

COMBINED TAX RETURN
FOR PARTNERSHIPSMultnomah County
Business Income Tax
City of Portland
Business License Tax

FORM P-2019

DUE DATE: 15th day of 4th
month after taxable year end

(Calendar Year Filers: 4/15/2020)

TAXABLE YEAR

From: to

ACCOUNT #

FEIN #

FEDERAL BUSINESS CODE

OFFICIAL USE ONLY

NAME

MAILING ADDRESS (Notify the Revenue Division if business location address changes)

CITY

STATE/PROV

ZIP CODE

AMENDED RETURN? ☐CEASED PORTLAND/MULTNOMAH
BUSINESS? (attach explanation) ☐

SELECT PARTNERSHIP TYPE

MAILING ADDR CHANGE? ☐

ATTACH FEDERAL FORM 1065 (& FORM 8825 IF APPLICABLE)

Multnomah County*

City of Portland*

INCOME

1. Ordinary Income or (Loss)
2. Business Income Tax & Business License Tax Add Back
3. Schedule K (lines 2-3, 5-13) and Oregon modifications on Form 65
4. Compensation (# GPs: _____, # LPs w/comp paid: _____, Total paid to LPs: _____)
5. Adjusted Net Income (total lines 1, 2, 3 and 4)
6. Compensation Allowance Deduction (see instructions) Enter as negative sum →
7. Subject Net Income (line 5 minus line 6)

1M

2M

3M

4M

5M

6M ()

7M

1P

2P

3P

4P

5P

6P ()

7P

8a. County Gross Income = _____

..... 8c = (8a ÷ 8b)

8b. Total Gross Income** = _____

(must be 1.0 or less)

**If less than \$50,000, the taxpayer should complete Form AER

9. County Apportioned Net Income (line 7M x line 8c)

10. Net Operating Loss Deduction (max 75% of line 9) Enter as negative sum →

11. Income Subject to Tax (line 9 minus line 10)

12. Tax (line 11 x tax rate of 1.45%) MINIMUM \$100

13. Prepayments Enter as negative sum →

14. Penalty

15. Interest

16. Balance Due or (Overpayment)

17. REFUND: _____ CREDIT: _____ TRANSFER TO PORTLAND: _____

8c

9

10 ()

11

12

13 ()

14

15

16

OWNERS OF RESIDENTIAL RENTAL PROPERTY IN PORTLAND MUST ATTACH SCHEDULE R

ATTACH CHECK HERE

18a. Portland Gross Income = _____

..... 18c = (18a ÷ 18b)

18b. Total Gross Income** = _____

(must be 1.0 or less) →

**If less than \$50,000, the taxpayer should complete Form AER

19. Portland Apportioned Net Income (line 7P x line 18c)

20. Net Operating Loss Deduction (max 75% of line 19) Enter as negative sum →

21. Income Subject to Tax (line 19 minus line 20)

22. Tax (line 21 x tax rate of 2.6%) MINIMUM \$100

22a. Heavy Vehicle Use Tax (HVT) (see HVT Schedule)

22b. Reserved

22c. Residential Rental Registration Fee (see Schedule R)

22d. Clean Energy Surcharge (see CES Schedule)

23. Prepayments Enter as negative sum →

24. Penalty

25. Interest

26. Balance Due or (Overpayment)

27. REFUND: _____ CREDIT: _____ TRANSFER TO MULT CO: _____ DONATE TO "ARTS IMPACT FUND": _____

18c

19

20 ()

21

22

22a

22c

22d

23 ()

24

25

26

28. COMBINED AMOUNT DUE WITH REPORT (total lines 16 and 26) Check # _____

28

SIGNATURE

Make check payable to City of Portland, 111 SW Columbia St., Suite #600, Portland, OR 97201-5840.

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

Signature of Filer _____

Date _____

Filer's Daytime Phone () _____

Signature of Preparer _____

Date _____

Filer's Email _____

Preparer's Name/Address _____

Preparer Phone () _____

REVENUE DIVISION (503) 823-5157

FAX (503) 823-5192

TDD (503) 823-6868

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P-2019 GENERAL INFORMATION (PARTNERSHIPS)

Reminder: Be sure to include the following federal tax pages (and statements), Oregon Form 65 (with statements, if any Oregon modifications are claimed) and Portland Schedules with your P-2019 Combined Tax Return (CTR):

- Federal Form 1065 (pages 1 through 5) with statements
- Form 8825 and statements (if filed)
- Form 4797 and statements (if filed)
- Oregon Form OR-65 with schedules, if any Oregon modifications are claimed on the P-2019
- HVT Schedule, if required (Portland form)
- Schedule R, if required (Portland form)
- CES Schedule, if required (Portland form)

Tenant-in-Common (TIC) arrangements and other joint ventures must consider the gross income of the entire activity to determine whether they qualify for the gross income exemption.

COMBINED TAX RETURN FILING INSTRUCTIONS

Note: In general, lines 1 through 5 should be the same for both columns (M and P).

Line 1M/1P. Ordinary Income or (Loss). Ordinary income is income before distribution to partners. Enter the amount from federal Form 1065, line 22.

If a TIC or other joint venture elect to file as partnership, please combine individual net incomes from the rental activities or joint venture on this line.

Line 2M/2P. Business Income Tax and Business License Tax Add Back. Add back Portland Business License Tax, Multnomah County Business Income Tax, and other taxes measured by net income that have been deducted to arrive at the net income reported on line 1M/1P. Both columns should include the total tax.

Line 3M/3P. Schedule K (lines 2-3, 5-13) and Oregon Modifications on 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 Portland and/or Multnomah County. **Attach a schedule for these modifications.**

No deduction is allowed for owner health insurance or IRC 743 adjustments (related to an IRC 754 election).

Line 4M/4P. Owner's Compensation. Enter the total number of:

- General Partners (GPs),
- Limited Partners (LPs) paid compensation and/or interest, and
- The total amount of compensation and interest paid to these LPs.

Enter all compensation (guaranteed payments, interest, wages, and salary) paid to all partners (GPs and LPs).

Members of LLCs shall be deemed General or Limited Partners per *Business Tax Policy (BTP): Limited Liability Company and Limited Liability Partnership Owner's Compensation Deduction*.

Line 6M/6P. Compensation Allowance Deduction. A deduction of up to 75% of the total income (line 5M/5P) is allowed for GPs but can't exceed \$108,000 for the County and \$127,000 for Portland per GP listed on line 4.

GPs who are owners of capital in a Limited Partnership are allowed this deduction, regardless of direct compensation paid.

Deductions for LPs are limited to the lesser of:

- LP compensation included on line 4M/4P per partner,
- \$108,000 for the County and \$127,000 for the City (per LP), or
- 75% of the total income reported on line 5M/5P.

No deduction is allowed if line 5M/5P is a loss.

APPORTIONMENT

For each jurisdiction, gross income includes all business income (including, but not limited to, gross receipts, service income, interest, dividends, income from contractual agreements, gross rents, and gains on sale of business property).

With a few exceptions, income earned in Portland is also earned in Multnomah County. Income may be apportioned only if there is regular business activity outside Portland and/or Multnomah County. Services performed outside Portland and/or Multnomah County may be apportioned based upon the percentage of performance outside the applicable jurisdiction. Sales of tangible personal property may be apportioned only if a business has payroll or property outside the jurisdictions.

MULTNOMAH COUNTY BUSINESS INCOME TAX

Line 8a. County Gross Income. Multnomah County gross income includes income from all business activity within Multnomah County (see Apportionment instructions above).

Line 8b. Total Gross Income. Total gross income includes income from all business activity everywhere, as reported on your federal Form 1065.

Line 8c. Apportionment Percentage. Round to 6 decimal places. This line can't be more than 1.0.

Line 10. 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 CTRs. This line can't be greater than 75% of line 9, and any unused NOL can only be carried forward for five years.

Line 13. Prepayments. Enter the total amount of prepayments as a negative number here. This includes all quarterly payments, any extension payment made, and any credit carryforward from prior years.

Line 14. Penalty. Enter all late and/or underpayment penalties that apply (see instructions below).

Line 15. Interest. Enter any interest due on taxes not paid by the original due date (see instructions below).

Line 16. Balance Due or (Overpayment). Add lines 12 through 15 to determine if a balance due or an overpayment exists for your Multnomah County Business Income Tax.

Line 17. Refund / Credit / Transfer to Portland. If you have an overpayment, you may choose to have the balance:

- Refunded to you,
- Credited forward to the next tax year, and/or
- Transferred to the Portland Business License Tax jurisdiction.

If you choose to transfer your overpayment to the Portland Business License Tax jurisdiction, this payment will apply as of the postmark date of the return.

PORTLAND BUSINESS LICENSE TAX

Line 18a. Portland Gross Income. Portland gross income includes income from all business activity within Portland (see Apportionment instructions above).

Line 18b. Total Gross Income. Total gross income includes income from all business activity everywhere, as reported on your federal Form 1065.

Line 18c. Apportionment Percentage. Round to 6 decimal places. This line can't be more than 1.0.

Line 20. Net Operating Loss Deduction. Enter your NOL from previous years as a negative number here. NOLs are allowed only if reported on prior CTRs. This line can't be greater than 75% of line 19, and any unused NOL can only be carried forward for five years.

Line 22a. Heavy Vehicle Use Tax (HVT). If you are subject to Portland's Heavy Vehicle Use Tax, enter the amount from line 4 of the HVT Schedule here.

Line 22c. Residential Rental Registration Fee. If you are subject to Portland's Residential Registration Fee, enter the amount due from the Schedule R here.

Line 22d. Clean Energy Surcharge. If you are subject to Portland's Clean Energy Surcharge, enter the amount due from the CES Schedule here.

Line 23. Prepayments. Enter the total amount of prepayments as a negative number here. This includes all quarterly payments, any extension payment made, and any credit carryforward from prior years.

Line 24. Penalty. Enter all late and/or underpayment penalties that apply (see instructions below).

Line 25. Interest. Enter any interest due on taxes not paid by the original due date (see instructions below).

Line 26. Balance Due or (Overpayment). Add line 22, line 22a, line 22c, line 22d, line 23, line 24, and line 25 to determine if a balance due or an overpayment exists for your Portland Business License Tax.

Line 27. Refund / Credit / Transfer to Multnomah County / Donate to "Arts Impact Fund." If you have an overpayment, you may choose to have the balance:

- Refunded to you,
- Credited forward to the next tax year,
- Transferred to the Multnomah County Business Income Tax jurisdiction, and/or
- Donated to the "Arts Impact Fund."

If you choose to transfer your overpayment to the Multnomah County Business Income Tax jurisdiction, this payment will apply as of the postmark date of the return.

A donation to "Arts Impact Fund," a program of the Regional Arts & Culture Council, may be made by reducing your refund due or by paying an amount in addition to the combined amount due. Any designated donation is final. Go to artsimpactfund.racc.org for additional information.

Line 28. Combined Amount Due With Report. (Sum of line 16 and line 26, if a balance is due). Include any additional "Arts Impact Fund" donations on line 27.

Make your check payable to 'City of Portland.'

PENALTY CALCULATION

A penalty of 10% (5% late filing penalty plus 5% underpayment penalty) of the tax must be added if the CTR and tax are filed and paid past the due date. An additional penalty of 20% of the tax must be added if the CTR is more than four months past due. Any CTR which is delinquent for three or more consecutive years accrues an additional penalty of 100% of the tax.

No late filing penalty is due if a timely extension is filed with the Revenue Division and a return is filed by the extended due date.

No underpayment penalty is due if timely prepayments are made (safe harbor) which are either:

- At least 90% of the total tax due on line 12 (County) and line 22 (Portland); or
- 100% of the prior year's tax for each jurisdiction.

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.