

Multnomah County Preschool for All Personal Income Tax

2022 Form MC-40-NP Personal Income Tax Return Instructions

Non-Resident/Part-Year Resident

Important Updates

Policy Update (02/14/2023). On February 14, 2023, Multnomah County offered a penalty and interest amnesty for tax year 2022. Do not self-assess any underpayment penalty or quarterly underpayment interest on your tax return. For more information, please visit [Portland.gov/revenue/amnesty](https://portland.gov/revenue/amnesty).

Net Operating Losses from Pass-Through Entities. Individuals are allowed a net operating loss (NOL) generated in the current year on the MC-40-NP to the extent the loss is allowed on the federal and Oregon return and included in Multnomah County taxable income. However, a net operating loss deduction (NOLD), an NOL from a previous year, claimed on your federal return must be added back on Schedule PTI if the NOLD is related to a pass-through entity that was subject to the Multnomah County Business Income Tax.

If you added back the NOL generated from a pass-through entity that was also subject to the Multnomah County Business Income Tax on your 2021 return, there are two options available:

1. You may amend your 2021 Form MC-40-NP to remove the pass-through modification addition of the net operating loss.
2. You may make the correction on your 2022 Form MC-40-NP by taking a pass-through modification for the net operating loss that was added back in the prior year. If you elect this treatment, make sure to attach a statement explaining the adjustment.

If the full net operating loss cannot be utilized in the current year, there is no carryforward of the net operating loss for Multnomah County Preschool for All Personal Income Tax purposes.

There is no additional modification for the pass-through loss allowed on the MC-40-NP.

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. Multnomah County 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 Multnomah County and its agents.

Individuals Required to File a Non-Resident/Part-year Resident (NP) Multnomah County Preschool for All (PFA) Tax Return. Every non-resident or part-year resident of Multnomah County required to file an Oregon income tax return for the taxable year and who reports Multnomah County taxable income over \$200,000 using Oregon filing status married filing jointly, head of household or qualifying surviving spouse, or over \$125,000 using Oregon filing status single or married filing separately is required to file a Multnomah County NP personal income tax return. You must also file a Multnomah County NP personal income tax return if you file a joint return and you are a full-year resident, but your spouse or domestic partner is a non-resident or part-year resident.

Residency. You are a non-resident if your permanent home was outside Multnomah County all year. An RV is not considered a permanent home outside of Multnomah County. You are a part-year resident if you moved into or out of Multnomah County during the year. There are special circumstances where a resident is treated as a non-resident and a non-resident is treated as a resident. Multnomah County follows these treatments. More information can be found in Oregon's "Publication 17, Individual Income Tax Guide" at www.oregon.gov/dor/forms.

- **Part-year residents.** Multnomah County taxes your income from all sources earned or received while you were a Multnomah County resident. Multnomah County also taxes your income from Multnomah County sources while you were a non-resident.
- **Non-residents.** Multnomah County taxes income you earned while working in Multnomah County and your income from other Multnomah County sources.

Multnomah County source income. Multnomah County income includes income shown on your federal return for

services performed in Multnomah County. Nonresident telecommuters who work for a Multnomah County employer are taxed only on the income earned from work performed in Multnomah County.

Other Multnomah County sources of income (and losses) include:

- Businesses, partnerships, limited liability companies taxed as partnerships, and S corporations located or doing business in Multnomah County or providing services within Multnomah County boundaries.
- Unemployment insurance benefit received because of a Multnomah County job.
- Severance pay received because of a Multnomah County job.
- Farms located in Multnomah County.
- Sale of Multnomah County property.
- Rents and royalties for use of Multnomah property.
- Compensation received for services performed as a fiduciary of a Multnomah County estate or trust.

Income not considered from Multnomah County sources includes:

- Interest and dividends. However, you must include them in Multnomah County income if they were:
 - From a Multnomah County business that you own.
 - Received during the part of the year you were a resident.
 - Passed through from an S corporation or partnership doing business in Multnomah County.
- Multnomah County retirement income received while you were a non-resident unless you were domiciled within Multnomah County.
- Interstate transportation wages from an interstate railroad company, interstate motor carrier, air carrier, or interstate motor private carrier if the income is exempt from Oregon income tax.
- Waterway, air carrier, or hydroelectric dam compensation, if you're a non-resident and the income is exempt from Oregon income tax.
- Military pay of a non-resident.
- Wages earned by a non-resident military spouse who is in Multnomah County only to be with the service member who is stationed in Multnomah County.

Filing Deadline. The filing deadline for this return is April 18, 2023.

Extensions. Multnomah County 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 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.

Penalty Calculation

You may be subject to penalties for filing a late personal income tax return or paying your income tax liability after the original due date of the return. Although there is a late penalty for both failing to file a personal income tax return by the due date and failing to pay the tax by the original due date of the return, only one of these late penalties will be applied, even if there is a failure of both requirements. In these cases, only the late filing penalty is applied. For the purposes of penalty calculations, unpaid tax is your tax liability reduced by any payment of tax made before the original due date and any credit against tax that is claimed on the return.

Late Filing Penalty

If you do not file your 2022 Form MC-40-NP 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 2022 Form MC-40-NP 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 2022 income tax must be paid by April 18, 2023, even if you requested an extension to file your personal income tax return. 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.

Interest Calculation

Interest is calculated at 10% per annum (.00833 multiplied by the number of months). Calculate your interest from the original due date to the 15th day of the month following the date of the payment.

Federal, Oregon, and Multnomah County Business Tax Returns

Your Multnomah County tax is determined using the ratio of your Multnomah County-source income to your entire federal income with Oregon adjustments, additions, subtractions, and modifications. Complete your federal return and your Oregon return first. Do this even if you aren't required to file a federal return. You must use the information from your federal return and Oregon return to complete your Multnomah County return.

Please submit the following forms and schedules with your return. If you're amending your Multnomah County return, your Oregon return and your federal return, include a copy of your amended Oregon return, Form 1040-X and an amended Form 1040 or 1040-SR with Schedules 1 through 3 (if applicable). If you don't provide copies of the required supporting tax pages, we may adjust or deny your Multnomah County subtractions, deductions, and credits. We may ask you for copies of other schedules or additional information later.

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 1-4; Form OR-40-N, pages 1-7; or Form OR-40-P, pages 1-7 that you filed with Oregon.
- Schedule OR-ASC or OR-ASC-NP (if filed)
- Schedule OR-K-1(s) (if Multnomah County 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 Multnomah County PFA tax withheld)
- Form 1099-R (if PERS or federal retirement exemption claimed)
- Schedule(s) K-1 (Form 1065/Form 1120-S/Form 1041) (if Multnomah County pass-through income adjustment claimed)
- Form 8582 if passive activity loss limitations apply to Multnomah County pass-through loss adjustment

Required Multnomah County Business Tax Pages

- FORM SP-2022 Combined Tax Return for Individuals – Multnomah County Business Income Tax/City of Portland Business License Tax (if Multnomah County pass-through income adjustment claimed for sole-proprietor or disregarded entity business income)

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

Multnomah County Preschool for All Personal Income Tax Account #. If you have already registered for an account and know your account number, enter your full Multnomah County PFA Tax Account number beginning with MCP 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.

Individual Income Tax Form Filed with Oregon. Check only one box indicating the form you filed with Oregon for your 2022 individual tax return.

- **Form OR-40.** Check this box if you filed an Oregon Form OR-40 for full year Oregon residents.
- **Form OR-40-P.** Check this box if you filed an Oregon Form OR-40-P for part-year Oregon residents.
- **Form OR-40-N.** Check this box if you filed an Oregon Form OR-40-N for non-residents of Oregon.

Multnomah County Jurisdiction Residency. Check only one box indicating your Multnomah County residency for the

year. To determine if your place of residence is located within the Multnomah County tax jurisdiction, utilize the tool available at www.portlandmaps.com to see if Multnomah County is listed as the county jurisdiction where the address is located.

- **Part-Year Resident.** Check this box if you were a resident of Multnomah County for a portion of the year.
- **Non-Resident.** Check this box if you were not a resident of Multnomah County for any portion of the year.

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 Form OR-40, Form OR-40-P, or Form OR-40-N. 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 or as married filing separately, enter the last name, first name, and middle initial (if applicable) of the individual listed as the spouse on Form OR-40, Form OR-40-P, or Form OR-40-N. 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 amended federal or Oregon income tax return, you must file an amended Form MC-40-NP within 60 days of when the amended federal or Oregon income tax return was filed. Include a copy of your amended federal or Oregon income tax return and explain the adjustments made.

On the prepayments line of your amended Form MC-40-NP, 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 – Multnomah County Taxable Income

Line 1. Multnomah County taxable income. Enter the amount from Schedule INC, line 29M. Schedule INC is located in Part IV of the return and must be completed prior to entering line 1. Instructions for Schedule INC are located under the Part IV section.

Line 2. 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 Multnomah County Business Income Tax (MCBIT), or if you have business income on your personal income tax return from a sole-proprietorship or disregarded entity that was subject to the MCBIT on Form SP-2022, complete Schedule PTI and report your modification from B-2 on line 2. Net pass-through gains will be reported on this line as a negative value, and a net operating loss deduction will be reported on this line as a positive value. See instructions for Schedule PTI for additional guidance.

Line 3. Less allowable deductions. Enter the amount from Schedule INC, line 38M. Enter as a negative number.

Line 4. Multnomah County 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 surviving spouse, 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. If you have \$0 income subject to tax, you are not required to file, but may choose to do so if you have had tax withheld or made prepayments and you wish to request a refund.

Line 5a. Tier 1 Taxable Income. Enter the balance of line 5. This is the total amount of income that exceeds the Multnomah County income exemption.

Line 5b. Tier 2 Taxable Income. Enter the balance of line 5 minus \$125,000 if filing single or married filing separately, or line 5 minus \$200,000 if filing married filing jointly, head of household, or qualifying widower, on line 5b. This is the total amount of income that exceeds \$250,000 if filing as single or married filing separately and \$400,000 if filing as married filing jointly, head of household, or qualifying widower.

Part II – Multnomah County Preschool for All Tax

Line 6. Tier 1 Tax. Multiply line 5a by 1.5% and enter on line 6.

Line 7. Tier 2 Tax. Multiply line 5b by 1.5% and enter on line 7.

Line 8. Total Tax. Add line 6 and line 7 and enter on line 8. This is your total Multnomah County personal income tax liability.

Line 9. Credit for Taxes Paid to Another State.

- **Non-residents.** You are not allowed to claim a credit on your return.
- **Part-year residents.** Your credit is based on your mutually-taxed income during the part of the year that you were a resident.

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 or if a composite return was filed and there no credit allowed on the other state's tax return. A Multnomah County part-year resident figures the credit as the lesser of the Multnomah County tax based on mutually taxed income or the tax actually paid to the other state for the portion of the year they were a resident. To calculate the

Multnomah County tax based on mutually taxed income, use the following formula:

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

Enter the lesser of the Multnomah County tax based on mutually taxed income or the tax actually paid to the other state on line 9. Enter as a negative number.

Line 10. Employer Withholding. If you had Multnomah County PFA tax withheld from your wages by your employer, complete Schedule WH on page 3 and enter the total tax withheld from line A-2 on line 10 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.multco.us/finance/preschool-all-personal-income-tax.

Line 11. 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 12. Penalty. Enter all late penalties that apply, if known. Leave blank if unknown or not applicable. If additional penalty is owed but was not calculated at the time of return submission, you will receive a bill by mail.

Line 13. Interest. Enter interest due on tax not paid by the due date, if known. Leave blank if unknown or not applicable. If additional interest is owed but was not calculated at the time of return submission, you will receive a bill by mail.

Line 14. Balance Due or (Overpayment). Add lines 8 through 13 and enter sum on line 14. 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 15. Overpayment. If line 14 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 15a. Refund. Enter the amount of the overpayment you would like refunded to you on this line. 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 15b. Credit Carryforward. Enter the amount of the overpayment you would like to apply as an estimated payment for tax year 2023 on this line. This election is irrevocable.

Line 16. Amount Due. If line 14 is positive, a balance is due. Pay by April 18, 2023, to avoid late payment penalties and interest. You may pay by check or online at Pro.Portland.gov.

Part IV – Schedule INC

Use this schedule to calculate your Multnomah County taxable income reported on line 1 in Part I of the return and your Multnomah County allowable deductions reported on line 3 in Part I of the return.

Lines 1 through 29 of Schedule INC consist of two columns. The amounts reported on the federal column (F) correspond to your federal adjusted gross income (AGI), additions, and subtractions. The amounts reported on the Multnomah County column (M) correspond to your income from all sources earned or received while you were a Multnomah County resident and your income from Multnomah County sources while you were a non-resident, and includes Multnomah County adjustments, additions, and subtractions.

The sum of your Multnomah County column will determine your Multnomah County taxable income and will be reported on line 1 of Part I of the return.

Your Multnomah County total divided by your federal total will determine your Multnomah County percentage.

The deductions allowed on your Oregon return multiplied by your Multnomah County percentage, plus your charitable art donation if claimed on your Oregon return, will determine your total allowed Multnomah County deduction and will be reported on line 3 of Part I of the return.

For lines 1F through 20F of the federal column, you will enter the amounts reported on your federal return for the corresponding line items. If you filed Form 1040 or 1040-SR, these will be the amounts on lines 1 through 11b and Schedule 1, lines 1 through 22.

In the Multnomah County column, you will report the amounts from the corresponding federal line that are taxed by Multnomah County. For non-residents, Multnomah County taxes only your income from Multnomah County sources. For part-year residents, Multnomah County taxes your income from all sources earned or received while you were a Multnomah County resident and also taxes your income from Multnomah County sources while you were a non-resident. For full-year residents, Multnomah County taxes your income from all sources. If you are a full-year resident filing jointly with a spouse who has a part-time resident or non-resident residency status on Form MC-40-NP, all of your income in the federal column must be

included in the Multnomah County column. For more information on how to determine your Multnomah County-source income, refer to the “General information” section.

Income

Line 1M. Wages, salaries, and other pay for work.

- **1F.** Enter the amount from federal Form 1040 or 1040-SR, line 1z.
- **1M.** Enter the appropriate amount based on your Multnomah County residency status.

- **Non-residents:** Enter the amount you earned while working in Multnomah County for each job. If that amount differs from the Multnomah County wages on your Form W-2 because you performed services for your employer both in Multnomah County and outside of Multnomah County, request a signed statement from your employer verifying the number of days worked in Multnomah County and the total number of days worked everywhere. Keep this document and a statement explaining your calculations with your records. Compute your Multnomah County-source income using the following formula. Don't include holidays, vacation days, and sick days as days actually worked but do include them in total wages:

$$\begin{array}{r} \text{Days actually worked in Multnomah County} \\ + \\ \text{Days actually worked everywhere} \\ \times \\ \text{Total wages (line 1F)} \\ = \\ \text{MultCo wages (line 1M)} \end{array}$$

- **Part-year residents:** Enter amounts you earned while a Multnomah County resident and any amounts you earned working in Multnomah County while you were a non-resident.

Line 2. Interest income.

- **2F.** Enter the amount from federal Form 1040 or 1040-SR, line 2b.
- **2M.** Enter any interest included on line 2F that you received during the part of the year you were a Multnomah County resident. Also include the amount of interest income on line 2F that you received from Multnomah County business activity while you were a non-resident.

Line 3. Dividend income.

- **3F.** Enter the amount from federal Form 1040 or 1040-SR, line 3b.
- **3M.** Determine the amount of dividends on line 3F that you received from a Multnomah County business activity source while you were a non-resident. This includes dividends passed through to

you from an S corporation or partnership doing business in Multnomah County or providing services within the Multnomah County boundaries. These are dividends your S corporation or partnership received on the stock of another corporation. Add any dividend income included on line 3F that you received during the part of the year you were a Multnomah County resident.

Line 4. State and local income tax refunds.

- **4F.** Enter the amount from federal Schedule 1, line 1.
- **4M.** If you received an income tax refund from Oregon, another state, or local government that is included in your federal income, and you deducted those taxes on a prior year's Multnomah County return, include the refund in your Multnomah County income. This refund is not taxable to Multnomah County if you did not deduct the taxes on an Oregon or Multnomah County return. Multnomah County doesn't tax Multnomah County income tax refunds you received, so don't include amounts received from Multnomah County on line 4M.

Line 5. Alimony received.

- **5F.** Enter the amount from federal Schedule 1, line 2a.
- **5M.** Enter alimony you received for the part of the year you were a Multnomah County resident.

Line 6. Business income or loss.

- **6F.** Enter the amount from federal Schedule 1, line 3.
- **6M.** Determine the amount of income or loss from a Multnomah County business activity for the part of the year you were a non-resident. Add all business income or losses incurred during the part of the year you were a resident of Multnomah County. If you have business income that is taxed under the Multnomah County Business Income Tax (MCBIT), include it here. You are entitled to a pass-through income modification on Schedule PTI, and business income/loss that is subject to MCBIT will be deducted/added back on Schedule PTI.

Line 7. Capital gain or loss.

- **7F.** Enter the amount from federal Form 1040 or 1040-SR, line 7.
- **7M.** Determine the amount of gain or loss and capital gain distributions from Multnomah County sources for the part of the year you were a non-resident. Add the amount of your capital gains received and losses incurred during the part of the year you were a Multnomah County resident. Limit losses to \$3,000 (\$1,500 if married filing separately).

Line 8. Other gains or losses.

- **8F.** Enter the amount from federal Schedule 1, line 4.
- **8M.** Determine the amount of gain or loss from Multnomah County sources for the part of the year you were a non-resident. Add the gain received or loss incurred during the part of the year you were a Multnomah County resident.

Line 9. IRA distributions.

- **9F.** Enter the amount from federal Form 1040 or 1040-SR, line 4b.
- **9M.** Determine the amount of any taxable individual retirement arrangement (IRA) distributions you received while a Multnomah County resident. Include any amounts you converted from a regular IRA into a Roth IRA while you lived in Multnomah County.

Line 10. Pension and annuities.

- **10F.** Enter the amount from federal Form 1040 or 1040-SR, line 5b.
- **10M.** Enter the amount of taxable pensions and annuities you received while a Multnomah County resident. **Do not include Railroad Retirement Benefits (RRB1099-R), Oregon Public Employee Retirement System (PERS) benefits, Federal Employee Retirement System (FERS) benefits, Civil Service Retirement System (CSRS) benefits, or military retirement benefits.** If you're domiciled in Multnomah County, you must also include any Multnomah County-source pensions you received. This is true even though you may qualify to file as a non-resident under the tests for special case Multnomah County residents or Multnomah County residents living abroad. For example, if you lived in Multnomah County before you retired and have not changed your permanent home to a location outside Multnomah County boundaries, you must report the pension you earned while you worked in Multnomah County.

Line 11. Schedule E income.

- **11F.** Enter the amount from federal Schedule 1, line 5.
- **11M.** Determine the income received and losses incurred from rents, royalties, partnerships, S corporations, real estate investment trusts (REITs), estates, trusts, etc. reported on federal Schedule E from Multnomah County sources during the part of the year you were a non-resident. Add the amount received or incurred during the part of the year you were a Multnomah County resident. If you have pass-through income that is taxed under the Multnomah County Business Income Tax (MCBIT), include it here. You are entitled to a pass-through income modification on Schedule PTI, and business income/loss that is subject to MCBIT will be deducted/added back on Schedule PTI.

Line 12. Farm income or loss.

- **12F.** Enter the amount from federal Schedule 1, line 6.
- **12M.** Determine the amount of income received or loss incurred from a Multnomah County farm while you were a non-resident. Add the amount of farm income received or loss incurred during the part of the year you were a Multnomah County resident. If you have business income that is taxed under the Multnomah County Business Income Tax (MCBIT), include it here. You are entitled to a pass-through income modification on Schedule PTI, and business income/loss that is subject to MCBIT will be deducted/added back on Schedule PTI.

$$\begin{array}{r} \text{Multnomah County earned income while} \\ \text{a non-resident} \\ + \\ \text{Total earned income while a non-resident} \\ \text{everywhere} \\ \times \\ \text{Contributions made while a non-resident} \\ = \\ \text{Non-resident deduction} \end{array}$$

- Self-employed SEP, SIMPLE, and qualified plans. Use the following formula to determine your allowable deduction for the part of the year you were a non-resident:

$$\begin{array}{r} \text{Multnomah County compensation while a non-} \\ \text{resident} + \text{Total compensation while a non-resident} \\ \times \\ \text{Contributions made while a non-resident} \\ = \\ \text{Non-resident deduction} \end{array}$$

Line 13. Social Security benefits and unemployment and other income.

- **13F.** Enter Social Security benefits from Form 1040 or 1040-SR, line 6b; and unemployment and other income from federal Schedule 1, lines 7 and 9.
- **13M.**
 - **Do not include** Social Security, Railroad Retirement Board benefits, or Railroad Retirement Board unemployment benefits, as Multnomah County doesn't tax this income.
 - **Include** unemployment benefits received from a Multnomah County job or while a Multnomah County resident; Oregon Lottery winnings; other winnings received while a Multnomah County resident, severance pay received from a Multnomah County job or while a Multnomah County resident, and any other taxable income on line 13F from Multnomah County sources or received while a resident.

Line 16. Educator expenses deduction.

- **16F.** Enter the amount from federal Schedule 1, line 11. Enter as a negative number.
- **16M.** Add the qualified educator expenses you paid during the part of the year you were a Multnomah County resident with the amount of qualified educator expenses you paid while working in or providing educator services to students in Multnomah County elementary or secondary schools while a non-resident. Enter the smaller of the result or the amount deducted on your federal return. Enter the total as a negative number on line 16M.

Line 17. Moving expenses.

- **17F.** Enter the amount from federal Schedule 1, line 14. Enter as a negative number.
- **17M.** Enter moving expenses as a negative number in the Multnomah County column only if all of the following are true for you (or your spouse, if filing jointly):
 - You are on active duty in the United States Army, Navy, Air Force, Marines, or Coast Guard.
 - Your expenses are deductible on your federal return because they are related to a permanent change of station (known as a PCS move).
 - Your new duty station is in Multnomah County.
 - You have taxable income from employment (military, civilian, or self-employment) performed in Multnomah County.

Line 14. Total Income.

- **14F.** Enter sum of lines 1F through 13F.
- **14M.** Enter sum of lines 1M through 13M.

Adjustments

Line 15. IRA or self-employed SEP and SIMPLE contributions.

- **15F.** Enter the amount from federal Schedule 1, lines 16 and 20. Enter as a negative number.
- **15M.** Multnomah County follows the federal definition of earned income and compensation used to calculate your IRA and other retirement plan deductions. Determine the amount you paid during the part of the year you were a Multnomah County resident. Add the amount calculated for the time you were a non-resident. This deduction can't be more than the amount of compensation included in the Multnomah County column. Enter as a negative number.
 - IRA. Use the following formula to determine your deduction for the part of the year you were a non-resident:

Line 18. Deductions for self-employment tax.

- **18F.** Enter the amount from federal Schedule 1, line 15. Enter as a negative number.

- **18M.** The Multnomah County deduction can't be more than the federal deduction. Enter as a negative number. Use the following formula to determine the amount of your self-employment tax on earnings taxed by Multnomah County:

$$\begin{array}{r}
 \text{Self-employment earnings taxed by Multnomah County} \\
 \div \\
 \text{Total taxable self-employment earnings} \\
 \times \\
 \text{Federal deduction for self-employment tax} \\
 = \\
 \text{Metro deduction}
 \end{array}$$

Line 19. Self-employed health insurance deduction.

- **19F.** Enter the amount from federal Schedule 1, line 17. Enter as a negative number.
- **19M.** Multnomah County allows a deduction of 100% of your health insurance premiums related to your self-employment for the part of the year you were a Multnomah County resident. Add the health insurance premiums paid by your Multnomah County business while a non-resident. Your total Multnomah County deduction can't be more than your federal deduction. Enter as a negative number.

Line 20. Alimony paid.

- **20F.** Enter the amount from federal Schedule 1, line 19a.
- **20M.** Determine if the alimony you paid to your former spouse is deductible for federal purposes. If so, use the following formula to calculate your Multnomah County deduction for the part of the year you were a non-resident and add that amount to the alimony you paid while you were a resident:

$$\begin{array}{r}
 \text{Multnomah County-source income while a non-resident} \\
 \div \\
 \text{Total income while a non-resident} \\
 \times \\
 \text{Alimony paid while a non-resident} \\
 = \\
 \text{Non-resident deduction}
 \end{array}$$

Enter as a negative number.

Line 21. Total adjustments from Schedule MC-40-NP ASC.

- **21F.** Enter the federal total from Schedule MC-40-NP ASC, section 1, line 1f.
- **21M.** Enter the Multnomah County total from Schedule MC-40-NP ASC, section 1, line 1f.

Line 22. Income after adjustments.

- **22F.** Enter the sum of lines 15F through 21F.
- **22M.** Enter the sum of lines 15M through 21M.

Line 23. Total adjustments.

- **23F.** Enter the sum of line 14F and line 22F. Line 23F should match your federal AGI reported on line 11 of Form 1040, Form 1040-SR, or Form 1040-NR; or line 1C of Form 1040-X. If the amounts are

not the same, check that you transferred the figures from your federal return correctly.

- **23M.** Enter the sum of line 14M and line 22M.

Additions

Line 24. Total additions from Schedule MC-40-NP ASC.

- **24F.** Enter the federal total from Schedule MC-40-NP ASC, section 2, line 2f.
- **24M.** Enter the Multnomah County total from Schedule MC-40-NP ASC, section 2, line 2f.

Line 25. Income after additions.

- **25F.** Enter the sum of line 23F and line 24F.
- **25M.** Enter the sum of line 23M and line 24M.

Subtractions

Line 26. Social Security and tier 1 Railroad Retirement Board benefits.

- **26F.** Enter Social Security and tier 1 Railroad Retirement Board benefits you included on line 1F or 13F. Enter as a negative number. If you reported a subtraction on your Schedule OR-ASC in section 2 or OR-ASC-NP in section 3 under code 330 for Tier 2, windfall/vested dual, supplemental, or unemployment Railroad Retirement Board benefits, these are subtracted on Schedule MC-40-NP ASC in section 3 and not on line 26F.

Line 27. Oregon PERS or federal pension benefits.

- **27F.** Enter amounts for Oregon Public Employee Retirement System and/or federal pension benefits included on line 10F that are taxed by Oregon, including Federal Employee Retirement System (FERS) benefits, Civil Service Retirement System (CSRS) benefits, and military retirement. Enter as a negative number. Submit a copy of Form 1099-R for each source claimed. You are only allowed a deduction of income that was not already exempted on your federal or Oregon return.

Line 28. Total subtractions from Schedule MC-40-NP ASC.

- **28F.** Enter the federal total from Schedule MC-40-NP ASC, section 3, line 3f.
- **28M.** Enter the Multnomah County total from Schedule MC-40-NP ASC, section 3, line 3f.

Line 29. Income after subtractions.

- **29F.** Enter the result of line 25F minus lines 26F through 28F.
- **29M.** Enter the result of line 25M minus lines 26M through 28M. Enter line 29M on Form MC-40-NP, line 1.

Multnomah County Percentage

Line 30. Multnomah County percentage. To find your Multnomah County percentage, divide the amount on line 29M by the amount on line 29F. If the amount on line 29M is more than the amount on line 29F or if the amount on line 29M is positive but the amount on line 29F is zero or negative, your Multnomah County percentage is 100%. If both amounts are negative, treat both as if they're positive, and then:

- If the Multnomah County number is smaller than the federal number, your Multnomah County percentage is 100%.
- If the federal number is smaller than the Multnomah County number, divide the federal number by the Multnomah County number. Round to 5 decimal places. This line cannot be more than 1.0.

Allowable Multnomah County Deduction

Deductions and modifications in this section further adjust your Multnomah County taxable income. Your Multnomah County percentage will determine the amount of the allowed deductions listed on lines 31 through 33.

Line 31. Oregon itemized or standard deduction. Enter the larger of your Oregon itemized deduction or your Oregon standard deduction, which is on line 18 of Form OR-40; line 39 of Form OR-40-P; or line 39 of Form OR-40-N. Enter as a negative number.

Line 32. Federal tax liability subtraction. Enter the amount on line 10 of Form OR-40; line 40 of Form OR-40-N; or line 40 of Form OR-40-P. Enter as a negative number.

Line 33. Total Oregon modifications from Schedule MC-40-NP ASC. Enter the total from Schedule MC-40-NP ASC, Section 4, line 4f.

Line 34. Total. Enter the sum of lines 31, 32, and 33.

Line 35. Multnomah County Percentage. Enter the amount from line 30.

Line 36. Deductions and modifications multiplied by the Multnomah County percentage. Enter the result of line 34 multiplied by line 35.

Line 37. Charitable art donation. Artists who make a charitable art donation may take a full deduction if the donation was reported on your Oregon tax return. If you filed a Form OR-40 and claimed a subtraction for "Artist's charitable contribution" using code 301 on Schedule OR-ASC, do not claim the modification on Schedule MC-40-NP ASC but instead enter it here. If you filed a Form OR-40-P and claimed a modification for "Artist's charitable contribution" using code 600 on Schedule OR-ASC-NP, do not claim the modification on Schedule MC-40-NP ASC but instead enter it here. If you filed a Form OR-40-N and

claimed a charitable art donation on line 43, enter the amount here. Enter as a negative number.

Line 38. Total Multnomah County deduction allowed on return. Enter the sum of line 36 and line 37. Enter the amount on line 3, Part I of the return. If this amount is a positive number, enter zero on line 3, Part I.

Part V – 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 – Multnomah County PFA Tax
PO Box 9250
Portland, OR 97207-9250

Make the check payable to 'Multnomah County PFA Tax.' For fastest payment processing, pay online by logging into your PRO account at [Pro.Portland.gov](https://pro.portland.gov).

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

Processing – Multnomah County PFA Tax
111 SW Columbia St, Suite 600
Portland, OR 97201-5840

Schedule WH – W-2 Withholding Summary for Multnomah County PFA Tax

Use this schedule to calculate the total amount of Multnomah County PFA tax that was withheld by your employer. If your employer withheld the Multnomah County PFA tax, information regarding the withholding will be shown in boxes 18, 19, and 20 of your W-2. Round off cents to whole dollars. If you have to add two or more amounts to figure the amount to enter on a line, include cents when adding the amounts and round off only the total. If you file a joint Multnomah County tax return, include information for both the primary filer and spouse on Schedule WH.

Only include box 18 and box 19 information if the locality in box 20 says "MULT", "MultCo", or "Multnomah County". Do

not include information for the locality of “Metro” or “Metro SHS”. Information for Metro withholdings will be reported on the Metro Personal Income Tax return, which is a separate form. If no Multnomah County PFA 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.

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

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

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

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 Multnomah County PFA tax.

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 Multnomah County PFA tax.

Check box if you have additional employer withholdings, and submit statement. If you have more than four W-2s that show Multnomah County 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 (e). Enter sum of all Multnomah County Tax withheld from column (e) and the supplemental statement (if applicable). Enter the amount from line A-2 on line 10 in Part II of the return.

Schedule PTI – 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 Multnomah County Business Income Tax (MCBIT). This schedule must be completed to determine the value for line 2 in Part I of the return. If your pass-through income was not subject to tax under the MCBIT for any reason, you are not eligible to claim a pass-through income modification.

Income from Pass-Through Entity Subject to MCBIT

You are allowed a deduction from personal taxable income for pass-through income derived from a pass-through entity (PTE) subject to the MCBIT. To take this deduction, you must have documentation from the PTE showing your share of income that was subject to tax on the business’s MCBIT return. PTEs subject to the MCBIT who file on a return other than the SP-2022 must provide their owners or partners information along with Schedule K-1 that indicates: 1) whether the business is subject to the MCBIT; 2) that the business filed the MCBIT return for the tax year of the Schedule K-1; and 3) the PTE’s Multnomah County “income subject to tax” reported on the MCBIT return. Your deduction should be the amount of your distributive share of the PTE’s income subject to tax reported to you with Schedule K-1 or as filed on Form SP-2022. The deduction is limited to the amount of pass-through income, from the entity that paid the MCBIT, that is included in your federal Form 1040.

Losses from Pass-Through Entity Subject to MCBIT

Net operating losses generated in the current tax year at the PTE level are allowed to be claimed at the individual level to the extent that the loss is allowed on the federal and Oregon return. A pass-through loss cannot exceed the amount of pass-through loss included in Multnomah County taxable income and cannot reduce your Multnomah County taxable income to an amount below zero.

If you claimed a net operating loss deduction on your federal Form 1040 that was from a carryforward of a net operating loss from a PTE that was subject to the MCBIT in a prior year, the deduction is disallowed for purposes of the Multnomah County PFA Personal Income Tax and must be added back to your Multnomah County taxable income as a pass-through modification. Include a statement explaining the adjustment.

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 or SP-2022 for each modification claimed.

Column (a). Tax ID of Pass-Through Entity. Enter the S corporation or partnership employer identification number from box A of the Schedule K-1 or the social security number of the sole proprietor who was liable for the MCBIT on business income tax reported on the personal income tax return.

Column (b). Name of Pass-Through Entity. Enter the name of the S corporation or partnership from box B of the Schedule K-1 or the name of the sole proprietor.

Column (c). Income Subject to Tax from Pass-Through Entity. For the deduction for pass-through income from a PTE's income subject to tax: Enter the Multnomah County "income subject to tax" from the S corporation or partnership MCBIT return that was reported to you by the PTE with Schedule K-1 or that is reported on line 20 of Form SP-2022 (Combined Tax Return for Individuals – Multnomah County Business Income Tax/City of Portland Business License Tax).

For net operating loss deductions (NOLD) that must be added back, enter the amount of net operating loss deduction allowed on your federal return from a pass-through entity or sole proprietor subject to the MCBIT. Enter a loss as a negative number.

Column (d). Ownership Percentage. Enter your ownership percentage in the PTE. For an NOLD that must be added back, enter 100% as 1.000000.

Column (e). Modification Claimed for Pass-Through Income. For the deduction for pass-through income from a PTE's income subject to tax, 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; the PTE's "income subject to tax" reported on the MCBIT return 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 (e). Enter sum of all eligible pass-through income/loss from column (e) and the supplemental statement (if applicable). Enter the amount from line B-2 on line 2, Part I of the return. If you have a net loss, enter this as a positive number on line 2. If you have a net gain, enter this as a negative number on line 2.

Schedule MC-40-NP ASC Instructions

If you file an Oregon return and claim additional income adjustments, additions, subtractions, and modification on Schedule OR-ASC or Schedule OR-ASC-NP, use Schedule MC-40-NP ASC to make the corresponding applicable Multnomah County adjustments, additions, subtractions, and modifications on your Multnomah County return. Any adjustment, addition, subtraction, or modification reported on Schedule MC-40-NP ASC must be identified with the same numerical code that was used to claim the corresponding adjustment, addition, subtraction, or modification on the Schedule OR-ASC or Schedule OR-ASC-NP. As with the Oregon schedule, each code may only be used one time on the Schedule MC-40-NP ASC.

If any adjustments, additions, subtractions, or modifications are claimed on Schedule MC-40-NP ASC, include the schedule when filing your Form MC-40-NP, and also include a copy of your Schedule OR-ASC or Schedule OR-ASC-NP with your supporting tax pages. If you require more lines than are available on Schedule MC-40-NP ASC, use additional copies of the schedule as needed to report any additional information and be sure to include all pages with your return. Enter the totals of all line items of each section of each page the Schedule MC-40-NP ASC on Schedule INC. If your Schedule MC-40-NP ASC has more than one page, be sure that you submit all pages with your return. When determining the federal amount to report on the Schedule MC-40-NP ASC, enter the amount that would be reported on your Multnomah County return if you were a full-year resident of Multnomah County.

When determining the Multnomah County amount to report on the Schedule MC-40-NP ASC, calculate the portion of the Oregon amount from Schedule OR-ASC or Schedule OR-ASC-NP that applies to Multnomah County for the portion of the year you were a Multnomah County resident and the portion of the year you were a non-resident with Multnomah County source income. For more details about codes and adjustments, additions, subtractions, and modifications reported on Schedule OR-ASC and Schedule OR-ASC-NP, refer to Oregon's Publication OR-17.

Section 1: Adjustments (codes 001–099)

This section is to report additional income adjustments not already reported on your Multnomah County return. Enter only adjustments you reported on your Oregon individual tax return on Schedule OR-ASC-NP, Section 1. If you did not claim any adjustments on Schedule OR-ASC-NP, Section 1, leave this section blank.

Step 1:

- **Taxpayers who filed Schedule OR-ASC-NP, Section 1:** For each adjustment reported, enter the code from the Oregon form, the federal amount from the federal column from the Oregon form, and the Multnomah County portion of the Oregon amount shown on the Oregon form. Enter as a negative number.
- **Taxpayers who filed Schedule OR-ASC:** For full year Oregon residents, there are no corresponding adjustment codes on the Oregon Schedule OR-ASC because these adjustments flow through to the Form OR-40 via your federal adjusted gross income. If you are a full-year Oregon resident but a non-resident or part-year resident of Multnomah County, you may be eligible to claim an adjustment for the Multnomah County portion of the following items, even though they are not claimed on your Schedule OR-ASC:
 - certain business expenses as a reservist, performing artist, or fee-based government official claimed on line 12 of Schedule 1 of federal Form 1040 (code 002)

- a health savings account deduction claimed on line 13 of Schedule 1 of federal Form 1040 (code 003)
- penalty on early withdrawal of savings claimed on line 18 of Schedule 1 of federal Form 1040 (code 004)
- any write-in adjustments claimed on line 24z of Schedule 1 of federal Form 1040 (code 005)
- charitable contributions of up to \$300 if you are claiming neither federal itemized deductions nor Oregon itemized deductions (code 007).

If any of these apply, refer to Oregon Publication OR-17 for more information and use the applicable Oregon numeric code to report the Multnomah County portion of the adjustments in the Multnomah column. List the amount reported on your federal return in the federal column. Enter as a negative number.

Step 2:

- Enter the totals for the federal and Multnomah County columns on Schedule INC, lines 21F and 21M.

Section 2: Additions (codes 100–199)

This section is to report additions to your income that the federal government doesn't tax but Oregon and Multnomah County tax. Enter only additions you reported on your Oregon individual tax return on Schedule OR-ASC-NP, Section 2 or Schedule OR-ASC, Section 1. If you did not claim any adjustments on your Oregon return, leave this section blank.

Step 1:

- **Taxpayers who filed Schedule OR-ASC-NP, Section 2:** For each addition reported on your Oregon schedule that is applicable to Multnomah County, enter the code from the Oregon form, the federal amount from the federal column from the Oregon form, and the Multnomah County portion of the Oregon amount shown on the Oregon form.
- **Taxpayers who filed Schedule OR-ASC, Section 1:** For each addition reported on your Oregon schedule that is applicable to Multnomah County, enter the code from the Oregon form, the applicable federal amount from your Form 1040, and the Multnomah County portion of the Oregon amount shown on the Oregon form.

Step 2:

- Enter the totals for the federal and Multnomah County columns on Schedule INC, lines 24F and 24S.

Section 3: Subtractions (codes 300–399)

Subtractions are items the federal government taxes but Oregon and Multnomah County do not tax. You can only subtract amounts that are included in income reported on Schedule INC. Amounts that aren't included in your Multnomah County income can't be subtracted.

Step 1:

- **Taxpayers who filed Schedule OR-ASC-NP, Section 3:** For each subtraction reported on your Oregon schedule that is applicable to Multnomah County, enter the code from the Oregon form, the federal amount from the federal column from the Oregon form, and the Multnomah County portion of the Oregon amount shown on the Oregon form. Enter as a negative number.
- **Taxpayers who filed Schedule OR-ASC, Section 2:** For each subtraction reported on your Oregon schedule that is applicable to Multnomah County, enter the code from the Oregon form, the applicable federal amount from your Form 1040, and the Multnomah County portion of the Oregon amount shown on the Oregon form. Enter as a negative number.

NOTE: If you filed a Form OR-40 and Schedule OR-ASC with a subtraction (code 301) for "Artist's charitable contribution," do not include this subtraction on the Schedule MC-40-NP ASC. Instead, claim the modification on line 37 of the Schedule INC.

Step 2:

- Enter the totals for the federal and Multnomah County columns on Schedule INC, lines 28F and 28S.

Section 4: Modifications (codes 600–699)

Modifications are items that further adjust your Multnomah County taxable income. For Multnomah County non-residents or part-year residents who are also Oregon non-residents or part-year residents, your modification total will be determined by multiplying your Multnomah County modifications by your Multnomah County percentage. Full-year Oregon residents who have completed Schedule OR-ASC will claim modifications as either additions or subtractions on the Schedule OR-ASC and will not complete this section.

Step 1:

- **Taxpayers who filed Schedule OR-ASC-NP, Section 1:** For each modification reported on the Schedule OR-ASC-NP, enter the code from the Oregon form and the Oregon amount shown on the Oregon form. Enter the Multnomah County modification as negative if it is a negative value on the Oregon Schedule OR-ASC-NP or as positive if it is a positive value on the Oregon Schedule OR-ASC-NP.

- **Taxpayers who filed Schedule OR-ASC:** For full year Oregon residents, the same items reported as modifications on the Schedule OR-ASC-NP for Oregon non-residents and Oregon part-year residents are reported as additions or subtractions on Schedule OR-ASC and will be reported under different code numbers than are used by Oregon non-residents and part-year residents. If you filed as a full year Oregon resident, section 4 is not applicable.

Step 2:

- Enter the total on Schedule INC, line 33.