

Introduction

Purpose of form

A pass-through entity (PTE) with distributive income from Oregon sources must withhold tax from its nonresident owners who don't elect to join in a composite filing, Form OR-OC, unless the owner files an affidavit or is exempt. The withheld tax is a prepayment of Oregon income and excise tax for nonresident owners of pass-through entities. Form OR-19-AF is for nonresident owners who don't elect to join in a composite filing, are not exempt from withholding, and don't want the PTE to withhold tax on their behalf.

Definitions

"Distributive income" is generally the net taxable income or loss of a PTE.

"Nonelecting owner" is a nonresident owner who chooses not to join in the filing of a composite return, is required to file an Oregon tax return, and has Oregon-source distributive income.

"Oregon-source distributive income" is the portion of the entity's distributive income that is derived from or connected with Oregon sources, and includes modifications provided in Oregon Revised Statutes (ORS) Chapter 316 and other Oregon laws that directly relate to the PTE.

"Owner" is a partner of a partnership or limited liability partnership (LLP), shareholder of an S corporation, member of a limited liability company (LLC), or beneficiary of a trust.

"Pass-through entity (PTE)" is a partnership, S corporation, LLP, LLC, abusive tax shelter trust, or a trust that has been established or maintained primarily for tax avoidance purposes. **Note:** Single-member LLCs owned by an individual or a corporation and grantor trusts are disregarded for tax purposes and aren't PTEs. For this purpose only: Estates aren't PTEs.

"You" and **"your"** refer to the person signing the affidavit on their own behalf as a nonresident owner or as an authorized agent of another entity that is a nonresident owner.

Owner payment requirements

A PTE is required to pay tax to the department on behalf of a nonelecting owner unless the owner:

- Has estimated or actual Oregon-source distributive income from the PTE that is less than \$1,000 for the PTE's tax year;
- Has made estimated tax payments the prior tax year based on the owner's share of Oregon-source distributive income from the PTE and continues to make estimated tax payments for the current tax year; or

- Files an affidavit, Form OR-19-AF, indicating that they do not want the PTE to withhold tax from their Oregon-source distributive income.

Instructions for Form OR-19-AF

If you're a non-exempt nonresident owner who isn't electing to be included in a composite return filed by the PTE and you don't want the PTE to withhold tax on your Oregon-source distributive income, you must complete and sign Form OR-19-AF and submit it to the PTE. You must also file Form OR-19-AF with the department as soon as you know that you will receive Oregon-source distributive income from the PTE.

The affidavit is valid until it's replaced by a subsequent affidavit.

Nonresident owner information

Complete all fields for yourself as an individual owner or as the authorized agent of an owner that is another entity. Include the ownership percentage and an estimate of the Oregon-source distributive income expected from the PTE each year.

Pass-through entity information

Complete all fields for the PTE, including the PTE's federal employer identification number (FEIN), address, and phone.

Agreement to file and signature

Make sure that you read and understand the agreement to file returns and make timely payments of Oregon tax on the distributive share of the PTE's Oregon-source income. Sign and date the affidavit. The affidavit does not need to be notarized.

Submit the form

Submit the original form to the department, and send a copy (or another original) to the PTE. You may submit the form to the department using Revenue Online or mail it to the address shown at the bottom of the form.

Revoking or changing an affidavit

Revocation. To revoke a previously filed affidavit, submit another Form OR-19-AF (or a copy of the original) with the revocation section completed to the department and the PTE.

Changes. An affidavit should be updated if there is a change in the entity information or if your ownership percentage changes by 10 percent or more. You don't need to send an updated affidavit solely for address changes. When sending us an updated affidavit, be sure to send a copy to the PTE as well.

Do you have questions or need help?

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

Contact us for ADA accommodations or assistance in other languages.