

Metro Supportive Housing Services Personal Income Tax

2023 Form MET-40 Personal Income Tax Return Instructions

Full Year Resident

Important Updates

Withholding Information. If your employer withheld the Metro tax from your wages, this will be reported in boxes 18, 19, and 20 of your W-2. To claim your withholding credit, complete Schedule WH and submit a copy of your W-2(s) with your return. Each W-2 may consist of multiple pages, and local jurisdiction information might not be reported on page 1 of your W-2 and may be reported on subsequent pages. Certain employers use “Total City” in Box 20 on page 1 of the W-2 to report the total of both the Metro and Multnomah County jurisdictions. “Total City” is not equivalent to Metro withholding, which will be reported with the locality name “Metro” in Box 20 on subsequent pages. On Schedule WH, report the values from boxes 18 and 19 that correspond to where box 20 lists “Metro” as the locality.

Failure to submit a copy of your W-2(s) or failure to respond to our requests for additional documents to verify W-2 information may mean that your Metro withholding cannot be verified. This may cause delays in your return processing or removal of the withholding claim from your return.

Contact your employer to request a corrected W-2 if you believe there are errors on your W-2.

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](https://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 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 surviving spouse, 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 Metro boundary address lookup tool at gis.oregonmetro.gov/metro-boundary-lookup.

Payment Deadline. The payment deadline for this return is April 15, 2024.

Filing Deadline. The filing deadline for this return is April 15, 2024.

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.

Amended Returns

The Revenue Division does not have a separate form for amended tax returns. To amend your 2023 MET-40, use the form for the tax year being amended and check the “Amended Return” box. If the address for the year you’re amending has changed, use your current mailing address and check the “Mailing Address Change” box.

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. Please include a statement explaining what changed from the original return.

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

On the prepayments line of your amended 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.

Penalty Calculation

You may be subject to penalties for underpaying your tax liability, filing a late personal income tax return, and/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 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.

Underpayment Penalty

You may be subject to a penalty for underpaying your tax liability if, by the original due date of the return, timely payments are not made which are either:

- At least 90% of the total tax balance due, or
- 100% of the prior year's tax liability paid by the original due date.

If you did not satisfy either requirement, you will be charged an underpayment penalty of 5% of the unpaid tax, but not less than \$5.

Late Filing Penalty

If you do not file your 2023 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 late filing 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 2023 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 2023 income tax must be paid by April 15, 2024, 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 late payment 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

Calculate your interest from the original due date to the 15th day of the month following the date of the payment. The interest rate to use can be found in our [Tax Administration Policy – Personal Income Tax Interest Rates on Tax Due and Refunds](#).

Quarterly Underpayment Interest

Quarterly underpayment interest will be due if estimated payments were required and were underpaid. Estimated payments can be made through quarterly estimated payments, employer-provided withholding from a filer's wages, or a combination of both. Calculate your quarterly underpayment interest at the rate in effect for the tax year from the due date of each quarterly estimated payment to the original due date of the tax return to which the estimated payments apply. The amount of underpayment is determined by comparing the 90% of the current total tax liability amount to quarterly estimated payments made prior to the original due date of the tax return.

There is no interest on underpayment of quarterly estimated payments if:

- The total tax liability of the prior tax year was less than \$1,000.
- An amount equal to at least 90% of the total tax liability for the current tax year was paid in accordance with Section 7.05.190; or
- An amount equal to at least 100% of the prior year's total tax liability was paid in accordance with Section 7.05.190.

Federal and Oregon Tax Returns

Please submit the following forms and schedules with your return. Without this information, we may disallow or adjust items claimed on your MET-40 return. The list below is not all inclusive, and the Revenue Division has the authority to request additional tax pages or supporting documentation to verify the accuracy of the tax reported on the tax 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 previously taxed income modification 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
- Form(s) W-2 (if Metro SHS tax withheld)
- 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 1099-R (if PERS or federal retirement exemption claimed)
- Schedule(s) K-1 (Form 1065/Form 1120-S/Form 1041) (if Metro previously taxed income modification 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 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 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. See the Amended Returns instructions above for more information about amending your MET-40.

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. Previously Taxed 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 PTI 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 a net operating loss deduction will be reported on this line as a positive value. See instructions for Schedule PTI 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 surviving spouse, enter \$200,000 on line 4. Enter as a negative number.

Line 5. Income Subject to Tax. Enter the sum of line 1 through line 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 liability.

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 or if a composite return was filed and there was no credit allowed on the other state’s 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, see our [Tax Administration Policy – Credit for Taxes Paid to Another State](#).

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

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 make an irrevocable choice to have the balance refunded to you or applied as an estimated payment to the next open tax 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 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. This election is irrevocable.

Line 13b. Apply as an estimated tax payment. Enter the amount of the overpayment you would like to apply as an estimated payment to the next open tax year on this line. This election is irrevocable.

Line 14. Amount Due. If line 12 is positive, you have a balance due. Pay by April 15, 2024, to avoid late payment penalties and interest. Make your check payable to 'Metro SHS Tax'. For fastest payment processing, pay 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 WH – 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 WH.

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.

Column (a). Employee SSN. Enter the social security number of the filer shown in box a of 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 Metro SHS 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 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 (e). Enter the sum of all Metro Tax withheld from line column (e) and the supplemental statement (if applicable). Enter the amount from line A-2 on Line 10, page 1 of the return.

Schedule PTI – Previously Taxed Income Modification

Use this schedule to determine the amount of previously taxed 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 previously taxed income modification.

Income from Pass-Through Entity Subject to METBIT

You are allowed a deduction from personal taxable income for previously taxed income derived from a pass-through entity (PTE) subject to the METBIT. To take this deduction, you must have documentation from the PTE showing your share of income that was subject to tax on the PTE's METBIT return. The deduction is limited to the amount of pass-through income, from the entity that paid the METBIT, that is included in your federal Form 1040.

For more information related to this modification, please read our [Tax Administration Policy – Deduction for Previously Taxed Income Received from a Pass-Through Entity](#).

Losses from Pass-Through Entity Subject to METBIT

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 Oregon taxable income or to reduce your Metro taxable income to an amount below zero.

If you claimed a net operating loss deduction (NOLD) on your federal Form 1040 that was from a carryforward of a net operating loss from a year that the PTE was subject to 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. Include a statement explaining the adjustment.

For more information related to pass-through losses, please read our [Tax Administration Policy – Net Operating Losses and Net Operating Loss Deduction from Pass-Through Entities](#).

Schedule PTI Instructions

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.

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.

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

Column (c). Income Subject to Tax from Pass-Through Entity. For the deduction for previously taxed income from a PTE subject to the METBIT, enter the lesser of:

- Metro “income subject to tax” from the S corporation or partnership return that was reported to you by the PTE with Schedule K-1, or
- The amount of pass-through income from the entity that paid the METBIT that is included in your federal Form 1040.

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 subject to the METBIT. Enter a loss as a negative number.

Column (d). Ownership Percentage. If the amount reported in column (c) was the entity’s “income subject to tax”, enter your ownership percentage in the PTE.

If the amount reported in column (c) was the amount of pass-through income from the entity that paid the METBIT that is included in your federal Form 1040, enter that entity’s Metro apportionment percentage as reported on their Metro Business Tax Return.

For a NOLD that must be added back, enter 100% as 1.00000.

Column (e). Modifications Claimed for Previously Taxed Income and Losses. 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 an entity that elected the actual method for previously taxed income. If one of the entities included on your Schedule PTI has elected the actual method for allocating the maximum previously taxed income allowable, check the box.

Check box for additional previously taxed income modifications and statement. If you have previously taxed income/loss from more than five PTEs to deduct or add-back, check the box, and attach a statement which includes the same information above. Include the total amount of additional modifications from the statement on line B-2.

Line B-2. Total sum from column (e). Enter the sum of all eligible previously taxed income/loss from 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.