

2016 Form OR-65

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Office use only
Date received

Oregon Partnership Return of Income

Submit original form—do not submit photocopy.

For calendar year 2016, or fiscal or short year	Beginning: Mo Day Year	Ending: Mo Day Year
	/ /	/ /

Amended Return

Please type or print clearly and answer all the questions below.

Name of partnership			Federal employer identification number (FEIN)	
Current mailing address			Telephone number	
City	State	ZIP code	Date activities started in Oregon	
Name of partner who has the partnership books			Telephone number	
Mailing address	City	State	ZIP code	

Check all applicable boxes:

- (1) Final return (2) Initial return (3) Technical termination—also check (1) or (2)
- (4) Name change _____ (5) Accounting period change
- (6) Extension filed—extension due date: Mo / Day / Year (7) Form OR-24 is included
- (8) You have federal Form 8886, a REIT, or a RIC

Type of entity:

- Partnership Limited partnership Limited liability company Limited liability partnership
- Electing large partnership

1. Doing business in Oregon. Did the partnership do business in Oregon during the year? **Yes** **No**

2. Requirement to file Oregon partnership return.

- A. Does the partnership have income or loss derived from sources in Oregon? **Yes** **No**
- B. Does the partnership have Oregon resident partners? **Yes** **No**

3. Partnership minimum tax.

- A. **Tax liability.** Is question 1 marked “Yes” and is question 2A and/or 2B marked “Yes?” **Yes, tax is \$150.00**
- See instructions if “accounting period change” box above is checked..... **No, tax is \$0.00**

B. Payments. Enter prepayments already made .....	\$	.00
C. Tax due. If line 3A is more than line 3B, you have tax to pay. Line 3A minus line 3B.....	\$	.00
D. Refund. If line 3B is more than line 3A, you have a refund. Line 3B minus line 3A.....	\$	.00

4. Partner information.

- A. Did the partners’ profit/loss sharing percentages change during the year? **Yes** **No**
- B. Were the Oregon modifications **not** divided according to each partner’s profit sharing percentage? **Yes** **No**

— To ensure accurate processing, include payments with this return. —

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Yes No

Partner information. *(Continued)*

- C. Does the partnership have corporate partners?
- D. Enter the number of federal Schedule K-1s issued to partners: Total
 Oregon residents
 Nonresidents
- E. If there are nonresident owners, enter how many owners were included on a Form OR-OC to report this income:

5. Prior year returns.

- A. Was a 2015 Oregon partnership return filed?
 If no, give the reason: _____
- B. Did an IRS audit change a prior year return during the 2016 tax year?
- C. Was an amended federal return filed for a prior year?
 If you answered **yes** to 5B or 5C, what tax year(s) were changed? _____
 Send us a copy of the federal revenue agent's report or the amended return separately from this return if not previously sent.

6. Business inside and outside of Oregon.

- A. Did the partnership have business activity both inside and outside of Oregon during the year?
 If you answered yes, use the Oregon apportionment percentage from Schedule OR-AP to figure Oregon source income. Include the schedule with your return.

7. Other taxing authorities.

- A. Do partnership employees perform services in the TriMet Transit District?
- B. Do any partners have self-employment income from the partnership in the TriMet Transit District?
- C. Do partnership employees perform services in the Lane Transit District?
- D. Do any partners have self-employment income from the partnership in the Lane Transit District?
 If you answered **yes** to 7B and/or 7D, Form OR-TM and/or Form OR-LTD must be filed by the individual partners or the partnership may elect to file on the partners' behalf.

Schedule I—Oregon modifications to federal partnership income and credits passed through to partners. List the name, and amount for each addition, subtraction, and credit. Include schedules to explain and compute the modifications and credits.
Note: A partner's share of each modification or credit must be reported to the partner on their federal or Schedule OR-K-1 or equivalent. Generally, a partner's share of each modification or credit is figured using the partner's profit/loss sharing percentage.

Additions—Items **not** included in federal partnership income which are taxable to Oregon.

		Amount
1. _____	1a \$	.00
2. _____	2a \$	.00
3. _____	3a \$	.00
4. _____	4a \$	.00

Subtractions—Items included in federal partnership income that are **not taxable** to Oregon.

		Amount
5. _____	5a \$.00
6. _____	6a \$.00
7. _____	7a \$.00
8. _____	8a \$.00

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Credits—Oregon tax credits earned by the partnership that can be passed through to the partners.

		Amount
9. _____	9a \$	.00
10. _____	10a \$	.00
11. _____	11a \$	.00
12. _____	12a \$	.00

Under penalty of false swearing, I declare that the information in this return and any attachments is true, correct, and complete.

Sign here <input checked="" type="checkbox"/> Signature of general partner or LLC member		Signature of paid preparer <input checked="" type="checkbox"/>		License number of preparer	
Date / /		Date / /		Telephone number () -	
Print name of general partner or LLC member			Print name of paid preparer		
Title of general partner or LLC member			Address of paid preparer		

Include a complete copy of the 2016 federal partnership return (Form 1065 or 1065-B) and required schedules as indicated in the instructions. If you owe tax, include payment and voucher Form OR-65-V.

New for tax year 2016

Forms and schedules. We have changed many of our forms and schedules to provide a more consistent format and to include a shorthand name so they're easier to find. Please read each form and publication carefully as other items may have changed. For more information, visit us at www.oregon.gov/dor.

New due date. The Form OR-65 is now due on the fifteenth day of the third month following the close of the tax year. The due date for calendar year filers is **March 15, 2017**.

Which partnerships must file Form OR-65?

- Every partnership having income or loss derived from or connected with sources in Oregon.
- Every partnership having one or more Oregon resident partners.

Exception: Publicly traded partnerships taxed as corporations.

Oregon follows federal filing guidelines. If you aren't required to file a federal partnership return, you don't need to file for Oregon.

Example: A married couple electing the qualified joint venture option doesn't file a federal partnership return; therefore they don't file an Oregon partnership return.

Partnership minimum tax

A partnership must pay the \$150 minimum tax if it's doing business in Oregon **and** required to file a partnership return. "Doing business" is performing a profit-seeking activity.

When a partnership is required to file additional returns due to a change in ownership, (such as for a technical termination), the tax is owed for **each** return. It is **not** prorated. When a short year return is filed only because of a change in accounting periods, the tax is prorated for the number of months in the short tax year.

Filing and payment deadlines

Returns and tax payments for the 2016 calendar year are due by **March 15, 2017**. Fiscal year returns are due by the 15th day of the third month after the end of the partnership's tax year. Estimated payments are **not** required.

Extension of time to file

If you filed a federal extension, you don't need an Oregon extension. If you need to file an Oregon extension, use voucher Form OR-65-V. Check the extension box on the voucher and send it in by the due date with payment. An Oregon extension gives the same amount of time to file as a federal extension. The maximum extended due date is September 15, 2017 for calendar tax year partnerships.

An extension to file does **not** mean more time to pay. If you need to pay the \$150 minimum tax, check the extension box on voucher Form OR-65-V and send us the voucher and payment by the due date.

What must be included with the Oregon partnership return?

Submit this information with the return in the following order:

- A copy of federal Form 1065, *U.S. Return of Partnership Income*, or Form 1065-B, *U.S. Return of Income for Electing Large Partnerships*. Include all pages and supporting schedules (for example, Schedule M-3).
- Schedule OR-AP, if you answered yes to question 6 on Form OR-65.
- If this is the final partnership return, a schedule showing to whom all assets and liabilities were distributed, and each asset's adjusted basis, fair market value, and sales price.
- Federal Schedule K-1s, if less than 11 partners during the year. If you had more than 10 partners, include a summary of partner information. Your summary must include each partner's name, SSN or FEIN, address, profit/loss sharing percentage, and Oregon modifications and credits.
If you are mailing the summaries and K-1s, we prefer them on CD. Label the CD with the entity's name, FEIN, and tax year. If your CD is password protected, mail the password separately or email it to files-partnership.dor@oregon.gov. Include the partnership name and FEIN with the password.
- Form OR-24, if you had a 1031 exchange investing in out of state property.
- Any additional schedules required for Oregon modifications and credits from Schedule I.

Amending instructions

Complete the return as it should have been filed and check the box at the top. Include an explanation of all corrections. There is no tax to pay or refund unless you change the amount entered on line 3C or 3D. If the amended return is a tax-to-pay return, also check the amended return box on the voucher Form OR-65-V.

Penalty and interest

The partnership will owe interest on any tax not paid by the due date. The 2017 interest rate is 5 percent per year and increases to 9 percent per year if not paid within 60 days of our billing notice.

The partnership will also owe a late payment penalty on any tax not paid by the due date. Other penalties may apply.

Partnership failure-to-file penalty

We may assess a penalty if a partnership doesn't file a return or fails to provide information to us as required by law. The penalty is \$50 per month per partner for each month the return is late or incomplete, up to a maximum of five months.

Guaranteed payments

Guaranteed payments are treated as distributive shares of partnership income. For nonresident partners income attributable to Oregon sources is determined by applying the allocation and apportionment provisions to each nonresident's entire distributive share including guaranteed payments.

Individual income tax returns

Each partner's distributive share of net income (or loss) and separately stated items must be reported on that partner's individual income tax return.

Partners report their share of Oregon modifications (additions or subtractions) or credits on their tax return. The owner's modification or credit is based on the total for the business multiplied by their ownership percentage.

Nonresident partners can join a composite return, Form OR-OC, filed by the partnership or file their own return using Form OR-40-N and instructions.

2017 Short tax year

Oregon follows federal filing requirements. Use this form for a short tax year that begins and ends in 2017, if the 2017 forms are not available by the due date. Remember that an extension to file does not change the due date of the tax.

Example: ABC Properties LLC is classified as a partnership and uses a calendar tax year. The LLC has a technical termination on February 20, 2017. The federal and Oregon returns for the tax year from January 1, 2017 to February 20, 2017 are due May 15, 2017. The Oregon partnership minimum tax is also due May 15, 2017. The LLC will use 2016 forms to complete their federal and Oregon returns applying any laws for tax year 2017.

Form instructions

Heading

Enter all information in the heading and check all applicable boxes. It's important that you provide the name and contact information for the person who has the partnership records. If you do not complete this section, there may be a delay in receiving important information. If the partnership filed using a different name on the 2015 Oregon partnership return, check the "name change" box and provide that name.

Questions

Question 1. Answer yes if the partnership is doing business in Oregon. "Doing business" is defined the same for partnerships and corporations.

Question 2. The partnership is required to file if the answer to 2A or 2B (or both) is "Yes" for the tax year.

The partnership is not required to file if the answer is "No" to both 2A and 2B for the tax year.

Question 3A. If question 1 is "No," check "No" for question 3A and go to 3B. If questions 2A and 2B are both "No," check "No" for question 3A and go to 3B. The partnership does not owe the partnership minimum tax.

If question 1 is "Yes" and question 2A or 2B (or both 2A and 2B) are "Yes," the partnership owes the partnership minimum tax. Check "Yes" for question 3A. The tax is \$150 unless the partnership is filing a return for a change in accounting periods. If the "Accounting period change" box is checked, use this chart to determine the correct tax. Cross out the \$150 on line 3A and write the tax that corresponds to the number of months on the return:

Number of months	Tax	Number of months	Tax
1	\$ 12	7	\$ 87
2	\$ 25	8	\$100
3	\$ 37	9	\$112
4	\$ 50	10	\$125
5	\$ 62	11	\$137
6	\$ 75	12	\$150

This chart does not apply to other short tax year returns, such as final returns or technical terminations. The tax is \$150 in those cases.

Example 1: For tax year 2016, Renters LLC has federal permission to change from a calendar tax year to a fiscal tax year ending in September. To change the accounting periods, a short year return is required from January 1 to September 30, 2016. The LLC will file a 2016 short year return and owe \$112 in tax on the due date for that short year which is December 15, 2016. Later they will file a full year 2016 return from October 1, 2016 to September 30, 2017 and will owe \$150 minimum tax for that full tax year.

Example 2: Freight Partners had a technical termination on May 10, 2016. They are a calendar tax year partnership, so the owners from January 1 to May 10 will file a 2016 short tax year return due August 15, 2016. They will use 2015 forms because 2016 forms aren't available yet, but they will follow 2016 tax laws when completing the return. They will owe \$150 minimum tax which is also due August 15, 2016, even if they get an extension to file. The new owners of Freight Partners from May 11 to December 31, 2016 will also file a short tax year return and owe \$150 minimum tax which will be due March 15, 2017.

Question 3B. Enter the payments submitted prior to filing or with an extension.

Question 3C. If payments are less than the tax liability owed by the partnership, enter the amount of tax due (line 3A minus line 3B). Otherwise, go to line 3D.

To submit a payment:

- Make your check or money order payable to “Oregon Department of Revenue.”
- Write your daytime telephone number, FEIN, and “2016 Partnership Tax” on your check or money order.
- Do not send cash or a postdated check.
- Complete voucher Form OR-65-V.
- Submit the voucher and payment together. If included with your return, include both the payment and voucher with the Form OR-65.
- Pay the tax by the due date (not including extensions) to avoid penalty and interest.

Question 3D. If payments are more than the tax liability owed by the partnership, enter the amount to be refunded to the partnership (line 3B minus line 3A). If the tax liability and the payments already submitted are the same, enter \$0.

Question 4D. Enter the number of federal Schedule K-1s issued to owners. Does the partnership have nonresident owners? The partnership is required to send in payments on behalf of nonresident owners who are individuals or C corporations, unless the owner is exempt, files an affidavit, or joins a composite return. See Publication OR-OC and Publication OR-19 for more information on the partnership’s requirements to file a composite return or send in payments on behalf of its nonresident owners.

Question 4E. Nonresident owners who are individuals, trusts, estates, or C corporations can join a composite return, Form OR-OC, filed by the partnership. Enter how many owners participated in the Form OR-OC the partnership filed or will be filing.

Question 7. The owners must file returns and pay transit district self-employment taxes for income subject to these taxes. The partnership may instead file and pay on their behalf. For more information, go to www.oregon.gov/dor/programs/businesses and click on “Self-employment and transit.”

Schedule I

Enter the name and amount for each modification or credit. Include schedules to list additional modifications and credits or to explain the modifications.

Oregon marijuana business modification

Oregon-licensed marijuana businesses are allowed a subtraction for expenses that could be claimed as federal deductions if marijuana wasn’t a controlled substance under federal law (IRC 280E). To calculate the subtraction, you must fill out a federal business return as if the marijuana business expenses would have been allowed for federal purposes. You won’t submit the federal business return to the IRS. The subtraction is the difference between the profit/loss on your actual federal return and the “as if” return. Don’t submit the “as-if” return with your Form OR-65. Keep it with your tax records. See Publication OR-17 for more information.

A partner may be able to claim their share of these modifications or credits on their own return. Provide this information to partners with their Schedule OR-K-1. For more information, see the instructions regarding partnership and S corporation modifications and credits in the Publication OR-17.

Gain on voluntary and involuntary conversions. Oregon allows partnerships to elect for their partners to defer the gain on voluntary and involuntary conversions. Partnerships must make the election for all consenting partners. Include Form OR-24, with your Form OR-65, and check the box on the front of the return.

Filing Instructions

For tax year 2016, you can electronically file or mail the Form OR-65 and any required enclosures to:

Oregon Department of Revenue
PO Box 14260
Salem OR 97309-5060

Detach the instructions before mailing. If you are filing electronically and your software does not support attachments, mail the attachments to the address above or fax the attachments to 503-345-2354, labeled “Attn: Suspense.” Be sure to provide the partnership name and FEIN for reference. Please wait three days after electronically filing the Form OR-65 before faxing the required attachments.

Taxpayer assistance

Do you have questions or need help?

www.oregon.gov/dor
(503) 378-4988 or 1 (800) 356-4222
questions.dor@oregon.gov

Contact us for ADA accommodations or assistance in other languages.

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Oregon Partnership Return of Income Payment Voucher

Online payments:

You may make payments directly online at www.oregon.gov/dor. Don't use this form with online payments.

Form OR-65-V:

Complete Form OR-65-V and mail with your payment to: Oregon Department of Revenue
PO Box 14260
Salem OR 97309-5060

Complete the form below using your computer. After you have printed it, cut along the dotted line and mail the voucher to the Department of Revenue at the address shown above.

Note: If, when typing, you see a solid box instead of letters or numbers, adjust the view size to 100 percent. If the letters or numbers still are not visible, press the tab key.

Visit www.oregon.gov/dor/forms to print more vouchers.



Form OR-65-V, Oregon Partnership Return of Income Payment Voucher

Office use only
<ul style="list-style-type: none">•

- Tax year:**
Begins: ____/____/____
Ends: ____/____/____
- FEIN:** _____
- Payment type** (check only one):
 - Original return.
 - Extension payment.
 - Amended return.

Contact name				
Name of filer on tax return				
Filer address				
City	State	ZIP code	Contact phone	() - _____

Enter payment amount						
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