COMBINED TAX RETURN
FOR INDIVIDUALS

Multnomah County
Business Income Tax
City of Portland
Business License Tax

FORM SP-2014

2014 CALENDAR YEAR

DUE DATE: APRIL 15, 2015

TAXABLE YEAR
From: 1/1/2014 to 12/31/2014
(Attach explanation if not a calendar year filer.)

ACCOUNT #	SOCIAL SECURITY #
FEIN #	FEDERAL BUSINESS CODE

OFFICIAL USE ONLY

NAME

MAILING ADDRESS ***(Notify the Revenue Bureau if business location address changes)*** | CITY | STATE/PROV | ZIP CODE

AMENDED RETURN?
MAILING ADDR CHANGE?

CEASED PORTLAND/MULTNOMAH BUSINESS? *(attach explanation)*

CHECK ALL THAT APPLY
SOLE PROPRIETORSHIP | 1 MEMBER LLC | JOINT VENTURE / TENANT-IN-COMMON (PARTIAL OWNER)

INCOME

ATTACH PAGE 1 OF FEDERAL FORM 1040

		Multnomah County*		City of Portland*
1. Net Income or (Loss) from Federal Schedule C **(Attach Schedule Cs)**	1M		1P	
2. Business Income Tax & Business License Tax Add Back	2M		2P	
3. Net Income or (Loss) from Federal Schedule E, D, etc. **(Attach E, D, etc.)**	3M		3P	
4. Subtract Deductible SE Tax (see instructions for additions & subtractions)	4M		4P	
5. Adjusted Net Income (total lines 1, 2, 3 and 4)	5M		5P	
6. Compensation Allowance Deduction (see instructions) **(# owners_____)** .	6M	( )	6P	( )
7. Subject Net Income (line 5 minus line 6)	7M		7P	

Multnomah County **Avg. Sum of Multnomah Employees in 2014:**

8a. County Gross Income / 8b. Total Gross Income* = ... *8c = (8a ÷ 8b)* (must be 1.0 or less) — 8c

**If less than $50,000, the taxpayer should complete Form AER (see instructions if tenant-in-common)*

9. County Apportioned Net Income (line 7M x line 8c)	9	
10. Net Operating Loss Deduction (max 75% of line 9) *Enter as negative sum* →	10	( )
11. Income Subject to Tax (line 9 minus line 10)	11	
12. Tax (line 11 x tax rate of 1.45%) **MINIMUM $100**	12	
13. Prepayments ..... *Enter as negative sum* →	13	( )
14. Penalty	14	
15. Interest	15	
16. Balance Due or (Overpayment)	16	

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

ATTACH CHECK HERE

City of Portland **Avg. Sum of Portland Employees in 2014:**

18a. Portland Gross Income / 18b. Total Gross Income* = ... *18c = (18a ÷ 18b)* (must be 1.0 or less) → 18c

**If less than $50,000, the taxpayer should complete Form AER (see instructions if tenant-in-common)*

19. Portland Apportioned Net Income (line 7P x line 18c)	19	
20. Net Operating Loss Deduction (max 75% of line 19) ..... *Enter as negative sum* →	20	( )
21. Income Subject to Tax (line 19 minus line 20)	21	
22. Tax (line 21 x tax rate of 2.2%) **MINIMUM $100**	22	
23. Prepayments ..... *Enter as negative sum* →	23	( )
24. Penalty	24	
25. Interest	25	
26. Balance Due or (Overpayment)	26	

27. REFUND: _____ CREDIT: _____ TRANSFER TO MULT CO: _____ DONATE TO "WORK FOR ART": _____

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 (including returns that have not reported the Average Sum of Employees) 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 BUREAU (503) 823-5157 **FAX (503) 823-5192** **TDD (503) 823-6868**

SP-2014 Rev. 01/07/2015

** For lines 1 through 5 above, the same number will generally be entered in both columns.*

The Revenue Bureau administers both the City of Portland Business License Tax Program and the Multnomah County Business Income Tax Program. Request further information or forms as needed from the Bureau at 111 SW Columbia, Suite #600, Portland, OR 97201-5840 or go to www.portlandoregon.gov/biztax. Lessors of 9 or fewer units of residential real estate may be exempt from the County tax under MCC 12.400(F).

INSTRUCTIONS FOR INDIVIDUAL RETURN - 2014

Note: Please enter your business code below your SSN. You may find this code in Section B of your Schedule C. (Residential lessors limited to Schedule E and D enter a business code of 53111. Commercial lessors enter a business code of 53112.)

1. Net Income is income after deductions for business expenses. Enter the sum of net income amounts from the federal 1040 Schedule C line 31 or Schedule C-EZ line 3. This number should agree to line 12 of the federal 1040, page 1.
2. Add back Multnomah County and City of Portland business income/license tax and other taxes measured by net income deducted to arrive at net income (line 1).
3. Enter the total income or (loss) from federal Schedule E line 26 (rental and royalty income) and Schedule F line 34 (farming income). Gain and losses from sales of business assets (Schedule D, Form 4797 and Form 6252), interest earned on installment contracts (Schedule B), and miscellaneous business incomes (from non-compete contracts, director fees, etc.) should also be included on this line. Do not include items that "pass-through" from investments in partnerships or S-corporations.
4. Adjust for the following business expenses: Subtract deductible self-employment tax, qualified retirement plan payments and health care premium deductions (sum of Form 1040 lines 27, 28 and 29) and add (or subtract) any Oregon modifications directly related to business activities.
6. A deduction of up to 75% of the total income (line 5) is allowed but cannot exceed $92,000 per owner (for Multnomah County) or $100,000 per owner (for Portland). You may have two owners if both husband and wife materially participate in the business or if they jointly own rental property. No deduction is allowed if line 5 is a loss.

Apportionment (line 8 and line 18) **Multiple factor apportionment methods are not allowed**.

Gross income includes all income (gross receipts, service income, interest, dividends, income from contractual agreements, gross rents and gains on sale of business property) from activity within the City or County. With few exceptions, income in the City is also in Multnomah County. Income may be apportioned only if there is regular business activity outside the City/County. Services performed outside the City/County may be apportioned based upon 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 jurisdiction.

MULTNOMAH COUNTY BUSINESS INCOME TAX

Multnomah Employees: Enter average sum of full-time and part-time employees working in Multnomah County during tax year (including owner).

8. County gross income includes income from all activity within the County (see apportionment instructions above). Enter the gross income within the County as the numerator of the fraction and gross income everywhere as the denominator of the fraction. Divide to determine the rate that Subject Net Income is apportioned to Multnomah County. Round apportionment rate to six places.
10. Net Operating Losses (as previously reported on line 9 of prior combined returns) are allowed a maximum carryforward of five (5) years. The annual deduction cannot exceed 75% of the apportioned income for the current year.
13. Enter all prepayments (quarterly, extension payments and credit carried forward from prior years).
14. Enter all late and/or underpayment penalties that apply (see penalty calculation instructions below).
15. Interest on taxes not paid by the original due date (April 15 for calendar year taxpayers) is calculated at 10% per annum (.00833 x no. of months). Calculate interest from original due date to the 15th day of the month following the date of payment.
16. Total lines 12, 13, 14 and 15 to determine balance due or (overpayment) for Multnomah County Business Income Tax.
17. Overpayments may be refunded, credited forward or transferred between programs.

Penalty calculation (line 14 and line 24)

A penalty of 10% (5% late penalty plus 5% underpayment penalty) of the tax must be added if the report and tax are filed and paid past the due date. An additional penalty of 20% of the tax must be added if the report is more than four months past due. Any report which is delinquent three or more consecutive years accrues an additional 100% of the tax as penalty. No late penalty is due if a timely extension is filed with the Bureau and a return is filed by the extended due date. No underpayment penalty is due if a timely prepayment is made which is at least 90% of the total tax on line 12 (County) and at least 90% of the tax on line 22 (City), or 100% of the prior year's tax.

CITY OF PORTLAND BUSINESS LICENSE TAX

Portland Employees: Enter average sum of full-time and part-time employees working in Portland during tax year (including owner).

18. Portland gross income includes income from all activity within Portland (see apportionment instructions above). Enter the gross income in Portland as the numerator of the fraction and gross income everywhere as the denominator of the fraction. Divide to determine the rate that Subject Net Income is apportioned to City of Portland. Round apportionment rate to six places.
20. Net Operating Losses (as previously reported on line 19 of prior combined returns) are allowed a maximum carryforward of five (5) years. The annual deduction cannot exceed 75% of the apportioned income for the current year.
23. Enter all prepayments (quarterly, extension payments, credit carried forward from prior years).
24. Enter all late and/or underpayment penalties that apply (see penalty calculation instructions above).
25. Interest on taxes not paid by the original due date (April 15 for calendar year taxpayers) is calculated at 10% per annum (.00833 x no. of months). Calculate interest from original due date to the 15th day of the month following the date of payment.
26. Total lines 22, 23, 24 and 25 to determine balance due or (overpayment) for the City of Portland Business License Tax.
27. Overpayments may be refunded, credited forward or transferred between programs. You may also apply a portion or all of your overpayment as a donation to the "Work for Art" program.* Transfers between programs occur as of the postmark date of request.
28. **If payment is due, make check payable to City of Portland.** Also include additional Work for Art donations on line 27.
*A donation to "Work for Art," 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 www.workforart.org for additional information.

Tenant-in-common (TIC) arrangements and other joint ventures must consider the gross income of the entire activity to determine whether the gross receipts exemption applies. TICs and other joint ventures are not entitled to the residential rental exemption.

(If you choose to pay by check, you authorize the City of Portland, Revenue Bureau to convert your check to an electronic debit. Funds may be withdrawn from your account upon receipt, and you will not get your check back. Please call with questions, or to permanently opt out.)

ATTACH DETAILED SCHEDULES FOR NOL DEDUCTIONS OR OTHER DEDUCTIONS FROM INCOME