS codes

NAICS stands for the North American Industry Classification System. It's a tool created in 1997 to help federal agencies in the U.S., Canada, and Mexico collect and analyze economic data. This system replaced the older Standard Industrial Classification system, creating a unified standard across North America.

In addition to making a document easier to read and follow by breaking down sections and subsections clearly, by using the styles, Word embeds code so that people using accessibility software can more easily read and navigate between sections. This coding is also carried to documents converted to pdf.

## Why NAICS codes matter for Air Quality Permitting

NAICS codes play a crucial role in air quality permitting for two reasons:

1. **Regulating Emissions:** They ensure that all activities at a facility that cause air emissions are included in the regulation. This means emissions from the main activity and any supporting activities are considered together.
2. **Ensuring Land Use Compatibility:** They help ensure a facility complies with land use requirements. This prevents a facility from changing its operations in ways that might conflict with local land use rules without undergoing proper review.

## How SIC and NAICS codes are used in permits

When applying for air quality permits, facilities must provide a SIC code, especially for Air Contaminant Discharge Permits and Title V applications. While this code is not a condition of the permit, it helps categorize the facility for administrative purposes.

[OAR 340-200-0010\(165\)](#) defines "source" as "any building, structure, facility, installation or combination thereof that emits or is capable of emitting air contaminants to the atmosphere, is located on one or more contiguous or adjacent properties and is owned or operated by the same person or by persons under common control. The term includes all air contaminant emitting activities that belong to a single major industrial group, i.e., that have the same two-digit code, as described in the Standard Industrial Classification Manual, U.S. Office of Management and Budget, 1987, or that support the major industrial group."

Based on the definition above, SIC and NAICS codes play a crucial role in how DEQ defines a source of emissions. DEQ includes both SIC and NAICS codes in all permits and review reports to ensure accurate classification and regulation.

### Translation or other formats

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# Understanding SIC/NAICS codes for businesses

When a business registers with the Corporations Division, they don't need to provide SIC/NAICS codes. However, these codes are important for several reasons:

- **Tax purposes:** The [Oregon Office of Small Business Assistance](#) uses SIC/NAICS codes to help with tax matters.
- **EPA Reporting:** Businesses that report to the [EPA's Toxics Release Inventory](#) must include their SIC/NAICS code each year.

## Keeping your codes up to date

While it's the business's responsibility to keep their SIC/NAICS codes current, DEQ may ask for updates if the code doesn't match the primary business activity.

## Permit modifications

If your SIC/NAICS code changes, you might need to modify your permit or apply for a new one, especially if new requirements apply. Even if no permit conditions need changing, a permit modification application is still required.

For ACDP Permit sources, this may be a non-technical permit modification. [ACDP forms can be found on DEQ's ACDP web page.](#)

For Title V sources, this could be an administrative amendment. [TV forms can be found on DEQ's Title V web page.](#)

## SIC/NAICS for regulatory purposes

SIC/NAICS codes are also important because the New Source Performance Standards and the National Emission Standards for Hazardous Air Pollutants list the codes that are regulated.

For example, this is the list of regulated SIC/NAICS codes for the Plywood and Composite Wood Products NESHAP:

Regulated Entities. Categories and entities potentially regulated by this action include:

Category	Rule	SIC Code (a)	NAICS Code (b)	Examples of regulated entities
Industry	NESHAP	2421	321999	Sawmills with lumber kilns
Industry	NESHAP	2435	321211	Hardwood plywood and veneer plants
Industry	NESHAP	2436	321212	Softwood plywood and veneer plants
Industry	NESHAP	2493	321219	Reconstituted wood products (particle board, medium density fiberboard, hardboard, fiberboard, and oriented strandboard plants)
Industry	NESHAP	2439	321213	Structural Wood Members, not elsewhere classified (engineered wood products)
Effluent Guidelines	NESHAP	2436	321212	Softwood plywood and veneer plants

Effluent Guidelines	NESHAP	2493	321219	Reconstituted wood products (particle board, medium density fiberboard, hardboard, fiberboard, and oriented strandboard plants)
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(a) Standard Industrial Classification

(b) North American Industrial Classification System

## Secondary SIC/NAICS codes

Some permits and review reports have multiple SIC/NAICS codes without specifying primary or secondary activities. Sometimes, “other” SIC/NAICS codes are also included.

Traditionally, DEQ has included the SIC for specific equipment rather than the primary business activity of the source. However, using more descriptive SIC/NAICS codes that reflect the primary business of the source provides clearer information. These more descriptive codes should be included in permits and review reports for better accuracy and understanding.

For example, in the case of a hospital the primary business activity is healthcare services. However, the DEQ might include SIC/NAICS codes related to specific equipment, such as boilers, in the permit. The hospital’s primary SIC code is [8069 \(Specialty Hospitals, except Psychiatric\)](#), and its primary NAICS code is [622110 \(General Medical and Surgical Hospitals\)](#). These codes are more descriptive of the hospital’s main activities and should be included in the permit and review report to better reflect the actual source.

## Guidance for using SIC/NAICS codes

When applying for an air quality permit, businesses should identify their primary SIC code, which represents the main activity that generates the highest revenue. Additional SIC/NAICS codes describing other business activities should be included as secondary codes.

### Key points for businesses

- **Identify Primary and Secondary Codes:** Clearly state the primary SIC code and any secondary SIC/NAICS codes that describe supporting activities.
- **Updating Codes:** If you need to add or change an SIC code later, you must confirm the primary business activity and the supporting activities.
- **Permit Modifications:** Changes in the primary SIC code may require a new permit, especially if it involves significant changes in business activities or emissions. Secondary changes that support the main business might only need a permit modification.

### Additional requirements

- **Land Use Compatibility Statement:** Provide a new LUCS when changing the primary SIC code, unless there is no significant change in property use or emissions.
- **Compliance:** Ensure all applicable requirements for the new SIC/NAICS codes are included in your permit.

## **Contact**

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