

City of Portland Business License Tax

Form CES-2024 Clean Energy Surcharge Return Instructions

General Information

Important Reminders

File and Pay Online and Manage your Business Tax Accounts at Pro.Portland.Gov. The Revenue Division's taxpayer portal can be used to manage your business tax accounts. Portland Revenue Online (PRO) allows you to:

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

For more information and to create your account, please visit [Pro.Portland.gov](https://pro.portland.gov).

Filing Deadline. The filing deadline for this return is April 15, 2025. Since the Form CES-2024 relies on information reported on the Business Tax Return, which utilizes information reported on the federal and Oregon tax returns, the due date for the Form CES-2024 will be changed when there is a change to the federal or State of Oregon due dates.

Filing Requirement. All businesses with gross receipts of \$1 billion in Total Sales and \$500,000 in Portland Sales (as reported on Lines 4 and 5 of their Business Tax Return) must file a Form CES-2024, unless explicitly exempted from the Clean Energy Surcharge (CES) by Portland City Code.

Extensions. The Revenue Division does not generally allow an extension of time to pay the tax, even if the IRS allows an extension. The tax balance is due on the original return due date. The submission of an extension payment by the original return due date provides an automatic six-month filing extension. If there is not a tax balance due but you would like to file an extension, your federal or State of Oregon extension will serve as your Form CES extension and a separate extension will not need to be submitted. 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 or State of Oregon extension with your return.

Motor Vehicle Fuel Sales. If you are subject to paying the Clean Energy Surcharge and have sales of motor vehicle fuel sales in your Portland Retail Sales, you are required to disclose the amount of motor vehicle fuels sales included in Portland Retail Sales on Form CES.

Amended Returns

The Revenue Division does not have a separate amended form for CES. To amend your Form CES, use the Form CES 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 Form CES even if they are the same as originally filed. If you are amending to change any deductions from Retail Sales, include detail of all items and amounts. Please include a statement explaining what changed from the original return.

If you change your sales by filing an original or amended federal, Oregon Income/Excise Tax, or Business Tax Return, you must file an amended Form CES within 60 days of when the original or amended federal, Oregon Income/Excise Tax, or Business Tax Return is filed. Include a copy of your original or amended federal, Oregon income/excise tax, or business tax return with your amended Form CES and explain the adjustments made.

On the prepayments line of your amended Form CES, enter the CES due as filed 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 estimated tax, filing a late Form CES, and/or paying your CES liability after the original due date of the return.

Although the Revenue Division assesses a late penalty for both failing to file a Form CES 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.

Underpayment Penalty

You may be subject to a penalty for underpaying your CES 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 due on line 17, or
- 100% of the prior year's CES.

If you did not satisfy either requirement, you will be charged a 5% underpayment penalty on the unpaid amount, but not less than \$5.

Late Filing Penalty

If you do not file your Form CES by the original due date, file an extension with the Revenue Division by the original due date, or include a copy of your federal or State of Oregon extension with your Form CES when you file by the extended due date, the following late filing penalties will apply:

- 5% of the amount of the total CES liability if the failure to file is for a period less than four months.
- An additional penalty of 20% of the total CES liability must be added if the Form CES is four months or more past due.
- An additional penalty of 100% of the total tax liability of all tax years for any Form CES which is delinquent for three or more consecutive years.

No late filing penalty is due if a timely extension is filed with the Revenue Division and a Form CES is filed by the extended due date, or a copy of the federal or State of Oregon extension is included with the Form CES and the 'Extension Filed' box is checked.

Late Payment Penalty

Your 2024 Clean Energy Surcharge must be paid by April 15, 2025, even if you requested an extension to file your Form CES. If you do not pay your CES by the original due date, the following late payment penalties will apply:

- 5% of the amount of the CES liability that was not paid by the original due date.
- An additional penalty of 20% of the unpaid CES liability must be added if the failure to pay is for a period of four months or more.
- An additional penalty of 100% of the unpaid CES liability of all tax years if the failure to pay is for three or more consecutive years.

Interest Calculation

Late Payment Interest

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.

Quarterly Underpayment Interest

Quarterly underpayment interest will be due if estimated payments were required and were underpaid. Calculate your quarterly underpayment interest at a rate of 10% per annum from the due date of each quarterly estimated payment to the original due date of the Form CES to which the estimated payments apply.

The amount of underpayment is determined by comparing the 90% of the current total CES liability amount to quarterly estimated payments made prior to the original due date of the Form CES.

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

- The total CES liability of the prior tax year was less than \$1,000;
- An amount equal to at least 90% of the total CES liability for the current tax year was paid in accordance with PCC 7.02.530; or
- An amount equal to at least 100% of the prior year's total CES liability was paid in accordance with PCC 7.02.530.

Form CES Filing Instructions

Rounding. Round 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

Tax Year. Enter the beginning and ending dates of your tax year. For calendar year filers, this would be 01/01/2024 to 12/31/2024.

Account #. Enter your CES account number (ten digits). This information can be found on letters the Revenue

Division has mailed to you related to your CES account. If you can't find your account number, call the Revenue Division at (503) 823-5157.

FEIN. Enter the Federal Employer Identification Number (FEIN) of the entity filing with the IRS or, if a C corporation, the entity filing with the Oregon Department of Revenue.

Entity Filing in Oregon. Enter the legal name of the entity filing with the Oregon Department of Revenue. If you have merged or reorganized, enter the new filing entity's name and check the box that the entity has merged or reorganized.

FEIN of Previous Business. If you have checked the Merged/Reorganized box in the Entity Filing in Oregon field, enter the FEIN of the previous business here.

Mailing Address. Always enter your current mailing address. If the address for the year you are filing has changed, check the box indicating the change.

Name of Parent Corporation, if Applicable. If you file under a different entity for the Oregon Department of Revenue than the IRS, please enter the name of the parent corporation here.

FEIN of Parent Corporation. If you file under a different entity for the Oregon Department of Revenue, please enter the FEIN of the parent corporation here. **Initial Return Box.** Check this box if this is your first return you are filing with us. Attach the Business Tax Registration Form, if not mailed to us previously.

Final Return Box. Check this box if you no longer conduct business in the City of Portland and this is the final return you are filing with us. Attach an *Out of Business Notification Form* or an explanation for your final return. If you have sold your business, indicate the name and address of the entity you sold your business to.

Amended Return Box. Check this box if you are amending your Form CES-2024. See the "Amended Returns" section under "General Information" for more information about amending your Form CES.

Extension Filed Box. Check this box if you filed an extension to file your federal or state income taxes. Attach a copy of your federal or State of Oregon extension to your Form CES.

Filing Requirement

All businesses with gross receipts of \$1 billion in Total Sales and \$500,000 in Portland Sales (as reported on line 4 and line 5 of their Business Tax Return) must file a Form CES.

Line 1. Sales. Enter the amount reported on line 5 in the Everywhere column. Enter the amount reported on line 4 in the City of Portland column.

Large Retailer Determination

Only Large Retailers are subject to paying the Clean Energy Surcharge. A Large Retailer is a business that has Retail Sales of \$1 billion or more everywhere and Retail Sales of \$500,000 or more in the City of Portland.

Line 2. Less: Non-Retail Sales. Generally, non-Retail Sales are sales that are sold for resale. Enter the amount of Non-Retail Sales included in Sales in the Everywhere column and City of Portland columns as a negative number.

Line 3. Total Retail Sales. Sum of lines 1 and 2.

If the Everywhere field is less than \$1,000,000,000 (1 billion) or the City of Portland field is less than \$500,000, you are not subject to paying the CES. Submit the Form CES with only these three lines completed.

Retail Gross Revenue Calculation

Line 4. Less: Retail Sales of Qualified Groceries. Enter the amount of Retail Sales of Qualified Groceries included in Portland Retail Sales as a negative number here.

Line 5. Less: Retail Sales of Qualified Medicine or Drugs. Enter the amount of Retail Sales of Qualified Medicine or Drugs included in Portland Retail Sales as a negative number here.

Line 6. Less: Retail Sales of Qualified Health Care Services. Enter the amount of Retail Sales of Qualified Health Care Services included in Portland Retail Sales as a negative number here.

Line 7. Less: Retail Sales of Qualified Residential Garbage and Recycling Services. Enter the amount of Retail Sales of Qualified Residential Garbage and Recycling Services included in Portland Retail Sales as a negative number here.

Line 8. Less: Retail Sales from the administration of Qualified Retirement Plans. Enter the amount of Retail Sales from the administration of Qualified Retirement

Plans included in Portland Retail Sales as a negative number here.

Line 9. Less: Portland Business License Tax Paid.

Enter the amount of City of Portland Business License tax paid on Portland Retail Sales as a negative number here.

To determine the amount of Portland Business License Tax eligible to be deducted from Portland Retail Sales on Line 9, use the following the calculation:

- a) Total Portland Retail Sales (from line 3):
\$ _____
- b) Less: Retail Sales of Qualified Groceries (from line 4):
\$ _____
- c) Less: Retail Sales of Qualified Medicine or Drugs (from line 5):
\$ _____
- d) Less: Retail Sales of Qualified Health Care Services (from line 6):
\$ _____
- e) Less: Retail Sales of Qualified Residential Garbage and Recycling Services (from line 7):
\$ _____
- f) Less: Retail Sales of from the administration of Qualified Retirement Plans (from line 8):
\$ _____
- g) Total Portland Retail Sales subject to CES before the Business License Tax Deduction (sum of lines a-f):
\$ _____
- h) Portland Retail Sales Ratio (line g divided by line a):
_____ %
- i) Total Portland Business License Tax Paid (from your Business Tax Return):
\$ _____
- j) Large Retailer Business License Tax Paid Deduction (line h multiplied by line i):
\$ _____

Enter the amount from line j as a negative number on line 9.

Line 10. Retail Gross Revenue Subject to Surcharge.

Sum of lines 3 through 9.

Line 11. Clean Energy Surcharge. Line 10 multiplied by 1%.

Line 12. Penalty. Enter any late filing, late payment, and/or underpayment 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 any quarterly underpayment interest due and/or interest due on the Clean Energy Surcharge not paid by the original 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. Prepayments. Enter the total amount of prepayments as a negative number here. This includes all quarterly payments, extension payments, and any credits carried forward from prior years.

Line 15. Overpayment. If the sum of lines 11 through 14 is negative, this is the amount you have overpaid. If you have an overpayment, you 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 16a. Refund. Enter the amount of any overpayment reported on line 15 you would like refunded to you. If you would like direct deposit of your refund, please file your Clean Energy Surcharge 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 16b. Apply as an estimated tax payment. Enter the amount of any overpayment reported on line 15 you would like to apply as an estimated payment to the next open tax year. This election is irrevocable.

Line 17. Amount due with return. If the sum of lines 11 through 14 is positive, this is the balance due.

Make your check payable to 'City of Portland' and submit with your Form CES. For fastest payment processing, pay online by logging into your PRO account at Pro.Portland.gov.

Motor Vehicle Fuel Sales

If you have paid Clean Energy Surcharge on the Retail Sales of any motor vehicle fuel sales, enter the amount of motor vehicle fuels sales included in Portland Retail Sales on the line provided.