



# LTD Self-Employment Tax

These instructions aren't a complete statement of laws and rules that apply to the Lane County Mass Transit District self-employment tax. For more information, visit [www.oregon.gov/dor/business](http://www.oregon.gov/dor/business), on the left menu, go to Self-Employment Taxes, then click on Transit District Self-Employment Taxes.

## New information

**New for 2015.** You may file your transit district self-employment tax return through the federal/state e-filing program. For more information about e-filing, to make payments, or check account status, go to our website at [www.oregon.gov/dor](http://www.oregon.gov/dor).

## Important reminders

The Lane Transit District (LTD) has its own payment voucher, *Form LTD-V*. Please include this voucher with your payment.

If your partnership uses a fiscal year, you still must file on a calendar year basis.

Self-employment income is apportioned to Oregon using a 100 percent sales factor unless you are a taxpayer primarily engaged in utilities or telecommunications and elect to use the double-weighted sales factor formula.

## What is the LTD self-employment tax?

The Lane transit tax helps fund mass transportation in the Lane Transit District (LTD). This tax is applied to self-employment earnings of individuals doing business or providing services in the district. The Oregon Department of Revenue collects the tax for Lane transit.

A list of ZIP codes included in the district boundary is on page 4. For more information, call LTD at 541-682-6100, or visit their website at [www.ltd.org/businesscenter.html](http://www.ltd.org/businesscenter.html).

The tax rate is 0.0070 (0.7000 of 1 percent).

## Who must file and pay this tax?

### Individuals

Anyone who has self-employment earnings from business or service activities carried on in the Lane Transit District must pay this tax.

People who **must** pay the self-employment tax include:

- Self-employed individuals, sole proprietors, independent contractors, members of a partnership, and persons who have net self-employment earnings greater than \$400 from doing business or providing services within LTD.
- **Real estate agents.** Federal laws generally treat real estate agents as self-employed. This includes those who provide

services to real estate brokers under contract. This means that commissions on sales are subject to the LTD self-employment tax.

- **Fiscal year filers.** If you're a fiscal year filer and your tax year begins in 2015, you should file on a 2015 tax return.

### Partnerships

Partnerships are not subject to LTD self-employment tax.

The individual self-employed members of the partnership are responsible for filing and paying the tax. However, a partnership may choose to file one transit self-employment tax return and pay the tax for all of its individual partners. See "Partnership election" instructions on page 3.

### Exemptions

- **Ministers.** Compensation received by a minister or member of a religious order when performing religious services is not subject to this tax. However, compensation received for performing religious services as an independent contractor has been and remains subject to this tax.
- **Insurance agents.** The exemption applies only to insurance related income. Non-insurance related self-employment activities are subject to this tax (ORS 731.840).
- **C and S corporation distributions** are not subject to this tax. However, **all employers** who pay wages for services performed in the district must pay a transit payroll tax. This includes corporation officers who receive compensation for services performed. For more information about payroll transit tax, call 503-945-8091.

## How to file

Visit us online at [www.oregon.gov/dor](http://www.oregon.gov/dor) for current information about electronic filing.

Complete Form LTD, *Lane County Mass Transit District Self-Employment Tax Return* and include the following:

- Federal Schedule SE.
- Form TSE-AP if you are apportioning.

### Payments

To make payments online, visit us at [www.oregon.gov/dor](http://www.oregon.gov/dor).

To pay by mail, make your check or money order payable to "**Oregon Department of Revenue**" and include it with Form LTD-V payment voucher.

On your check, write the following:

- Daytime telephone number.
- Tax year.
- "Form LTD."
- SSN or FEIN.

Mail to: LTDSE

Oregon Department of Revenue  
PO Box 14003  
Salem OR 97309-2502

### **Important filing information**

- **Do not combine** your LTD self-employment tax payment with any other tax payment made to the Oregon Department of Revenue.
- **Do not attach** your Form LTD to your Oregon income tax return.
- **E-file or mail** your transit return to the Oregon Department of Revenue.

File **one** LTD Self-Employment Tax Return for all of your self-employment earnings.

To avoid penalty and interest, file your return and pay your tax by the due date.

## **Frequently asked questions**

### ***I have more than one business. How should I file my Lane transit return?***

File one return. If you have separate business activities within the district, include a schedule that shows net earnings or losses for each business. Compute the Lane transit self-employment income from the total net income of all your Schedule C activities within the same transit district. See instructions for line 1 on page 3.

### ***Can I file a joint return?***

**No.** Each taxpayer having self-employment earnings must file a separate Form LTD. That's true even if you and your spouse filed a joint federal income tax return. The only exception is a partnership filing for all partners. Both spouses could be members of the same partnership.

### ***I'm getting a refund on my Oregon individual income tax return. Can I have that refund applied to this tax?***

**No.** We can not apply any income tax refund to pay your LTD self-employment tax.

### ***Can I file my transit self-employment tax return electronically?***

**Yes.** Visit us online at [www.oregon.gov/dor](http://www.oregon.gov/dor) for current information about electronic filing.

### ***Can I file an amended transit self-employment tax return?***

**Yes.** File an amended transit return any time you need to correct your return as originally filed. Generally, you are allowed three years from the due date of the return or the date the return was filed, whichever is later, to file an amended return to claim a refund. Check the "amended return" box on your transit return.

### ***What if business is done both inside and outside of the district?***

Use an apportionment formula by completing Form TSE-AP. Self-employment income is apportioned using a 100 percent sales factor unless you are a qualifying taxpayer in utilities or telecommunications. A taxpayer primarily engaged in utilities or telecommunications may elect to use the double-weighted sales factor formula.

### ***What if I'm audited by the IRS?***

If changes are made that affect your self-employment earnings, file an amended return to report and pay any additional tax due. If the change reduces your transit tax, you have two years from the date of the audit report to claim a refund.

See more FAQs at [www.oregon.gov/dor/business](http://www.oregon.gov/dor/business), on the left menu, go to Business FAQs, then click on Transit District Self-Employment Taxes.

## **When to file**

Your Lane transit return is generally due the same day as your federal and Oregon individual income tax returns. For most taxpayers, the 2015 due date is April 18, 2016. For individuals filing a fiscal year return, the return is due on the 15th day of the fourth month after the end of the fiscal year. When the due date falls on a Saturday, Sunday, or legal holiday, the due date will be the next business day.

## **Extensions to file**

If you received a federal extension or an extension to file your federal or Oregon individual income tax return, it will also extend your LTD Self-Employment Tax Return.

Check the "An extension has been filed" box on your Form LTD. Do not include your extension but retain with your records.

**Extensions are for more time to file a tax return only. There are no extensions for paying tax.** If you have an extension, you must make your payment by the original due date of the return to avoid a penalty and interest charge. Complete Form LTD-V and send it with your payment of tax. Form LTD-V is available at [www.oregon.gov](http://www.oregon.gov). Be sure to use the same name and Social Security number (SSN) or federal employer identification number (FEIN) that you will use on your return when you file.

If you can't pay all the tax you expect to owe, pay what you can, then call us as soon as possible to set up a payment plan to reduce penalties and interest.

## Partnership election

A partnership may elect to file and pay the transit self-employment tax for the individual partners. The partnership **must** use net earnings from self-employment as reported on federal Form 1065 to figure the tax. **Do not make Oregon modifications** to the partnership's earnings. If some partners have different tax years than others, net earnings from self-employment is determined using amounts from different tax years.

The partnership's return and payment shall be based upon the net earnings from self-employment of the individual partners from the partnership for their taxable years ending with or within the **calendar year**.

You must provide, on a schedule included with Form LTD, the name, SSN, share of partnership income, and individual exclusion for each partner. Your return cannot be processed without this information.

**Due date:** April 18, 2016. The partnership **must** file a return and pay the tax due on or before April 18, 2016.

**Example:** If a partnership has a tax year ending August 31, 2015, the partnership must pay on or before April 18, 2016, the tax due from the partners' net earnings from the partnership for its taxable year ending August 31, 2015.

**Partners:** If your partnership is filing on behalf of all partners, you do not need to file a separate Form LTD **unless** you have net self-employment earnings from sources other than the partnership. Report only these additional net self-employment earnings on your *individual* Form LTD.

## Amended returns

If you need to amend your tax return, use the Form LTD for the specific tax year. You must file an amended return to claim a refund of tax paid. To file an amended return, use the appropriate form for the year of the original return and check the "**amended return**" box. Include an explanation of the changes made with the return. Oregon does not have a separate amended transit tax return.

## Form LTD instructions

If you are amending your return, check the "amended return" box in the upper right corner.

### Name and address section

**Individuals:** Fill in your name, business address, telephone number, and SSN.

**Important.** Do not include a FEIN (federal employer identification number) if you are filing as an individual.

The request for your SSN(s) is authorized by Section 405, Title 42, United States Code. You must give us this information. It will be used to establish your identity.

**Partnerships:** Fill in the partnership name, address, telephone number, and FEIN.

Check the box if any apply:

- An extension has been filed.
- Utility or telecommunications.

## Line instructions—Form LTD

Instructions are for lines not fully explained on the return.

**Rounding to whole dollars.** Enter amounts on the return and accompanying schedules as whole dollars only. Example: \$4,681.55 becomes \$4,682; and \$8,775.22 becomes \$8,775.

### Line 1. Self-employment earnings.

• **Individuals:** Fill in the amount from federal Schedule SE, Section A, line 3; or Section B, line 3 unless you meet one of the exemptions.

**More than one business included on federal Schedule SE?** Only include businesses from line 3 of your federal Schedule SE that are doing business or providing services in the Lane Transit District. You may use a business with a net loss to offset a business with net earnings if they are both within the Lane Transit District.

**Example:** Business A has net earnings of \$20,000 and Business B has a net loss of \$10,000. Both businesses are in the Lane Transit District. The amount on line 3 of your federal schedule SE is \$10,000. Fill in line 1 on Form LTD the amount of \$10,000. **File one return.** Include a schedule with the return and list each separate business and their net earnings or losses. There are no carry-forward of losses to another year.

**Did you receive Partnership income?** Did the partnership file Form LTD and pay the tax for the partners? If so, reduce the amount from your federal Schedule SE, Section A, line 3; or Section B, line 3 by the amount of your income from that partnership.

**Important.** Do not make Oregon changes or modifications to federal income on Form LTD. Your earnings that are subject to Lane Transit self-employment tax will generally be the same as the earnings you report on your federal Schedule SE, Section A, line 3; or Section B, line 3.

• **Partnerships:** Fill in the net earnings from federal Partnership Form 1065. Do not include Oregon modifications.

**Note:** Partnership net earnings may be netted with Schedule C gains or losses for LTD tax purposes.

### Line 2. Apportionment:

- Percentage cannot be less than 0 percent or more than 100 percent.
- Round the percentage to four decimal places. For example, 12.34558 percent should be 12.3456 percent.
- If all of your business activity is within the transit district do not fill out the Form TSE-AP.

- Fill out and include a completed Form TSE-AP with your Form LTD if your business activity is carried on both in and out of the district.

**Note:** If you have multiple businesses within the district that must apportion income or losses: determine each business's apportionment percentage separately; apply each percentage to the earnings of the respective business; add the amounts; and enter on line 3. Include a schedule showing your calculations.

<b>For example:</b>	Business 1	Business 2
Sales in District	\$20,000	\$5,000
Gross Sales	100,000	5,000
Apportionment	20.0000%	100.0000%
Total Earnings (Loss)	25,000	(1,000)
Earnings in District	5,000	<u>(1,000)</u>
Net earnings to enter on line 3		<u>\$4,000</u>

**Line 4. Exclusion.** Each taxpayer's exclusion is the lesser of the taxpayer's self-employment earnings (line 3), or \$400.

**Individuals.** Enter \$400 or the amount on line 3, *whichever is less*. Was the exclusion partially or completely used on another 2015 Form LTD filed by your partnership? If so, fill in only the unused amount of the \$400 exclusion.

**Partnerships.** Enter \$400 for only those partners whose share of positive earnings are included in the amount on line 3. If any partner's exclusion was partially or completely used on another 2015 Form LTD, include on line 4 only that partner's unused amount of the \$400 exclusion. **Each partner is responsible for ensuring that the total of all exclusions does not exceed \$400.**

**Do not include any partner with a loss.**

**Line 7. Prepayments.** Fill in the amount of any advance payments you made for Lane Transit self-employment tax for this tax year.

**Line 8. Tax to pay.** Include your check or money order payable to the Oregon Department of Revenue. Write your daytime telephone number and "2015 Oregon Form LTD" on your check and include the Form LTD-V payment voucher. An expected refund from your state income tax cannot be used to pay your transit tax.

**Line 9. Penalty and interest.** For filing or paying late.

**Due date.** Form LTD is generally due the same day as your federal and Oregon income tax returns. For a calendar year return, this is April 18, 2016.

**Interest.** If you are paying your tax after the due date, include interest on any unpaid tax.

If you do not pay the tax by the due date, interest will be charged on the unpaid tax. Interest periods generally begin the day after the return is due. Interest is figured daily for periods of less than a month. A month, for example, is May 16 to June 15. Interest rates may change once a calendar year.

To calculate interest due:

- Tax × Annual interest rate × Number of full years.
- Tax × Monthly interest rate × Number of months.

- Tax × Daily interest rate × Number of days.

*Interest rates and effective dates:*

<b>For periods beginning</b>	<b>Annual</b>	<b>Monthly</b>	<b>Daily</b>
January 1, 2016	4%	0.3333%	0.0110%
January 1, 2015	4%	0.3333%	0.0110%
January 1, 2014	4%	0.3333%	0.0110%

Interest accrues on any unpaid tax during an extension of time to file.

**Additional interest on deficiencies and delinquencies.**

Interest will increase by one-third of 1 percent per month on unpaid tax. If the tax is not paid within 60 days of our bill, the interest rate increases by 4 percent per year.

**Penalty.** Include a penalty payment if you:

- Mail your payment of tax due **after** the due date (even if you have an extension), or
- File your return showing tax due after the due date, including any extension.

Possible penalties may include:

- **5 percent** for failure to pay by the due date of the return.
- **20 percent** for failure to file the return within three months of the due date of the return.
- **100 percent** if you do not file three or more required returns by the due date of the third year's return.

**Sign your return.** Please sign and date your return before mailing.

**LTD cities and ZIP codes**

LTD serves the entire Eugene-Springfield urban area as well as several rural areas. For information on LTD boundaries, call 541-682-6100 or access the Lane Transit website at [www.ltd.org/businesscenter.html](http://www.ltd.org/businesscenter.html).

<b>City</b>	<b>ZIP Code</b>	<b>City</b>	<b>ZIP Code</b>
Blue River	97413	Jasper	97438
Coburg	97408	Junction City	97448
Cottage Grove	97424	Lancaster	97448
Creswell	97426	Leaburg	97489
Dexter	97431	Lowell	97452
Elmira	97437	Maywood	97413
Eugene	97401	McKenzie Bridge	97413
	97402	Pleasant Hill	97455
	97403	Springfield	97475
	97404		97477
	97405		97478
	97408	Thurston	97482
	97440	Trent	97431
Fall Creek	97438	Veneta	97487
Finn Rock	97488	Vida	97488
Goshen	97405	Walterville	97489

# Taxpayer assistance

## Have questions? Need help?

**General tax information** ..... [www.oregon.gov/dor](http://www.oregon.gov/dor)  
Salem ..... 503-378-4988  
Toll-free from an Oregon prefix ..... 1-800-356-4222  
Email ..... [tse.help.dor@oregon.gov](mailto:tse.help.dor@oregon.gov)

*This email address is not secure and confidentiality cannot be ensured.*

### Asistencia en español:

En Salem o fuera de Oregon ..... 503-378-4988  
Gratis de prefijo de Oregon ..... 1-800-356-4222

### TTY (hearing or speech impaired; machine only):

Salem area or outside Oregon ..... 503-945-8617  
Toll-free from an Oregon prefix..... 1-800-886-7204

**Americans with Disabilities Act (ADA):** Call one of the help numbers above for information in alternative formats.

### Lane Transit District boundary information

Telephone ..... 541-682-6100  
Internet ..... [www.ltd.org/businesscenter.html](http://www.ltd.org/businesscenter.html)

FORM  
**.LTD**



Lane County Mass Transit District  
**Self-Employment Tax**

• Amended Return

**.2015**

If you have previously filed a return, indicate if: <input type="checkbox"/> Name change <input type="checkbox"/> Address change		<b>Fiscal year beginning:</b> Mo / Day / Year		<b>Fiscal year ending:</b> Mo / Day / Year		<b>For office use only</b> Date received	
First name and initial		Last name (if an individual filing)		Social Security number (SSN)		Payment	
Partnership name (if a partnership filing)		Business address		Federal employer identification number (FEIN)		1      2      3	
City	State	ZIP code	County	Telephone			
Did you file Form LTD for 2014? <input type="checkbox"/> Yes <input type="checkbox"/> No (if No, give reason)						<input type="checkbox"/> An <b>extension</b> has been <b>filed</b> <input type="checkbox"/> <b>Utility or telecommunications</b>	

**Include your payment with this return.**

**Round all amounts to the nearest whole dollar.**

1. Self-employment earnings from federal Schedule SE or Partnership Form 1065 .....	● 1	
2. Apportionment percentage (round to 4 decimal places) .....	2	%
3. Net self-employment earnings. Multiply line 1 by line 2 .....	● 3	
4. Less: Exclusion. Not more than \$400 per taxpayer .....	● 4	
5. Net earnings subject to transit district tax. Line 3 minus line 4 .....	● 5	
6. Net tax. Multiply the amount on line 5 by 0.0070 .....	● 6	
7. Prepayments .....	● 7	
8. <b>TAX TO PAY.</b> Is line 6 more than line 7? If so, line 6 minus line 7 .....	● 8	<b>TAX TO PAY</b>
9. Penalty and interest for filing or paying late .....	● 9	
10. Total amount due. Line 8 plus line 9 .....	● 10	
11. <b>REFUND.</b> Is line 7 more than line 6? If so, line 7 minus line 6 .....	● 11	<b>REFUND</b>

**Individuals:** Include a copy of your federal Schedule SE. **Business activity:**  Sales  Services  Other: \_\_\_\_\_  
**Partnerships:** Include a schedule listing each partner's name, Social Security number, partnership earnings, and exclusion.  
**Apportioning?** Include a copy of TSE-AP.

<b>Under penalty of false swearing, I declare that the information in this return and any enclosures is true, correct, and complete.</b>					
Your signature X		Date / /	Signature of preparer other than taxpayer X		
SIGN HERE	Make check or money order payable to: <b>Oregon Department of Revenue</b>		License No. ●	Telephone	
	Mail your return to: <b>LTDSE, Oregon Department of Revenue</b> <b>PO Box 14003, Salem OR 97309-2502</b>		Address of preparer		
	City	State	ZIP code		

**Do NOT attach your LTD self-employment tax return to your Oregon income tax return, or any other form.**