

# Metro Supportive Housing Services Business Income Tax

## 2024 Form METBIT-65 Business Tax Return for Partnerships Instructions

### General Information

#### Important Reminders

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

- Register your business tax accounts
- Update your business account information
- File a Metro business 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, please visit [Pro.Portland.gov](https://pro.portland.gov).

**Businesses Required to File a Metro Supportive Housing Services Tax Return.** Businesses doing business in or that have income from within the Metro District jurisdiction who have over \$5 million in gross receipts from both within and without the Metro's jurisdiction are required to pay a 1% tax on net business income that is apportioned to the jurisdiction. To determine if an address is located within the Metro tax jurisdiction, utilize the tool available at [gis.oregonmetro.gov/metromap](https://gis.oregonmetro.gov/metromap).

**Filing Deadline.** The filing deadline for this return is April 15, 2025. Since the Metro Business Income Tax return relies on information reported on the federal and/or Oregon tax returns, the due date for the 2024 Form METBIT-65 will be changed when there is a change to the federal or State of Oregon due dates.

**Extensions.** Metro 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 extension will serve as your Metro extension and a separate Metro 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 extension with your return.

**Federal and State Tax Pages.** Be sure to include copies of the following federal tax pages (and statements) and Oregon tax pages (and statements) with your 2024 Form METBIT-65 business tax return:

- Federal Form 1065 (pages 1 through 5) and statements
- Federal Form 8825 and statements (if filed)
- Federal Form 4797 and statements (if filed)
- Oregon Form OR-65 with schedules if any Oregon modifications are claimed

The Revenue Division has the authority to request additional tax pages (including K-1s) or supporting documentation to verify the accuracy of the tax reported on the tax return.

**Market Based Sourcing.** For tax years beginning on or after January 1, 2023, Metro has adopted the Market Based Sourcing (MBS) and single sales factor apportionment methodology to conform with the State of Oregon's apportionment methodology. This change includes adoption of the state's nexus standards and the interstate application of federal Public Law 86-272.

#### Amended Returns

The Revenue Division does not have a separate form for amended tax returns. To amend your 2024 Form METBIT-65, use the form for the tax year being amended and check the "Amended Return" box. If the address for the year you are amending has changed, use your current mailing address, and check the box indicating the change.

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 amended federal or Oregon income tax return, you must file an amended 2024 Form METBIT-65 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.

Do not amend your 2024 Form METBIT-65 if you amend the federal return to carry a net operating loss back to prior years. Metro only allows tax entities to carry net operating

losses forward. Additionally, net operating losses for Metro Business Income Tax are only generated from the Metro Business Income Tax return, not from your IRS or Oregon income tax return.

On the prepayments line of your amended 2024 Form METBIT-65, 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.

## Apportionment

In adopting Oregon's apportionment law, Metro uses Oregon's single sales factor to apportion business income to or away from Metro. Sales are all gross receipts not allocated under ORS 314.615 to 314.645 that are received from transactions and activity in the regular course of business except as excluded by ORS 314.610(7), the related statutes, and related rules. Refer to Oregon's statutes and rules for guidance. Substitute Metro for state/Oregon as needed.

Income may be apportioned only if there is regular business activity both inside and outside of Metro that would allow a similar tax to be imposed on income earned outside Metro.

## Penalty Calculation

You may be subject to penalties for underpaying your estimated tax, filing a late 2024 Form METBIT-65, and/or paying your income tax liability after the original due date of the return.

Although the Revenue Division assesses a late penalty for both failing to file 2024 Form METBIT-65 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 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 2024 Form METBIT-65 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 apply:

- 5% of the amount of the total tax liability if the failure to file is for a period less than four months.
- An additional penalty of 20% of the total tax liability if the failure to file is for a period of four months or more.
- An additional penalty of 100% of the total tax liability 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 2024 Form METBIT-65 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 2024 business tax must be paid by April 15, 2025, even if you requested an extension to file your 2024 Form METBIT-65. If you do not pay your tax by the original due date, the following late payment penalties will apply:

- 5% of the amount of the tax that was not paid by the original due date.
- An additional penalty of 20% of the unpaid tax 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 tax 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 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.

## Metro Supportive Housing Services Business Income Tax Return Filing Instructions for Partnerships

**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

**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 #.** If you have already registered for an account and know your account number, enter your full Metro Tax Account number beginning with SHB followed by ten digits. This information can be found on letters the Revenue Division has mailed to you related to your Metro business tax account. If you do not know your number, leave field blank.

**FEIN.** Enter the Federal Employer Identification Number (FEIN) of the partnership.

**NAICS.** Enter the NAICS (North American Industry Classification System) code for your business.

**Name.** Enter the legal name of the partnership.

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

**Initial Return Box.** Check this box if this is the first Metro business income tax return filed by this entity.

**Final Return Box.** Check this box if this is your final return. Attach an explanation.

**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/or state returns, please include a copy (see "Amended Returns" under "General Information" for additional information).

**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 extension as applicable (see "Extensions" under "General Information" for additional information).

### Part I – Sales and Apportionment

**Line 1. Metro sales.** Metro sales means "sales" as defined in Oregon statute and administrative rules, and includes gross receipts from all business activity within Metro (see Apportionment instructions above).

**Line 2. Total sales.** Total sales means "sales" as defined in Oregon statute and administrative rules, and includes gross receipts from all business activity everywhere, as reported on your federal Form 1065.

**Line 3. Apportionment percentage.** Line 1 divided by line 2. Round to 6 decimal places. This line cannot be more than 1.0.

### Part II – Metro Business Income Tax

**Actual PTI modification election.** If the partnership is electing the 'actual' method for allocating the previously taxed income modification to their partners, check this box.

**Line 4. Ordinary income or (loss) from Form 1065.** Ordinary income or loss is the ordinary business income or loss reported on federal Form 1065. Enter the amount of ordinary business income or loss reported on federal Form 1065, line 23.

**Line 5. Add-back of deductions not allowed.** In determining income, no deduction is allowed for the

following: taxes based on or measured by net income, the federal built-in gains tax, or the City of Portland Clean Energy Surcharge. If amounts for these items have been deducted to arrive at the net income reported on line 4, the amounts must be added back on line 5.

**Line 6. Schedule K (lines 2-3, 5-13) and Oregon modifications from Form 65.** Enter the total of the amounts from Schedule K lines 2-3 and 5-13. Add or subtract any Oregon modifications related to business income. Subtract any other pass-through income (or add any loss) from entities already taxed by Metro (attach a statement).

**Line 7. Non-business income or loss subtraction.** Non-business income may be income or a loss. Remove any non-business income or loss reported on line 4 and line 6. Removal of income will be a subtraction while removal of a loss will be an addition.

**Line 8. Subject net income.** Enter the sum of line 4 through line 7.

**Line 9. Metro apportioned net income.** Multiply line 8 by line 3.

**Line 10. Add-back of non-business income or loss allocated to Metro.** Return any non-business income or loss removed above on line 7 that should be allocated to Metro.

**Line 11. Total business income taxable to Metro.** Sum of line 9 and line 10.

**Line 12. Net operating loss deduction.** Enter your net operating loss (NOL) from previous years as a negative number here. NOLs are allowed only if reported on prior Metro Business Income Tax returns. This line cannot be greater than 75% of line 11. Any unused NOL may only be carried forward for five years.

**Line 13. Income subject to tax.** Sum of line 11 and line 12.

**Line 14. Metro business income tax.** Multiply line 13 by the tax rate of 1.0%. The minimum tax is \$100. If the amount calculated is less than \$100, enter \$100.

**Line 15. 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 16. Penalty.** Enter all late 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 17. Interest.** Enter any quarterly underpayment interest and/or interest due on taxes not paid by their due dates, 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 18. Balance due or (overpayment).** If the sum of line 14 through line 17 is negative, this is the amount you have overpaid. If the sum of line 14 through line 17 is positive, you have a balance due.

### Part III – Tax Due / Refund

**Line 19. Overpayment.** If line 18 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 19a. 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](https://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 19b. 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 20. Amount due.** If line 18 is positive, you have a balance due. Make your check payable to 'Metro SHS Tax.' For fastest payment processing, pay online by logging into your PRO account at [Pro.Portland.gov](https://pro.portland.gov).

### Part IV – Signature

**Signature.** An authorized representative of the business must sign and date the return and provide a contact email address and phone number. 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 business tax returns in exchange for compensation of any kind must be licensed to prepare Oregon returns and must sign the return.

## Mailing Instructions

Mail your completed return and all required supporting tax pages in the same envelope.

- If a **payment** is included with return:

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

Make check payable to 'Metro SHS Tax'.

- If **no payment** is included with return:

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