COMBINED TAX RETURN FOR INDIVIDUALS

Multnomah County Business Income Tax
City of Portland Business License Tax

FORM SP-2019

2019 CALENDAR YEAR

DUE DATE: APRIL 15, 2020

TAXABLE YEAR
From: 1/1/2019 to 12/31/2019
(Attach explanation if not a calendar year filer)

ACCOUNT #	SOCIAL SECURITY #
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? ☐
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 FEDERAL FORM 1040 AND SCHEDULES

		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

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) *- Allocate overpayment on line 17*	16	

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

ATTACH CHECK HERE

OWNERS OF RESIDENTIAL RENTAL PROPERTY IN PORTLAND MUST ATTACH SCHEDULE R

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 2.6%) **MINIMUM $100**	22	
22a.	Heavy Vehicle Use Tax (HVT) (see HVT Schedule)	22a	
22b.	Reserved		
22c.	Residential Rental Registration Fee (see Schedule R)	22c	
22d.	Reserved		
23.	Prepayments ..... *Enter as negative sum* →	23	( )
24.	Penalty	24	
25.	Interest	25	
26.	Balance Due or (Overpayment) *- Allocate overpayment on line 27*	26	

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

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**

SP-2019 Rev. 01/16/2020

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

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SP-2019 GENERAL INFORMATION

Reminder: Be sure to include the following federal tax pages (and statements) and Portland schedules with your SP-2019 Combined Tax Return (CTR):

- Federal Form 1040 (pages 1 and 2)
- Federal Schedule 1
- All Schedule Cs and statements (if filed)
- All Schedule Es and statements (if filed)
- All Schedule Fs and statements (if filed)
- All Schedule Ds and statements (if filed, including Form 4797, Form 6252, and Form 8824)
- All Schedule Bs and statements (if filed, and related to your business)
- Schedule OR-ASC or OR-ASC-NP (if claiming Oregon modifications)
- HVT Schedule, if required (Portland form)
- Schedule R, if required (Portland form)

If your only business activity is renting nine or fewer residential rental units, you may be exempt from Multnomah County's Business Income Tax.

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. TIC's and other joint ventures are not entitled to Multnomah County's residential rental 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. Net Income or (Loss) from Federal Schedule C. Enter the net income or loss of all Schedule C businesses reported on federal Form 1040, Schedule 1 line 3. Attach all Schedule Cs (with statements) filed with the IRS.

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. Net Income or (Loss) from Federal Schedule E, D, etc. Enter the total net income or loss from:

- Schedule E, line 26, and
- Schedule F, line 34.

Gains and losses from sales of business assets (reported on Schedule D, Form 4797, and Form 6252), interest earned on installment contracts (reported on Schedule B), and other business income (from non-compete contracts, director fees, etc.) should also be reported on this line.

Don't include items that "pass-through" on federal Form K-1s from partnerships or S-Corporations.

Attach all Schedules (with statements) filed with the IRS, as well as Form 4797, Form 6252, and Form 8824, if filed.

Line 4M/4P. Subtract Deductible SE Tax. Subtract deductible self-employment tax, qualified retirement plan payments, and health care premium deductions (sum of Form 1040, Schedule 1, lines 14, 15, and 16). Enter any Oregon modifications (Oregon additions or subtractions reported on Oregon Schedule OR-ASC or OR-ASC-NP) that are directly related to your business activity.

Don't include any amounts that relate to self-employment income from a pass-through interest in a partnership or S-Corporation. These deductions are not associated with the sole proprietorship business activities.

Line 6M/6P. Compensation Allowance Deduction. A deduction of up to 75% of the total income reported on line 5M/5P is allowed, but it can't exceed $108,000 per owner for Multnomah County and $127,000 per owner for Portland.

You are allowed only one owner's compensation allowance deduction on a jointly filed return, unless:

- Both spouses have their own business,
- Both spouses materially participate in a joint business, or
- Any rental property is jointly owned by both spouses.

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 1040.

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 line 12, line 13, line 14, and line 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 1040.

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 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 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.