

How to file for PTE-E (Pass-through Entity Elective tax)



Taxpayers and tax preparers

Revenue Online

Log in to your Revenue Online account



Choose the account type PTE Elective Select File or view returns

PTE Elective

POTTER INVESTMENTS
955 CENTER ST NE
SALEM OR 97301-2555

Action Center Items **1**

Account

021421258-24

Balance

\$0.00



- > File or view returns
- > View estimated payments
- > Request a refund

Returns


Select File Now

< POTTER INVESTMENTS

Returns Balance [Make a payment](#)
PTE Elective **\$0.00**
021421258-24
POTTER INVESTMENTS

[Returns](#) [Periods](#)

Returns ☰

Period	Return	Status	Due Date
31-Dec-2022	PTE Elective		18-Apr-2023

[File Now](#)

Instructions

Review the instructions before continuing.

Instructions

Pass-through entities (PTEs) may elect to pay income tax at the entity level. Individual members will still report and be taxed on their income from the PTE, but they will be able to claim a credit on their individual returns for the tax already paid by the PTE.

An electing PTE must be a partnership, an S corporation, or an LLC taxed as a partnership or S corporation. All of the PTE's members must be individuals or other PTEs whose members are all individuals.

The election to pay the PTE elective tax (PTE-E tax) is made by timely filing Form OR-21. The election must be made by members of the PTE who are members on the date the election is made or by any officer, manager or member of the electing PTE who is authorized, under law or the PTE's organizational documents, to make the election and who attests to having such authority under penalty of perjury.

An upper-tier PTE that is a member of an electing PTE will also use Form OR-21 to pass its share of the lower-tier entity's distributive proceeds, addition, and tax credit through to the upper-tier PTE's individual owners.

Do not file Form OR-21 if **not** making the PTE-E tax election unless you are filing to pass-through items from a lower-tier entity. If the PTE is not making the election and estimated payments have been made, cancel this process if there are no pass-through items, and click the link to **Request a refund**.

Refer to the [Form OR-21 instructions](#) for more information.

Contact information

Enter the contact name, email address and phone number.

Contact Information

Enter the name, phone, and email of a person the department can contact if we have questions or need more information. The contact person does not have to be the same person who prepares or signs the return, but they should be knowledgeable about the PTE's election.

Name JAKE STONE

Email ptee1@test.com

Phone type Business Phone

Phone country USA

Area code (971)

Number 555-1234

Extension

Revocation


- If you are filing a return, select no.
- If you have previously filed a return and wish to revoke the election, select yes.

Return

Instructions Contact Information Revocation

Revocation

Is the PTE filing this return to revoke a previously made election to pay the PTE-E tax?

 No Yes

Amend

- If you are not filing an amended return, select no.
- If you have previously filed a return and wish to amend, select yes.

Return



Amend

① Is the PTE filing this return to make corrections to a previously filed PTE-E tax return?



No

Yes

Election, Extension, Pass Through

- Election – Select “I Understand” after reading the statement.
- Extension – If you have filed a federal extension for your PTE select yes, if not, select no.
- Pass Through – If you have lower tier items passing through, select yes.
 - If no lower tier PTE items passing through, select no.


Pass-through Entity Elective Tax Election

Check this box if the pass-through entity (PTE) elects to be liable for and pay the Oregon PTE elective tax (PTE-E tax). By checking this box, I declare: (a) under penalty of false swearing that, as of the date this return is submitted, all members of the PTE elect to be liable for and pay the PTE-E tax or (b) under penalty of perjury that I am an officer, manager, or member of the PTE with the authority to make this election on behalf of all members of the PTE.

 I Understand

Extension of Time to File


Has the PTE received a federal extension or requested an extension to file the return? A PTE makes the election by timely filing Form OR-21. To be timely, Form OR-21 must be filed on or before the due date, unless an extension has been requested. The due date for filing Form OR-21 for tax year 2022 is April 18, 2023.



No	Yes
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Pass Through

Is the PTE an upper-tier member of one or more electing PTEs and is filing this return to report the amount of distributive proceeds, addition, and credit that the PTE is passing through to its own members from the lower-tier electing PTE(s)?

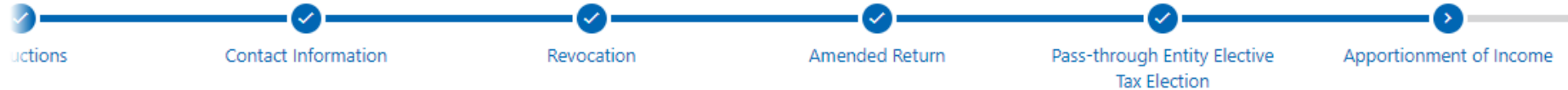


No	Yes
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Income Apportionment

- If you have business activities both inside and outside Oregon, select yes.
- If all business activity is inside Oregon, select no.

Return



Income Apportionment

Does the PTE have business activities both inside and outside Oregon?



No

Yes

Any PTE with income from business activity that is taxable by Oregon and one or more other states must apportion their income according to Oregon's Uniform Division of Income for Tax Purposes Act, ORS 314.605 to 314.675, unless the PTE is a financial institution or public utility. In that case, the PTE must apportion their income using the provisions of ORS 314.280. For more information see [Publication Schedule OR-21-AP Instructions](#).

Data source for completing the OR-21

The information used to complete this example can be found on the PTE Elective Tax Webpage: <https://www.oregon.gov/dor/programs/businesses/Pages/Pass-Through-Entity-Elective-Tax.aspx>

The data used is listed under “Examples”

Example 2 Facts

[Example 2 Worksheet for OR-21](#)

[Example 2 Worksheet for OR-21-AP](#)

[Example 2 Worksheet for OR-21-K-1 for Member 1](#)

[Example 2 Worksheet for OR-21-K-1 for Member 2](#)

[Example 2 Worksheet for OR-21-K-1 for Member 3](#)

[Example 2 Worksheet for OR-21-K-1 for Member 4](#)

[Example 2 Worksheet for OR-21-K-1 for Partnership A](#)

[Example 2 Worksheet for OR-21-MD](#)

[Example 2 Worksheet for OR-21-MD-PT](#)

Schedule OR-21-AP

Complete the forms using OR-65 or OR-20-S AP Schedule

Schedule OR-21-AP

1.	Enter the total sales of tangible personal property that were shipped or delivered from outside the state to a purchaser within Oregon other than the U.S. government during the tax year.	0.00
2.	Enter the total sales of tangible personal property that were shipped from a store, warehouse or other place of storage within Oregon, other than sales to the U.S. government or to purchasers in a state where the PTE is not subject to tax.	0.00
3.	Enter the total sales of tangible personal property to the U.S. government that were shipped from a store, warehouse, or other place of storage within Oregon.	0.00
4.	Enter the total sales of tangible personal property to purchasers in a state where the PTE is not subject to tax.	0.00
5.	Enter the PTE's total Oregon sales from all partnerships of which the PTE is a partner. Use Schedule OR-PI, Schedule of Partnership Information, as a guide. The amount to enter would be the amount shown on Schedule OR-PI, line 3.	842,762.00
6.	Enter the total of all other business receipts, including charges for services delivered to a location in Oregon. Include the rental, lease, license, or sale of intangible property that was used or considered to be used in Oregon during the tax year.	1,249,667.00


The following lines are to be completed by insurance companies only. For additional information about these items, see ORS 317.660, Oregon Administrative Rule (OAR) 150-317-0480, and Schedule OR-AP Instructions, Apportionment of Income for Corporations and Partnerships. If PTE submitting this return is not an insurance company, skip lines 7, 8, and 9.

7.	Direct premiums (insurance only).	0.00
8.	Annuity considerations (insurance only).	0.00
9.	Finance and service charges (insurance only).	0.00
10.	Total Oregon sales.	2,092,429.00
11.	Enter the PTE's total sales everywhere.	19,604,881.00
12.	Oregon apportionment percentage (Line 10 divided by line 11).	10.6730

Form OR-21

- Complete the form using Schedule K from your PTE tax return

Form OR-21

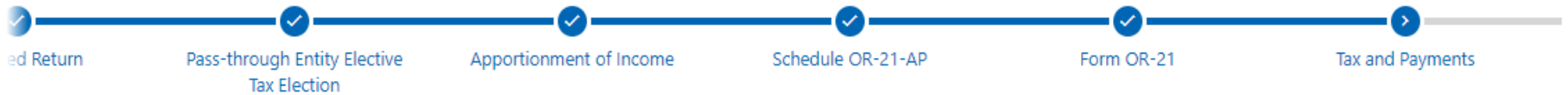
6.	Enter the PTE's ordinary business income or loss from federal Schedule K, line 1.	-1,825,577.00
7.	Enter the PTE's net rental real estate income or loss from federal Schedule K, line 2.	1,870.00
8.	Enter the PTE's other net rental income or loss from federal Schedule K, line 3c.	123,470.00
9.	If the PTE is a partnership, enter the total guaranteed payments from federal Schedule K, line 4c; otherwise, enter 0.	0.00
10.	Enter the PTE's interest income from federal Schedule K, line 5 (Form 1065) or line 4 (Form 1120-S).	184,869.00
11.	Enter the PTE's ordinary dividends from federal Schedule K, line 6a (Form 1065) or line 5a (Form 1120-S).	250,199.00
12.	Enter the PTE's royalties from federal Schedule K, line 7 (Form 1065) or line 6 (Form 1120-S).	383,910.00
13.	Enter the PTE's total net gain or loss from the disposition of property from federal Schedule K, the sum of line 8 plus line 9a (Form 1065) or the sum of line 7 plus line 8a (Form 1120-S).	2,790,211.00
14.	Enter the PTE's net section 1231 gain or loss from federal Schedule K, line 10 (Form 1065) or line 9 (Form 1120-S).	3,324,172.00
15.	Enter any other income or loss from federal Schedule K, line 11 (Form 1065) or line 10 (Form 1120-S).	0.00
16.	Total income from all sources. Add lines 6 through 15.	5,233,124.00
17.	 Enter the total of the PTE's non-apportionable income that is included in the amount on line 16.	0.00
18.	Total apportionable income. Line 16 minus line 17.	5,233,124.00
19.	Enter the apportionment percentage from Schedule OR-21-AP, line 12.	10.6730
20.	Oregon apportionable income. Line 18 multiplied by line 19.	558,531.00
21.	Enter the total of the non-apportionable income from line 12 that is allocated to Oregon. If the PTE does all of its business activity in Oregon, enter the amount from line 12. If the PTE must apportion its income, see "Allocable income" in Schedule OR-21-AP Instructions to determine whether the amount on line 12 includes income that is allocated to Oregon.	0.00
22.	Total Oregon distributive proceeds. Line 20 plus line 21.	558,531.00

Tax and Overpayments

The tax will calculate for you and the payments made will post.

- This is how it will look if you have tax due.
- It will show an overpayment if the payments made are more than the tax calculated.

Return



Tax and Overpayments

23.	PTE elective tax.	53,045.00
24.	Total PTE-E tax payment made prior to filing this return.	50,000.00
25.	Net tax.	3,045.00

Schedule OR-21-MD Part A

- If you have completed the member information schedule, you can import it and the member information will be entered on the schedule immediately, you can also make changes and import it again.
- Select Import Schedules and then select choose file to import, select OK.

The screenshot shows a software interface for the Oregon Department of Revenue. At the top, a progress bar indicates the status of various steps: 'Entity Elective Selection' (checked), 'Apportionment of Income' (checked), 'Schedule OR-21-MD' (checked), 'Tax and Payments' (checked), and 'Schedule OR-21-MD' (unchecked). Below the progress bar, the 'Schedule OR-21-MD' section is active. It contains a sub-section 'Part A — Member information (requires at least one entry):' with a red exclamation mark icon. A blue button labeled 'Import Schedules' is located below this section. A modal dialog box titled 'Select a file to import:' is open in the center, featuring a 'Choose File' button and a text field containing 'Example #2 i...chedule.xlsx'. At the bottom of the dialog are 'Cancel' and 'OK' buttons. Green arrows point from the 'Import Schedules' button to the dialog box and from the 'Choose File' button to the 'OK' button.

Schedule OR-21-MD (continued)

If you Import Schedules all information will auto populate





- If you have errors a red explanation point will appear, you will need to fix the record before continuing

Schedule OR-21-MD

✔ **Part A — Member information** (requires at least one entry):

Import Schedules

Show Errors


	1i. Member type	1a. PTE member legal	1f. Individual member	1h. Individual member	1k. FEIN	1j. Social Security	1r. Distributive procee	1s. Addition for tax de	1t. Credit for PTE-E tax
	INDIVIDUAL		KEITH	SMITH		531-11-1234	279,266.00	25,000.00	26,523.00
	INDIVIDUAL		TONY	BROWN		567-12-7890	167,559.00	15,000.00	15,913.00
	INDIVIDUAL		HEATHER	JONES		549-88-6212	55,853.00	5,000.00	5,304.00
	INDIVIDUAL		LINDA	TOOLEY		356-14-1862	55,853.00	5,000.00	5,305.00

Schedule OR-21-MD Part A (continued)

If you do not have the Member Information Schedule to import, select Add a Record. If the Member is included on the Oregon Composite return, select yes. Continue to add a record until all members are added

Form OR-21-MD

1i. Member type INDIVIDUAL		1b. Ownership percentage 0.5000
1a. PTE member legal name, if member is not an individual		1d. Initial
1c. PTE contact first name		1k. FEIN
1e. PTE contact last name		1g. Initial
1j. Social Security Number 531-11-1234		
1f. Individual member first name KEITH		
1h. Individual member last name SMITH		
1i. Current address 800 NE OREGON ST		1n. State OR
1m. City PORTLAND		
1o. Zip 97223		
1p. Phone (123) 456-7890		1q. Form OR-OC (see instructions) <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes
1r. Distributive proceeds 313,630.00		
1s. Addition for tax deduction at federal level 29,616.00		
1t. Credit for PTE-E tax paid 28,250.00		







Schedule OR-21-MD Part A (continued)

Completed Part A for this example.

Schedule OR-21-MD

✔ **Part A — Member information** (requires at least one entry):

Import Schedules

	1i. Member type	1a. PTE member legal	1f. Individual member	1h. Individual member	1k. FEIN	1j. Social Security	1r. Distributive procee	1s. Addition for tax de	1t. Credit for PTE-E ta
	INDIVIDUAL		KEITH	SMITH		531-11-1234	279,266.00	25,000.00	26,523.00
	INDIVIDUAL		TONY	BROWN		567-12-7890	167,559.00	15,000.00	15,913.00
	INDIVIDUAL		HEATHER	JONES		549-88-6212	55,853.00	5,000.00	5,304.00
	INDIVIDUAL		LINDA	TOOLEY		356-14-1862	55,853.00	5,000.00	5,305.00

Schedule OR-21-MD Part B

- Line 3 - Total distributive proceeds should equal line 22 on Form OR-21 and the total of all member lines 1r.
- Line 4 – Total addition for tax deducted at the federal level should equal the total of all member lines 1s.
- Line 5 – Total credit for PTE-E tax paid should equal line 23 on Form OR-21 and the total of all member lines 1t.

Part B — Total distributive proceeds, addition, and credit

Total the amounts in columns q, r, and s.

3.	Total distributive proceeds (column r).	558,531.00
4.	Total addition for tax deducted at federal level (column s).	50,000.00
5.	Total credit for PTE-E tax paid (column t).	53,045.00

Schedule OR-21-MD-PT


If you Import Schedules all information will auto populate

- If you have errors a red explanation point will appear, you will need to fix the record before continuing

Entity type	1a. Entity legal name	1b. FEIN	2. Distributive proceec	3. Addition for tax dec	4. Credit for PTE-E tax
 PARTNERSHIP	PARTNERSHIP A	91-1234576	68,729.00	6,500.00	6,186.00

+ Add a Record

+ Add a Record

 Requires at least one upper-tier member record.

Lower-tier PTE	PTE FEIN	5a. Individual membe	5c. Individual membe	6h. Social Secur	6i. Ownership percent	6j. Member's distribut	6k. Member's addition	6l. Member's credit fo
 PARTNERSHIP A	91-1234576	KEITH	SMITH	531-11-1234	0.5000	34,365.00	3,250.00	3,093.00
 PARTNERSHIP A	91-1234576	TONY	BROWN	567-12-7890	0.3000	20,619.00	1,950.00	1,856.00
 PARTNERSHIP A	91-1234576	HEATHER	JONES	549-88-6212	0.1000	6,873.00	650.00	619.00
 PARTNERSHIP A	91-1234576	LINDA	TOOLEY	356-14-1862	0.1000	6,872.00	650.00	618.00

+ Add a Record

Schedule OR-21-MD-PT(continued)

If you do not have the Member Pass-Through Information Schedule to import, enter the Lower-Tier entity information from the OR-21-K-1

Lower-tier PTE's



Part A - Electing lower-tier entity information

Parts A and B are used to report your share of the electing PTE's distributive proceeds, addition, and credit that you are passing through to your members. If you are a member of more than one electing PTE, click the link on the right to "Add a Record" to report additional electing lower-tier entities and your share of distributive proceeds, addition, and credit from each.

Entity type

PARTNERSHIP

1a. Entity legal name

PARTNERSHIP A

1b. FEIN

91-1234576

1c. Current address

800 NE OREGON ST

1d. City

PORTLAND

1e. State

OR

1f. ZIP code

97223

Part B - Distributive share of proceeds, addition, and credit from electing lower-tier entity

Lines 2, 3, and 4 must equal the total amounts passed to the upper-tier members in Part C. Click the link below to "Add a Record" to report upper-tier member information.

2. Distributive proceeds from schedule OR-21-K-1, line 1.

68,729.00

3. Addition for tax deducted at federal level from Schedule OR-21-K-1, line 2.

6,500.00


4. Credit for PTE-E tax paid from Schedule OR-21-K-1, line 3.

6,186.00

Schedule OR-21-MD-PT(continued)

If you do not have the Member Pass-Through Information Schedule to import, select Add a Record. If the Member is included on the Oregon Composite return, select yes. Continue to add a record until all members are added

Lower-tier PTE PARTNERSHIP A	PTE FEIN 91-1234576
5a. Individual member first name KEITH	5b. Initial
5c. Individual member last name SMITH	
5d. Current address 800 NE OREGON ST	
5e. City PORTLAND	5f. State OR
5g. ZIP code 97223	
6h. Social Security Number 531-11-1234	6i. Ownership percentage 0.5000
6j. Member's distributive proceeds from lower-tier entity. 34,365.00	
6k. Member's addition for tax deducted at federal level by lower-tier. 3,250.00	
6l. Member's credit for PTE-E tax paid by lower-tier entity. 3,093.00	
Form OR-OC (see instructions)	
<input type="checkbox"/> No	<input type="checkbox"/> Yes



Attachment Upload

- If you wish to send additional documents with your return, you may attach them here.
- There are no required attachments.

Attachment Upload

We accept up to five files, up to twenty megabits each.

If you need to attach something larger than this, please contact the person listed on your letter. You may attach the following file types: DOC, DOCX, PNG, XLS, XLSX, JPEG, JPG, TXT, PDF, and ZIP.

[Add Attachment](#)

Attachments

[Add](#)

Type	File Name	Description	Size
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There are no attachments.

Payments

If you owe tax on the return, you can select yes to make a payment. Follow the prompts to complete your payment.

Payments

Net tax due. 3,045.00

Would you like to make a payment?

No	Yes
----	-----

Payment method.

Checking or Savings	Credit Card
---------------------	-------------

Amount to pay. 0.00



Submission Summary and Confirmation

Please verify that the summary information is correct.

- If yes, select submit. You will be prompted to enter your password to act as your signature.
- If no, make the changes as needed.

Return



Submission Summary

Thank you for filling out this PTE Elective submission. Please verify that the summarized information is correct. You can still go back and make changes, if necessary. If no changes need to be made, please click the Submit button to complete the submission. You will then receive a confirmation notice with further information.

PTE elective tax.	53,045.00
Total PTE-E tax payment made prior to filing this return.	50,000.00
Net tax due.	3,045.00
Tax payment submitted with this return.	0.00

Confirmation

I, the taxpayer or authorized representative, agree that this request, including any accompanying schedule, has been examined by me and to the best of my knowledge and belief is a true, correct, and complete request.

Your password will act as your signature.

Password

Confirmation, Print and Feedback

- Select Printable View to print a copy of your Form OR-21 for your records
- Provide feedback to assist us in improving the process.
- Select OK

Confirmation

Your PTE Elective confirmation number is **1-314-223-232**.

Need help? [Contact us](#).

Printable View ←

OK

Feedback

How satisfied were you with this process?

★ ★ ★ ★ ★

Comments

Submit Feedback

Returns Submitted

The last screen shows that the return has been submitted.

- You can Make a payment
- You can View the Submission

< PTEE COMPANY

Returns

PTE Elective
014618621-44
PTEE COMPANY

Balance

\$0.00

> [Make a payment](#)

[Returns](#) [Periods](#)

Returns

Period	Return	Status	Due Date
31-Dec-2022	PTE Elective	Submitted	View Submission

Questions?

If you have additional questions, please contact:

Email: BusinessAlternative.IncomeTax@dor.oregon.gov