

2021 FORM MET- 40



METRO SUPPORTIVE HOUSING SERVICES
PERSONAL INCOME TAX RETURN
Full-Year Resident

TAX YEAR 2021 | DUE DATE: APRIL 18, 2022
File online at Pro.Portland.gov

ACCOUNT #
SHP-

OFFICIAL USE ONLY

FILING STATUS: (check one)

- SINGLE: Single
SINGLE: Married filing separately
JOINT: Married filing jointly
JOINT: Head of household
JOINT: Qualifying widow(er)

Form with fields for TAXPAYER'S LAST NAME, FIRST NAME AND INITIAL, SOCIAL SECURITY NUMBER, SPOUSE'S LAST NAME, RESIDENCE ADDRESS, MAILING ADDRESS, CITY, STATE/PROV, ZIP CODE.

- INITIAL RETURN
FINAL RETURN
AMENDED RETURN
EXTENSION FILED

PART I - METRO TAXABLE INCOME

Table with 5 rows for Oregon Taxable Income, Less exempt income, Pass-through income modification, Metro income threshold exemption, Income subject to tax.

PART II - METRO SUPPORTIVE HOUSING SERVICES TAX

Table with 12 rows for Tax, Credit for taxes paid to another state, Employer withholding, Prepayments, Penalty, Interest, Balance due or (Overpayment).

PART III - TAX DUE / REFUND

Table with 3 rows for tax due/refund calculation, including overpaid amount and amount owed.

PART IV - SIGNATURE

The undersigned declares that the information given on this report is true. The undersigned is authorized to act as a representative of the filer. Filers of incomplete returns may be subject to civil penalties of up to \$500.

Signature of Taxfiler _____ Date _____

Signature of Spouse _____ Date _____

Taxfiler Email _____ Taxfiler Phone Number () _____

Signature of Preparer _____ Date _____

Preparer's Name _____ Preparer Phone Number () _____

MAILING INSTRUCTIONS

If a payment is included, send to:

Revenue Division - Metro SHS Tax
PO Box 9250
Portland, OR 97207-9250

Make check payable to Metro SHS Tax

Phone (503) 865-4748

If a payment is not included, send to:

Processing - Metro SHS Tax
111 SW Columbia St. Suite 600
Portland, OR 97201-5840

FAX (503) 823-5192

TDD (503) 823-6868

SCHEDULE A — W-2 WITHHOLDING SUMMARY FOR METRO SHS TAX

Complete Schedule A if you have a employer withholding to report on Line 8 of the return. See instructions.

A-1.	(a)	(b)	(c)	(d)	(e)
	Employee SSN	Employer Name	Employer FEIN	Local Wages, Tips, Etc.	Local Income Tax Withheld
1					
2					
3					
4					

Check box if you have additional employer withholdings, and submit statement.

A-2. Total sum from column A-1(e). Enter this amount on line 8 of the return **A-2**

SCHEDULE B — PASS-THROUGH INCOME MODIFICATION

Complete Schedule B only if you have a pass-through income modification to report on Line 3 of the return. See instructions.

B-1.	(a)	(b)	(c)	(d)	(e)
	Tax ID of Pass-Through Entity	Name of Pass-Through Entity	Total Income/Loss from Pass-Through Entity	Modification Percentage (Enter 100% as 1.000000)	Modification Claimed for Pass-Through Income
1					
2					
3					
4					
5					

Check box if you have additional pass-through income modifications, and submit statement.

B-2. Total sum from column B-1(e). Enter this amount on line 3 of the return **B-2**

METRO SUPPORTIVE HOUSING SERVICES PERSONAL INCOME TAX 2021 FORM MET-40 INSTRUCTIONS FULL-YEAR RESIDENT

IMPORTANT UPDATES

Policy Update (02/14/2023). On February 14, 2023, Metro offered a penalty and interest amnesty for tax year 2021. Do not self-assess any penalties or interest on your tax return. For more information, please visit Portland.gov/revenue/amnesty.

Taxpayers who fail to file their return and/or pay the principal tax owed for tax year 2021 after being notified by the Revenue Division may have their penalties and interest reinstated and be subject to civil penalties if they continue to refuse to pay the tax.

Form Update (03/16/2022). The instructions and table for *Schedule B - Pass-Through Income Modification* were updated on 03/16/2022. Do not use older versions.

GENERAL INFORMATION

File and Pay Online and Manage Your Tax Accounts at Pro.Portland.gov. Portland Revenue Online (PRO) allows you to:

- Register your personal and business tax accounts
- Update your account information
- File a personal tax return
- Make payments
- Upload supporting tax pages and documents
- View correspondence mailed to you
- Provide Third-Party Access to your tax preparer

For more information and to create your account, visit Pro.Portland.gov.

Publication OR-17. Metro personal income tax closely follows Oregon personal income tax treatment. See Publication OR-17 for more information about personal income tax laws. It is available at www.oregon.gov/dor/forms. To the extent necessary, references in Publication OR-17 to the state of Oregon or its agencies should be treated as references to Metro and its agents.

Individuals Required to File a Full-Year Metro Supportive Housing Services (SHS) Tax Return. Every full-year resident of Metro who is required to file an Oregon income tax return for the taxable year and who reports Oregon Taxable Income over \$200,000 using Oregon filing status married filing jointly, head of household or qualifying widow(er), or over \$125,000 using Oregon filing status

single or married filing separately is required to file a Metro full-year personal income tax return.

Residency. You are a full-year Metro resident if you live within Metro for the entire year. You are also a full-year Metro resident, even if you live outside of Metro, if all of the following are true: you consider Metro as your permanent home; Metro is the center of your financial, social, and family life; and Metro is the place you intend to return after an absence. You are still a full-year resident if you temporarily move out of Metro or move back to Metro after a temporary absence. An individual must be an Oregon resident for taxable purposes to be a Metro resident. To determine if your place of residence is located within the Metro tax jurisdiction, utilize the tool available at www.oregonmetro.gov/public-projects/supportive-housing-services-tax.

Filing Deadline. The filing deadline for this return is Monday, April 18, 2022.

Extensions. Metro does not allow an extension of time to pay your tax. The submission of an extension payment by the original return due date provides an automatic six-month filing extension. If you do not have a tax balance due but would like to file an extension, your federal and/or state extension will serve as your Metro extension. When filing your return on the extended due date, check the "Extension Filed" box on the return. If no extension payment was made, please attach a copy of your federal extension or verification of your Oregon extension payment with your return.

PENALTIES AND INTEREST

For tax year 2021, no penalties are due on a voluntarily filed return. Do not self-assess any late filing or late payment penalties.

For tax year 2021, no interest is due on a voluntarily filed return even if the payment is late. Do not self-assess any interest.

LATE FILING PENALTY

If you do not file your 2021 Form MET-40 by the original due date, file an extension with the Revenue Division by the original due date, or include a copy of your federal extension with your return when you file by the extended due date, the following penalties will be applied:

- 5% of the amount of the unpaid tax if the failure to file is for a period less than four months;
- An additional penalty of 100% of the unpaid tax of all tax years if the failure to file is for three or more consecutive tax years.

No late filing penalty is due if a timely extension is filed with the Revenue Division and a 2021 Form MET-40 is filed by the extended due date, or a copy of the federal extension is

included with the return and the 'Extension Filed' box is checked.

LATE PAYMENT PENALTY

Your 2021 income tax must be paid by April 18, 2022, even if you requested an extension to file your 2021 Form MET-40. If you do not pay your tax by the original due date, the following penalties will be applied:

- 5% of the amount of the unpaid tax if the failure to pay is for a period less than four months;
- An additional penalty of 100% of the unpaid tax of all tax years if the failure to pay is for three or more consecutive tax years.

FEDERAL AND OREGON RETURNS

Please submit the following forms and schedules with your return. Without this information, we may disallow or adjust items claimed on your Metro return.

REQUIRED SUPPORTING OREGON TAX PAGES

Be sure to include the following Oregon tax pages and any associated statements when submitting your return:

- Form OR-40, pages 1-3
- Schedule OR-ASC (if filed)
- Schedule OR-K-1(s) (if Metro pass-through income adjustment claimed)

REQUIRED SUPPORTING FEDERAL TAX PAGES

Be sure to include the following federal tax pages and any associated statements when submitting your return:

- Federal Form 1040, pages 1-2
- Federal Schedule 1
- Schedule B (if filed)
- Schedule C (if filed)
- Schedule D (if filed, including Form 4797, Form 6252, and Form 8824))
- Schedule E (if filed)
- Schedule F (if filed)
- Form 4868 (if federal extension filed)
- Form(s) W-2 (if Metro SHS tax withheld)
- Form 1099-R (if PERS or federal retirement exemption claimed)
- Schedule(s) K-1 (Form 1065/Form 1120-S/Form 1041) (if Metro pass-through income adjustment claimed)
- Form 8582 if passive activity loss limitations apply to Metro pass-through loss adjustment

TAX RETURN FILING INSTRUCTIONS

Rounding. Round off cents to whole dollars on your return and schedules. To round, drop amounts under 50 cents and increase amounts from 50 to 99 cents to the next dollar. For example, \$1.39 becomes \$1 and \$2.50 becomes \$3. If two or more amounts must be added to figure the amount to enter on a line, include cents when adding the amounts and round off only the total.

GENERAL RETURN INFORMATION

Metro Supportive Housing Services Personal Income Tax Account #. If you have already registered for an account and know your account number, enter your full Metro SHS Tax Account number beginning with SHP followed by ten digits. If you do not know your number, leave field blank.

Filing Status. Check the box next to your filing status. You must use the filing status corresponding with the filing status used on your Oregon tax return. Choose only one filing status.

Taxpayer's Last Name; First Name and Initial. If filing jointly, enter the last name, first name, and middle initial (if applicable) of the taxpayer listed as the primary filer on the 2021 Form OR-40. If taxpayer died during the tax year, check the "deceased" box. A personal income tax return must be filed for a person who died if the person would have been required to file. If you have been appointed personal representative or you have filed a small estate affidavit, sign the return as "personal representative." A surviving spouse must sign if it's a joint return. If there is no personal representative for the deceased person, only the surviving spouse needs to sign a joint return.

Spouse's Last Name; First Name and Initial. If filing jointly as married filing separately, enter the last name, first name, and middle initial (if applicable) of the individual listed as the spouse on 2021 Form OR-40. If taxpayer died during the tax year, check the "deceased" box. A personal income tax return must be filed for a person who died if the person would have been required to file. If you have been appointed personal representative or you have filed a small estate affidavit, sign the return as "personal representative." A surviving spouse must sign if it's a joint return. If there is no personal representative for the deceased person, only the surviving spouse needs to sign a joint return.

Social Security Number. Enter the Social Security Number (SSN) or Individual Tax Identification Number (ITIN) of the corresponding taxpayer and spouse. Refunds will not be issued without a valid SSN or ITIN.

Residence Address. Enter the residential address. If the primary taxpayer and spouse have different residential addresses, list the address of the primary taxpayer. If the

residential address has changed, list the current address and mark the “check if changed” box. Unless a mailing address is provided, correspondence will be sent to the residence address on file.

Mailing Address. Only enter an address if the mailing address is different from the residential address. If the mailing address has changed, list the current address and mark the “check if changed” box.

Initial Return Box. Check this box if this is your initial return, if your filing status changed from the previous year, or if the person you are filing jointly with changed from the previous year.

Final Return Box. Check this box if this is your final return.

Amended Return Box. Check this box if you are filing an amended return and have already submitted an original return. You must include a copy of your original return with your amended return. If you also filed amended federal and state returns, please include a copy. Fill in all amounts on your amended return, even if they are the same as originally filed. If you are amending to make a change to additions, subtractions, or credits, include detail of all items and amounts as well as any carryovers.

If you change taxable income by filing an original or amended federal or Oregon income tax return, you must file an amended 2021 Form MET-40 within 60 days of when the original or amended federal or Oregon income tax return was filed. Include a copy of your original or amended federal or Oregon income tax return and explain the adjustments made.

On the prepayments line of your amended 2021 Form MET-40, enter the net tax as reflected on the original return or as previously adjusted. Do not include any penalty or interest portions of payments already made.

Extension Filed Box. Check this box if you have filed a federal or state extension, or if you submitted an extension payment by the original due date of the return. Include required copies of federal or state extensions as applicable (see “Extensions” under “General Information” for additional information).

PART I – METRO TAXABLE INCOME

Line 1. Oregon Taxable Income. Enter your Oregon Taxable Income from Form OR-40, line 19. You must attach copies of the required Oregon and federal tax forms listed in the instructions to your Metro return.

Line 2. Exempt Income. Oregon Public Employees Retirement (PERS) benefits and federal retirement benefits, including Federal Employees Retirement System (FERS) benefits, Civil Service Retirement System (CSRS) benefits, and military retirement benefits, that are taxed by Oregon

are exempt from this tax. Submit a copy of Form 1099-R for each source claimed. You are only allowed a deduction for income that was not already exempted on your federal or Oregon return. Enter as a negative number.

Line 3. Pass-through Income Modification. If you received a Schedule K-1 (Form 1065) or a Schedule K-1 (Form 1120-S) from a pass-through entity (PTE) that was subject to the Metro Business Income Tax (METBIT), complete Schedule B on page 2 and report your modification from line B-2 on line 3. Net pass-through gains will be reported on this line as a negative value, and net pass-through losses will be reported on this line as a positive value. See instructions for Schedule B for additional guidance.

Line 4. Metro Income Exemption. If you use the single filing status of single or married filing separately, enter \$125,000 on line 4. If you use the joint filing status of married filing jointly, head of household, or qualifying widower, enter \$200,000 on line 4. Enter as a negative number.

Line 5. Income Subject to Tax. Enter the sum of lines 1 through 4 on line 5. If the balance is less than \$0, enter \$0.

PART II – METRO SUPPORTIVE HOUSING SERVICES TAX

Line 6. Tax. Multiply line 5 by 1% and enter on line 6. This is your Metro Personal Income Tax for 2021.

Line 7. Credit for Taxes Paid to Another State. A Metro resident is allowed a credit for taxes paid to another state on mutually taxed income if the other state does not allow the credit. This credit can only be taken if the filer claims a credit for income taxes paid to another state on the filer’s Oregon income tax return. A Metro resident figures the credit as the lesser of the Metro tax based on mutually taxed income or the tax actually paid to the other state. To calculate the Metro tax based on mutually taxed income, use the following formula:

$$\begin{array}{r} \text{Mutually taxed income} \\ + \\ \text{Metro income subject to tax from line 5} \\ \times \\ \text{Metro Tax} \\ = \\ \text{Metro tax based on mutually taxed income} \end{array}$$

Enter the lesser of the Metro tax based on mutually taxed income or the tax actually paid to the other state on line 7. Enter as a negative number.

Line 8. Employer Withholding. If you had Metro SHS tax withheld from your wages by your employer, complete Schedule A on page 2 and enter the total tax withheld from line A-2 on line 8 as a negative number. If you have tax to pay, consider submitting a FORM OPT to your employer to increase the amount your employer holds from your wages.

For withholding information, go to:
www.oregonmetro.gov/public-projects/supportive-housing-services/taxes-and-funding.

Line 9. Prepayments. Enter the total amount of prepayments as a negative number. Include all quarterly estimated payments, extension payments, and any credits carried forward from prior years.

Line 10. Penalty. Not applicable for tax year 2021 due to the amnesty policy.

Line 11. Interest. Not applicable for tax year 2021 due to the amnesty policy.

Line 12. Balance Due or (Overpayment). Add lines 6 through 11 and enter sum on line 12. If sum is positive, you have a balance due. If sum is negative, you have an overpayment for the year.

PART III – TAX DUE/REFUND

Line 13. Overpayment. If line 12 is negative, this is the amount you have overpaid. If you have an overpayment, you may choose to have the balance refunded to you or credited forward to the next year. If no election is made, any overpayment will be refunded to you.

Line 13a. Refund. Enter the amount of the overpayment you would like refunded to you on line 13a. If you would like direct deposit of your refund, you must file your return online at Pro.Portland.gov. If your return is filed on paper, you will receive your refund in the mail by check.

Line 13b. Credit Carryforward. Enter the amount of the overpayment you would like to apply as an estimated payment for tax year 2022 on this line.

Line 14. Amount Due. If line 12 is positive, a balance is due. Pay by April 18, 2022 to avoid late payment penalties and interest. You may pay by check or online at Pro.Portland.gov.

PART IV – SIGNATURE

Signature(s). Be sure to sign and date your return. If you are filing a joint return, both taxpayers must sign. By signing the return, you acknowledge, under penalty of false swearing, that the information on the return is true, correct, and complete.

Preparer Signature. Anyone who prepares, advises, or assists in preparing personal income tax returns in exchange for compensation of any kind must be licensed to prepare Oregon returns and must sign the return.

MAILING INSTRUCTIONS

If you are including a payment with your return, send your completed return, payment, and all required supporting tax pages to:

Revenue Division – Metro SHS Tax
PO Box 9250
Portland, OR 97207-9250

Make the check payable to ‘Metro SHS Tax.’ For fastest payment processing, pay online by logging into your PRO account at Pro.Portland.gov.

If a payment is not included with your return, send your completed return and all required supporting tax pages to:

Processing – Metro SHS Tax
111 SW Columbia St, Suite 600
Portland, OR 97201-5840

SCHEDULE A – W-2 WITHHOLDING SUMMARY FOR METRO SHS TAX

Use this schedule to calculate the total amount of Metro SHS tax that was withheld by your employer. If your employer withheld the Metro SHS tax, information regarding the withholding will be shown in boxes 18, 19, and 20 of your W-2. If you file a joint Metro tax return, include information for both the primary filer and spouse on Schedule A. Only include box 18 and box 19 information if the locality in box 20 says “Metro” or “Metro SHS”. Do not include information for the locality of “MULT”, “MultCo”, or “Multnomah County”. Information for Multnomah County withholdings will be reported on the Multnomah County Personal Income Tax return, which is a separate form. If no Metro SHS tax was withheld on your behalf (or your spouse’s behalf, if filing jointly) by your employer(s), you do not need to complete this schedule.

Report each W-2 on a separate line. Round off cents to whole dollars. If two or more amounts must be added to figure the amount to enter on a line, include cents when adding the amounts and round off only the total.

Line A-1, Column (a). Employee SSN. Enter the social security number of the filer shown in box a of the W-2.

Line A-1, Column (b). Employer Name. Enter the name of the employer shown in box c of the W-2.

Line A-1, Column (c). Employer FEIN. Enter the employer identification number (EIN) shown in box b of the W-2.

Line A-1, Column (d). Local Wages, Tips, Etc. Enter the amount shown in box 18 of the W-2. Make sure that the locality name shown in box 20 indicates that the value in box 18 is for the Metro SHS tax.

Line A-1, Column (e). Local Income Tax Withheld. Enter the amount shown in box 19 of the W-2. Make sure that the locality name shown in box 20 indicates that the value in box 19 is for the Metro SHS tax.

Check box if you have additional employer withholdings, and submit statement. If you have more than four W-2s that show Metro Tax withholdings, check the box, and attach a statement with the employee SSN, employer name, employer FEIN, local wages, tips, etc. and local income tax withheld for each additional W-2. Include the total amount from the statement on line A-2.

Line A-2. Total sum from column 1(e). Enter sum of all Metro Tax withheld from line A-1, column (e) and the supplemental statement (if applicable). Enter the amount from line A-2 on Line 10, page 1 of the return.

SCHEDULE B – PASS-THROUGH INCOME MODIFICATION

Use this schedule to determine the amount of pass-through income modification to report for pass-through income/loss that was already subject to the Metro Business Income Tax (METBIT). This schedule must be completed to determine the value for line 3 in Part I of the return. If your pass-through income was not subject to tax under the METBIT for any reason, you are not eligible to claim a pass-through income modification.

You are allowed a deduction from personal taxable income for pass-through income derived from a business subject to the Metro business tax. To take this deduction, you must have documentation from the business showing your share of income that was subject to tax on the business's METBIT return. Pass-through entities (PTEs) subject to the METBIT must provide their owners or partners information along with the Schedule K-1 that indicates: 1) whether the business is subject to the METBIT; 2) that the business filed the METBIT return for the tax year of Schedule K-1; and 3) the Schedule K-1 recipient's share of "income subject to tax" reported on the METBIT. Your deduction should be the amount of your share of the PTE's income subject to tax reported to you with Schedule K-1. The deduction is limited to the amount of pass-through income, from the entity that paid the METBIT tax, that is included in your federal Form 1040.

Net operating losses incurred at the entity level are required to be claimed by the PTE and therefore are not allowed to be claimed at the individual level. Business losses reported to you on a Schedule K-1 by a PTE subject to the METBIT must be added back to your Metro taxable income to the extent that the loss was allowed on your federal return. A suspended loss that is unallowed on your federal return in the year that it is acquired is required to be added back to Metro income the year that it is realized. If the loss reported on Schedule K-1 is greater than the loss allowable, only include the allowable loss on the table. Include a statement providing the amount of loss reported on the Schedule K-1

and the amount of allowable loss. Also include Form 8582. Pass-through deductions are not allowed to offset income from other sources, including other PTEs, or to reduce your Metro taxable income to an amount below zero.

If you claimed a deduction on your federal Form 1040 that was from a carryforward of passive activity loss or net operating loss from a PTE that was doing business in Metro prior to the beginning of the METBIT, the deduction is disallowed for purposes of the Metro SHS Personal Income Tax and must be added back to your Oregon Taxable Income on line 1 of Form MET-40. Include a statement explaining the difference between Oregon Taxable Income on line 19 of your Form OR-40 and the amount reported on line 1 of Form MET-40.

Report each PTE on a separate line. If income or loss flows through one or more pass-through entities between the entity that paid tax and your federal return, adjustments may be required. Submit a copy of the corresponding Schedule K-1 for each modification claimed.

Line B-1, Column (a). Tax ID of Pass-Through Entity. Enter the corporation/partnership employer identification number from box A of the Schedule K-1.

Line B-1, Column (b). Name of Pass-Through Entity. Enter the name of the corporation/partnership from box B of the Schedule K-1.

Line B-1, Column (c). Total Income/Loss from Pass-Through Entity. For the deduction for pass-through income from a PTE's income subject to tax, enter your share of "income subject to tax" that was reported to you by the PTE with Schedule K-1.

For net operating losses that must be added back, enter the sum of the following items included in your federal Form 1040. For Schedule K-1 (Form 1120-S): Enter the sum of Schedule K-1, Part III, boxes 1 through 12. For Schedule K-1 (Form 1065): Enter the sum of Schedule K-1, Part III, boxes 1 through 3 and boxes 5 through 13. Enter a loss as a negative number. If the loss reported on Schedule K-1 is greater than the loss allowable on federal Form 1040, only include the allowable loss in Column (c).

Line B-1, Column (d). Modification Percentage. For tax year 2021, all values listed in Column (c) will have a Modification Percentage of 100%. Enter 100% as 1.000000.

Line B-1, Column (e). Modification Claimed for Pass-Through Income. Multiply column (c) by column (d) and enter the result. Enter deductions for income from a PTE's income subject to tax as a positive number. Enter losses as a negative number.

Check box for additional pass-through income modifications and statement. If you have pass-through income/loss from more than five PTEs to deduct or add-back, check the box, and attach a statement which includes the following information for each additional PTE: the tax ID

of the PTE; the name of the PTE; your share of “income subject to tax” reported by the PTE or your required add-back of loss incurred by the PTE; and the total modification claimed related to the PTE. Include the total amount of additional modifications from the statement on line B-2.

Line B-2. Total sum from column 1(e). Enter sum of all eligible pass-through income/loss from line B-1, column (e) and the supplemental statement (if applicable). Enter the amount from line B-2 on line 3, Part I of the return. If you have a net loss, enter this as a positive number on line 3. If you have a net gain, enter this as a negative number on line 3.