OREGON DEPARTMENT OF REVENUE

Form OR-19 Instructions

Annual Report of Pass-through Entity Owner Tax Payments

2025

Introduction

Purpose of form

Form OR-19 is used to report tax payments withheld by pass-through entities (PTEs) with distributive income from Oregon sources. The tax withheld is a prepayment of Oregon income and excise tax for the PTE's owners.

For composite filing information, see Publication OR-OC. For affidavit filing information, see Form OR-19-AF Instructions.

Qualifying publicly traded partnerships, estates, and most trusts aren't required to withhold tax for their nonresident owners.

A PTE that elects to pay the PTE elective tax will generally not be required to withhold for the owners. Withholding may be required for other types of taxes not included on the PTE elective tax return, such as built-in gains or excess net passive income tax.

Determining the correct year for Form OR-19

Use the following table to determine which Form OR-19 a PTE should file.

If the PTE uses:	And the majority of owners use:	Use Form OR-19 for the year that corresponds to the year when the PTE's tax year:
Calendar tax year	Calendar or fiscal tax year	Ends
Fiscal tax year	Fiscal tax year	Begins
Fiscal tax year	Calendar tax year	Ends

Example 1. Beta Corp, an S corporation, uses a fiscal tax year that ends June 30, 2025. Seven of the eight shareholders in the corporation use a calendar tax year. Because the majority of the shareholders use a calendar tax year, Beta Corp will file a 2025 Form OR-19 for the tax year.

Example 2. MC Contractors, a partnership with three partners, also uses a fiscal tax year that ends June 30, 2025. Two of the three partners file using a fiscal tax year. Because the majority of the partners use a fiscal tax year, MC Contractors will file a 2024 Form OR-19 for the tax year.

Definitions

Throughout these instructions, the following terms are used:

"Distributive income" is generally the net taxable income or loss of a PTE. See "Oregon-source distributive income" on page 2 for a complete definition.

"Electing owner" is a nonresident owner who chooses to join in the filing of a composite return.

"FEIN" means federal employer identification number.

"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.

"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, or certain trusts. 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.

Owner payment requirements

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

- The PTE elects to file and pay the Pass-through Entity Elective (PTE-E) tax;
- 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;
- The owner has made estimated tax payments for 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
- The owner files an affidavit, Form OR-19-AF, indicating that they do not want the PTE to withhold tax from their Oregon-source distributive income. For more information, see Form OR-19-AF Instructions.

Withholding isn't required if the owner is another PTE, except for entities that are disregarded for tax purposes. Taxes withheld by a lower-tier PTE on distributions to an upper-tier PTE will be applied to the withholding required by the upper-tier PTE. Two common examples of disregarded entities are:

- **Grantor trust:** A grantor trust (usually called a revocable trust or living trust) is controlled by the grantor. Withhold for the grantor the same as any other individual. **On Form OR-19, use the name, Social Security number (SSN), and address of the individual owner. Select individual as the owner type. Don't use the name, FEIN, or address of the grantor trust.**
- **Single member LLC:** Withhold for the member the same as any other individual or C corporation owner using the individual's or corporation's information.

If the PTE expects the total Oregon-source distributive income of a nonresident owner to exceed $1,000 during the tax year, the PTE should begin submitting payments as of the first quarter that includes Oregon-source income. Tax

payments are required on the nonresident owner's entire share of Oregon-source income, not just the amount exceeding $1,000.

The requirement to submit payments isn't dependent on whether the PTE makes any distributions to its owners. A PTE with distributive income that didn't pay any money to its owners must still submit Oregon tax payments for its nonresident owners. A PTE with no distributive income that pays a distribution from capital or retained earnings isn't required to withhold tax or submit nonresident owner payments.

Oregon-source distributive income

Oregon-source distributive income is the portion of the entity's modified distributive income that is derived from or connected with Oregon sources. For estimated tax purposes, distributive income is the net amount of the PTE's income, gain, deduction, or loss for the tax year. It includes items directly related to the PTE that are considered in determining the federal taxable income of the owner. It also includes modifications provided in Oregon Revised Statutes (ORS) Chapter 316 and other Oregon laws that directly relate to the PTE.

Oregon modifications. Examples of modifications that relate to the PTE's income include adjustments for depreciation, depletion, gain or loss difference on the sale of depreciable property, and U.S. government interest. Modifications don't include the federal tax subtraction, itemized deductions, or the Oregon standard deduction.

Oregon marijuana or psilocybin business modification. Oregon-licensed marijuana and psilocybin businesses are allowed a deduction for expenses that could be claimed as federal deductions if marijuana or psilocybin weren't controlled substances under federal law (IRC 280E). To calculate the deduction, fill out a federal business return as if the business expenses would have been allowed for federal purposes. Don't submit the federal business return to the IRS. The deduction is the difference between the profit/loss on your actual federal return and the "as if" return. **Note:** This deduction can't be used to create a net operating loss. It can only reduce your Oregon source income to zero. Don't submit the "as-if" return with Form OR-19. Keep it with your tax records. See Publication OR-17 for more information.

Non-Oregon-source income. Oregon-source distributive income doesn't include return of capital, income sourced in another state, or other distributions not taxable by Oregon.

Oregon-only income

If the PTE has business activity only in Oregon, multiply the distributive income of the PTE by the ownership percentage of the owner.

Apportionable income

PTEs with business activity both inside and outside Oregon during the year must calculate Oregon-source distributive income for its owners. Use Schedule OR-AP for this purpose. Complete Part 1 of the schedule to figure the apportionment percentage. Multiply the PTE's distributive income by the apportionment percentage, then multiply by the ownership percentage of the owner.

Guaranteed payments

Guaranteed payments are treated as a business income component of the PTE's distributive income and attributed directly to the owner receiving the payment. See Oregon Administrative Rule (OAR) 150-316-0155.

Deductions

Individual tax deductions

Deductions normally allowed to individuals (itemized deductions or the standard deduction) aren't allowed in determining the income amount upon which owner payments are based and remitted.

Self-employment tax deduction

Each PTE must calculate the self-employment tax deduction for each electing member that is subject to self-employment tax. The self-employment tax deduction that is attributable to the Oregon-source distributive income is subtracted from the Oregon-source distributive income to determine the amount upon which the owner's estimated payments are based.

Credits

Credits normally allowed on owners' tax returns, such as the credit for income taxes paid to another state, aren't taken into account in determining the income amount upon which owner payments are based and remitted.

Form instructions

PTE information. Enter the PTE's name, FEIN, and address.

Contact information. Enter the name and phone number of a person the department can contact if we have questions or need more information.

Section 1. Mark the box that matches the PTE's entity type: Partnership, S corporation, LLC, LLP, LP, or Trust.

If a lower-tier entity withheld the tax that you're reporting as owner payments, mark the box and enter the lower-tier entity's FEIN.

Enter the total amount of owner payments made each period and the date the payments were made. If more than four payments were made during the year, combine the last payments into Payment 4.

Section 2–Owner information. Each line should list only one taxpayer, so **list spouses separately.** Enter the name, tax identification number, and address for each owner for whom tax was withheld.

Owner type. Indicate how the owner will file. Select from Individual, Corporation, Trust/Estate, or Composite. **Don't enter Grantor Trust, Disregarded Entity, or LLC.**

Important:

- **Owners won't receive credit for payments made on their behalf until the PTE has submitted Form OR-19.**
- **Include the FEIN of a lower-tier entity if the entity withheld the tax.**
- **Don't include owners that are exempt, have no Oregon tax liability or withholding, are joining a composite return, or filed an affidavit.**
- **Use the individual or corporate owner's information for disregarded entities.**
- **Use Form OR-19 only when submitting the annual reconciliation. Do not submit this form with each period payment.**
- **Incomplete forms or forms submitted in the incorrect format won't be processed.**
- **Make sure the owner's name on Form OR-19 matches the name that will be on their income tax return.**

Section 2–Payment information. Enter the amount of each payment submitted during the tax year. Use whole dollars for all amounts. If there were more than four payments, combine the last payments under Payment 4.

Make additional copies of Section 2 as needed to divide all payments among all owners. If more than one copy is used, enter the total for all payments on the last page of Part 2. The total payments must **exactly match** the payments as listed in Section 1. Indicate the number of pages at the bottom of the form.

Important: Provide each owner with the total of their tax payments. They will need the information when they file their Oregon income or excise tax return. For individual owners, enter their total payments on Schedule OR-K-1, line 19.

Composite filing after tax withheld. If the PTE wants any portion of a payment to go to its Form OR-OC account because some or all of the owners will be joining in a composite return, enter "Form OR-OC" in the "Owner first name" field and the amount from each payment.

Due date for 2025 Form OR-19

Form OR-19 is due on the last day of the second month after the end of the PTE's tax year. For tax year 2025, the due date for PTEs using a calendar year is **March 2, 2026.**

Payment instructions

Calculate the amount of tax to be withheld and remitted to the department as follows:

- **Individual owners:** Use the highest individual tax rate on the nonelecting owner's share of Oregon-source distributive income. For 2025, the rate is 9.9 percent.
- **C corporation owners:** Use the corporate tax rates on the nonelecting owner's share of Oregon-source distributive income. For 2025, the rate is 6.6 percent on the first $1 million and 7.6 percent on the amount over $1 million.

Due dates for tax payments

Tax payments for owners must be remitted for the period in which the distributive income is earned or estimated. Use the entity's tax year.

For calendar year entities, the due dates for 2026 are:

- April 15, 2026 (1st period).
- June 15, 2026 (2nd period).
- September 15, 2026 (3rd period).
- December 15, 2026 (4th period).

For fiscal-year entities, the due dates are the 15th day of the fourth, sixth, ninth, and 12th months of the tax year. If the 15th day of any calendar month falls on a Saturday, Sunday or legal holiday, the return is due by the next business day.

Exception: Fiscal-year entities with only noncorporate owners who file using a calendar tax year may elect to use the due dates applicable to the owners instead of the entity's tax year.

Example 3. Beachside LLC has a fiscal tax year ending September 30. The LLC would normally send in payments on the following due dates: January 15; March 15; June 15; and September 15. The owners are all individuals who file using a calendar tax year, so the LLC chooses to use the exception. Because the owners report this income in their calendar tax year as required by IRS and Oregon laws, the payment due dates are the same as their estimated payment due dates: April 15; June 15; September 15; and January 15.

Payment methods

Online payments. Tax payments can be submitted through Revenue Online. Visit www.oregon.gov/dor for more information.

Mailed payments. Use Form OR-19-V to mail a payment by check, money order, or cashier's check. See Form OR-19-V and Form OR-19-V Instructions for details.

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.