

Purpose of Schedule OR-21

Pass-through entities (PTEs) electing to pay the PTE elective tax (PTE-E tax) use Form OR-21 to report their income, tax, and payments. 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. Form OR-21 is filed on a calendar-year basis only. PTEs using a fiscal year will make the election for the calendar year in which their fiscal year ends.

General information

Oregon's PTE-E tax was enacted by SB 727 during the 2021 legislative session. It allows certain PTEs to 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. The provisions in SB 727 were amended by SB 1524 during the 2022 legislative session to require electing PTEs to pay estimated tax (see notes following ORS 314.140).

Form OR-21 is filed on a calendar-year basis and is only available for tax years beginning on or after January 1, 2022 and before January 1, 2026. PTEs using a fiscal year will make the election for the calendar year in which their fiscal year ends. PTEs must wait until the 2025 form is available to make the election for a fiscal year beginning in 2024 and ending in 2025.

Electing 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 (upper-tier PTEs) whose members are all individuals.

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.

Estimated payments

An electing PTE must make timely estimated payments of the PTE-E tax. To avoid underpayment interest, total estimated tax payments must equal at least 90 percent of the PTE-E tax shown on the 2024 Form OR-21 or 100 percent of the PTE-E tax shown on the 2023 Form OR-21 (if the election was made for calendar year 2023), whichever is less. Underpayment interest may be charged even if the return shows an overpayment if estimated payments were late or

too small. See "Interest on underpayment of estimated tax" and Publication OR-21-EST, *Oregon Pass-through Entity Elective Tax Estimated Payment Instructions*, for more information.

Registration required

Before estimated payments can be made, the PTE must register with the department using Revenue Online. Go to our website, www.oregon.gov/dor, and search for "PTE-E" for registration information. **Registration is not the same as making the election.**

Questions about the PTE-E tax?

You can find information and updates about the PTE-E tax on our website, www.oregon.gov/dor, by following the link to our *Businesses* page. If you have specific questions that aren't answered on our website, send us an email at BusinessAlternative.IncomeTax@dor.oregon.gov. If you have questions or need help with any other Oregon tax programs, see our contact information on the last page of this publication.

Making the election

A PTE makes the election by timely filing Form OR-21 with the "Election" box checked. 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 2024 is **April 15, 2025**. All members must agree to make the election unless there is an officer, manager, or member of the PTE who is authorized by law or the PTE's organizational documents to make the election on the PTE's behalf. See the instructions for line 1, below, regarding the "Election" box.

Extension of time to file

If the PTE is requesting an extension of time to file federal Form 1065, *U.S. Return of Partnership Income*, or 1120-S, *U.S. Income Tax Return for an S Corporation*, Oregon will honor the same extension request for filing Form OR-21. You must submit your extension request on or before the due date for the return.

An extension of time to file the return is not an extension of time to pay the tax. Payment is due on April 15, 2025, without regard to an extension to file Form OR-21.

Revoking the election

The election to pay PTE-E tax may be revoked, but only under these circumstances:

- All members of the PTE who are members on the date the election is revoked must consent to the revocation.

- The revocation must be made on or before the due date for filing Form OR-21, including extension.

To revoke the election, complete this form as if you are making the election, except enter 0 for all numeric fields on lines 6 through 23. Mark the “Revocation” box on the first page of the return.

Request for refund without election. The PTE may request a refund if estimated tax or other payments were made but the PTE will not be making the election. Do not file Form OR-21. Request the refund through the PTE’s Revenue Online account. If you don’t have internet access, contact us for assistance.

Required schedules

Include these schedules when Form OR-21 is filed:

- Schedule OR-21-MD, *Oregon Pass-through Entity Elective Tax Member Directory*.
- Schedule OR-21-AP, *Oregon Pass-through Entity Elective Tax Apportionment of Income*, if the PTE must apportion its income. See the instructions for line 19.
- Schedule OR-21-MD-PT, *Pass Through of Distributive Share of Proceeds, Addition, and Credit*, if the PTE is an upper-tier PTE passing items through from an electing lower-tier entity to its own individual members.

Schedule OR-21-K-1. The PTE must provide Schedule OR-21-K-1, *Distributive Share of Proceeds, Addition, and Credit*, to every member. The schedule shows the member’s share of the distributive proceeds on which the PTE-E tax was calculated, any required Oregon addition, and the amount of the member’s share of the refundable PTE-E tax credit. See Schedule OR-21-K-1 Instructions for more information.

Information for members

Members who are upper-tier PTEs

Upper-tier entity. A PTE may itself be a member of another PTE. A PTE that is a member of another PTE is known as an “upper-tier” PTE. The PTE that it is a member of is a “lower-tier” PTE. A lower-tier PTE can make the election to pay PTE-E tax only if every member of the upper-tier PTE is an individual.

Pass through from electing lower-tier entity. A PTE that is an upper-tier member of the electing PTE must pass its share of the lower-tier entity’s distributive proceeds, addition and refundable tax credit through to its own members. All of the upper-tier PTE’s members must be individuals who will file a personal income tax return, including nonresident individuals who elect to join a composite return. The upper-tier PTE must report the information about the items passed through to its members by completing Parts A, B, and F of Form OR-21 along with Schedule OR-21-MD-PT. See Schedule OR-21-MD-PT Instructions for more information.

Electing upper-tier entity. Because its members must be individuals, the upper-tier PTE may also qualify to make the election to pay the PTE-E tax on its own distributive income. An electing upper-tier PTE must complete all parts of Form OR-21 and all required schedules, including both Schedule OR-21-MD (to pass its own distributive proceeds, addition, and refundable tax credit through to its members) and Schedule OR-21-MD-PT (to pass those items through to its members from the electing lower-tier PTE).

Report to upper-tier PTE members. The upper-tier PTE must provide Schedule OR-21-K-1 to each of its individual members to report the distributive proceeds, addition, and credit passing through from the lower-tier electing entity, even if the upper-tier PTE isn’t making the election.

Addition for PTE taxes paid to Oregon

Individual PTE members must report an addition for any taxes imposed on the PTE by Chapter 314 of the Oregon Revised Statutes and paid to the State of Oregon that are deducted on any federal return filed by the PTE at the entity level. If the electing PTE has an upper-tier PTE as a member, the upper-tier PTE’s members must report the addition on their personal income tax returns, including composite returns joined by nonresident individuals. The PTE must include the addition amount on the Schedule OR-21-K-1 provided to each member.

Individual PTE members can find information about the addition in Publication OR-17, *Oregon Individual Income Tax Guide*.

Subtraction for PTE-E refund included in income

A subtraction is allowed for individual PTE members who reported an addition in the prior year for PTE-E tax deducted by the electing PTE and are reporting a refund of that tax on their federal return for the current year. The subtraction is allowed because Oregon tax was already paid on the refunded amount.

Individual PTE members can find more information about the subtraction in Publication OR-17.

Refundable credit for PTE-E tax paid

Individual PTE members are allowed a refundable credit for their distributive share of the tax paid by the PTE. The credit is claimed on the member’s personal income tax return. If the electing PTE has an upper-tier PTE as a member, the upper-tier PTE’s members are allowed to claim the credit on their personal income tax returns, including composite returns joined by nonresident individuals.

The distributive share of the credit must be reported to each member using Schedule OR-21-K-1, including members that are other PTEs. Don’t include interest or penalty on unpaid tax or underpayment interest in the tax credit amount. See Schedule OR-21-K-1 Instructions.

Individual PTE members can find information about the refundable credit in Publication OR-17.

Amended returns

If Form OR-21 must be amended, complete the return with all required schedules as it should have been filed, including any adjustments that we made. Check the “Amended” box on line 3. You must also provide an amended Schedule OR-21-K-1 to every member.

Member listed by mistake. If a member was listed on the original Schedule OR-21-MD or OR-21-MD-PT by mistake, list the member on the amended schedule as well, but enter zeroes for all of that member’s amounts.

Return instructions

Tax year beginning and ending dates. Enter “01/01/2024” and “12/31/2024” for the beginning and ending dates of the PTE’s tax year. If the PTE has a short year that began and ended in 2024, enter the short year beginning and ending dates. For example, if the PTE’s short year began on March 1, 2024 and ended on December 31, 2024, enter “03/01/2024” and “12/31/2024”. If the PTE’s tax year ends in 2025, make the election on the 2025 Form OR-21.

Part A: Taxpayer information

Enter the PTE’s legal name and federal employer identification number (FEIN). Enter the name that the entity is doing business as (DBA) or its assumed business name (ABN) if different from its legal name.

Entity type. Check the box that matches the PTE’s organization type. If the PTE is an LLC that is treated as a partnership or an S corporation for tax purposes, check the applicable box.

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.

Part B: Checkboxes

Check every box that applies to this return.

Box 1: Election. Check this box if the PTE elects to be liable for and pay the PTE-E tax. By checking this box and submitting the completed return, you are stating under penalty of false swearing that all members of the PTE have agreed to the election or you are stating under penalty of perjury that you are an officer, manager, or member of the PTE who is authorized under law or the PTE’s organizational documents to make the election on the PTE’s behalf.

Box 2: Revocation. Check this box if the PTE is revoking a prior election. See “Revoking the election,” above.

Box 3: Amended. Check this box if the PTE is amending an earlier return to make corrections (not revoking a prior election).

Box 4: Extension. Check this box if the PTE filed a request for an extension.

Box 5: Pass through. Check this box if the PTE is an upper-tier member of an electing lower-tier entity. See “Members who are upper-tier PTEs,” above. If the PTE is not making its own election to pay PTE-E tax, do not check any other boxes.

Part C: Distributive proceeds

Important: If you are an upper-tier PTE that is a member of an electing lower-tier PTE and you are not making the election to pay PTE-E tax, enter 0 on lines 6 through 33, then go to Part F.

Income from all sources

Enter the PTE’s income from **all** sources. Round all amounts to the nearest whole dollar. Indicate any losses with parentheses. The amounts on lines 6 through 15 can generally be found on Schedule K of federal Form 1065 or 1120-S.

Line 6. Enter the PTE’s ordinary business income or loss from federal Schedule K, line 1.

Line 7. Enter the PTE’s net rental real estate income or loss from federal Schedule K, line 2.

Line 8. Enter the PTE’s other net rental income or loss from federal Schedule K, line 3c.

Line 9. If the PTE is a partnership, enter the total guaranteed payments from federal Schedule K, line 4c; otherwise, enter 0.

Line 10. Enter the PTE’s interest income from federal Schedule K, line 5 (Form 1065) or line 4 (Form 1120-S).

Line 11. Enter the PTE’s ordinary dividends from federal Schedule K, line 6a (Form 1065) or line 5a (Form 1120-S).

Line 12. Enter the PTE’s royalties from federal Schedule K, line 7 (Form 1065) or line 6 (Form 1120-S).

Line 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).

Line 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).

Line 15. Enter any other income or loss from federal Schedule K, line 11 (Form 1065) or line 10 (Form 1120-S).

Apportionable income from all sources

Line 17. Enter the total of the PTE’s non-apportionable income that is included in the amount on line 16. Non-apportionable income means all income other than apportionable income (ORS 314.610); see the instructions for line 19.

Line 18. Subtract the PTE’s non-apportionable income on line 17 from the total income from all sources on line 16. The result is the PTE’s apportionable income from all sources.

Oregon apportionable income

Line 19. Any PTE with income from business activity that is taxable by Oregon and one or more other states must apportion its 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 its income using the provisions of ORS 314.280.

- Complete Schedule OR-21-AP if the PTE must apportion its income. Enter the apportionment percentage from Schedule OR-21-AP, line 12. Include the schedule when the return is filed.
- If Schedule OR-21-AP isn’t required because the PTE doesn’t have to apportion its income, enter 100.0000.

Oregon distributive proceeds

Line 21. Enter the total of the non-apportionable income from line 17 that is allocated to Oregon. If the PTE does all of its business activity in Oregon, enter the amount from line 19. If the PTE must apportion its income, see “Allocable income” in Schedule OR-21-AP Instructions to determine whether the amount on line 19 includes income that is allocated to Oregon.

Line 22. Add the apportionable income from line 20 to the income allocated to Oregon on line 21. The result is the PTE’s total distributive proceeds from Oregon sources. If line 22 is zero or a loss (negative number), **STOP. Do not file Form OR-21.** Instead, go to the PTE’s account on Revenue Online and request a refund of all estimated PTE-E tax payments made for this tax year.

Part D: Tax, payments, penalty, and interest

Line 23. The PTE-E tax is 9 percent of the first \$250,000 in total distributive proceeds, and 9.9 percent of the distributive proceeds over \$250,000.

Use this worksheet to figure the tax:

PTE-E tax worksheet

- | | |
|---|-------------------|
| a. Amount from Form OR-21, line 22. | a. \$ _____ |
| b. Amount taxed at 9%. | b. <u>250,000</u> |
| c. Line a minus line b. If less than zero, enter 0. | c. \$ _____ |
| d. Multiply line c by 9.9% (0.099). | d. \$ _____ |
| e. If line d is 0, multiply line a by 9% (0.09); otherwise, enter \$22,500. | e. \$ _____ |
| f. Line d plus line e. This is the PTE-E tax. Enter this amount on Form OR-21, line 23. | f. \$ _____ |

Example 1. Smith and Sons, a general partnership, has \$425,000 in total distributive proceeds from Oregon sources on line 22. The PTE-E tax is \$39,825, calculated as follows:

- | | |
|---|---------------------|
| a. Amount from line 22. | a. <u>\$425,000</u> |
| b. Amount taxed at 9%. | b. <u>\$250,000</u> |
| c. Line a minus line b. | c. <u>\$175,000</u> |
| d. Multiply line c by 9.9% (0.099) | d. <u>\$17,325</u> |
| e. If line d is 0, multiply line a by 9% (0.09); otherwise, enter \$22,500. | e. <u>\$22,500</u> |
| f. Line d plus line e. | f. <u>\$39,825</u> |

Example 2. Mountaintop, Inc., an S corporation, has \$180,000 in total distributive proceeds from Oregon sources on line 22. The PTE-E tax is \$16,200, calculated as follows:

- | | |
|---|---------------------|
| a. Amount from line 22. | a. <u>\$180,000</u> |
| b. Amount taxed at 9%. | b. <u>\$250,000</u> |
| c. Line a minus line b. If less than zero, enter 0. | c. <u>\$0</u> |
| d. Multiply line c by 9.9% (0.099). | d. <u>\$173,250</u> |
| e. If line d is 0, multiply line a by 9% (0.09); otherwise, enter \$22,500. | e. <u>\$16,200</u> |
| f. Line d plus line e. | f. <u>\$16,200</u> |

Line 24. Enter the total of all PTE-E tax payments made before filing this return. Use the PTE’s Revenue Online account to verify the date or amount of any payment, if needed.

Line 25. If the amount on line 23 is more than the amount on line 24, you have tax to pay. Subtract line 24 from line 23.

Line 26. If the amount on line 23 is less than the amount on line 24, you overpaid. Subtract line 23 from line 24, then go to line 28.

Penalty and interest

Line 27. Enter the total amount of penalty and interest owed if all of the tax shown on line 23 wasn’t paid by April 15, 2025. Round the amount to the nearest \$1.

Penalty for failure to pay. If the PTE elects to be liable for the PTE-E tax but doesn’t pay the total tax owed by the due date of the return (without extension), the PTE will owe a penalty of 5 percent of the unpaid tax.

Interest on unpaid tax. A PTE that elects to be liable for the PTE-E tax but doesn’t pay it by April 15, 2025 must pay interest at the applicable rate. Interest is figured daily, based on a 365-day year. The annual interest rate is 9 percent for calendar year 2025, or 0.0247 percent per day. The interest rate may be changed once per calendar year.

Note: Additional interest of 4 percent per year will be charged on deficiencies or delinquencies that remain unpaid more than 60 days after they have been assessed. For more information, see “Interest and penalties” in Publication OR-17.

Example 3. Use the same facts as in Example 1. Smith and Sons made \$35,000 in payments by April 15, 2025, the due date of the return. The partnership filed Form OR-21 on extension on July 29, 2025. The unpaid PTE-E tax was \$4,825 (\$39,825 – 35,000), which they paid when they filed the return. Smith and Sons must pay a 5 percent penalty and daily interest as follows:

Penalty:	
\$4,825 x 0.05	\$ 241.25
Interest:	
April 16, 2025 to July 29, 2025	
105 days at 0.0247%	
0.000247 x \$4,825 x 105 days	+ <u>125.14</u>
Total penalty and interest	<u>\$ 366.39</u>

The partnership enters \$366 on Form OR-21, line 27.

Line 28. Calculate the underpayment interest due for each installment period using the **Underpayment interest worksheet** under “Interest on underpayment of estimated tax.” The PTE may calculate the underpayment interest based on regular installments or installments using annualized income, whichever is less.

Enter the total underpayment interest amount from the **Underpayment interest worksheet**, line 14.

Part E: Tax to pay or refund

Line 30. If line 25 shows tax to pay, add lines 25 and 29. This is the amount you owe.

Payment Options

Online payments. Log into the PTE’s Revenue Online account to make a payment. If you make a non-logged in payment you will need the PTE-E tax account number. If you don’t know the PTE-E tax account number, log into the PTE’s Revenue Online account.

Electronic payments with e-filed return. We accept electronic payments when e-filing Form OR-21, if supported by your software provider, or when submitting the return through Revenue Online.

Check or money order payments with paper return. Note: This option is available only for PTEs that don’t have access to the internet and have requested a paper return. Make the check or money order payable to “Oregon Department of Revenue.” Write the following on the check or money order:

- The PTE’s FEIN.
- “2024 PTE-E.”
- Daytime phone.

Check or money order payments mailed separately. Use Form OR-21-V, *Oregon Pass-through Entity Elective Tax Payment Voucher*, to make a payment separately from the return. See Form OR-21-V Instructions for payment and mailing information.

Refund

Line 31. If line 26 shows an overpayment, subtract line 29 from line 26. This is your refund.

Line 32. Estimated tax (refund application). Enter the amount from line 31 that you want to apply as a payment of next year’s estimated PTE-E tax. **Note:** If the PTE does not elect to pay PTE-E tax next year, you will need to file Form OR-21-REF to request a refund of the amount you’re applying as an estimated payment.

Line 33. Net refund. Line 31 minus line 32. This is the amount that will be refunded to you.

Part F: Signature and date

Generally, the member who signs the return should be a general partner, officer, managing member, managing manager, or other member with the authority to enter into binding agreements on behalf of the PTE.

Preparer signature. If the form is prepared by someone other than the general partner, officer, managing member, or other authorized member, they must sign the return and provide their information.

Filing the return

Electronic filing

File Form OR-21 electronically using Revenue Online or by modernized e-file (MeF) if your software provider supports it. Include all required schedules. See “Required schedules,” above.

Filing by mail

File Form OR-21 by mail only if you requested a paper return because you don’t have internet access. If you’re mailing in a payment with the paper return, follow the instructions under “Payment options,” above, for making a payment by check or money order. To avoid slowing down processing, do not use a payment voucher, staple the payment to the return, send cash or postdated checks, or use red or purple or any gel ink.

Assembling and mailing the return. Include all required schedules. Assemble the return in this order, from top to bottom:

1. Check or money order, if any.
2. Form OR-21.
3. Schedule OR-21-MD.
4. Schedule OR-21-MD-PT.
5. Schedule OR-21-AP.

Mail the assembled return to:

Oregon Department of Revenue
PO Box 14380
Salem OR 97309-5075

Interest on underpayment of estimated tax

The PTE will owe underpayment interest if its estimated payments are paid late or are less than the required amount. Underpayment interest is calculated on a running balance of estimated tax due from one event (a due date or a payment) to the next. The interest accrues until the balance is paid in full or the due date for filing the return (without extensions), whichever is earlier.

Interest accruing on tax that remains unpaid after the due date is computed separately as shown under "Penalty and interest," above. The same interest rate that applies to unpaid tax also applies to underpayments of estimated tax.

Calculating installment payments

The PTE may pay all of the estimated tax by the due date for the first installment payment, or the payments may be made in up to four installments.

Annual required payment. For purposes of calculating underpayment interest, the annual required payment is 90 percent of the smaller of the tax for calendar year 2024 or, if the election was made for calendar year 2023, the tax for calendar year 2023, as shown on Form OR-21, line 23. If the election wasn't made for calendar year 2023, the annual required payment is 90 percent of the tax shown on the 2024 Form OR-21, line 23.

Installment amount. There are two methods for calculating the installment amount. For the first method, divide the annual required payment into four equal installment payments. These are known as regular installments. The second method, for PTEs that do not realize their income evenly throughout the year, is to calculate annualized installment payments.

Method 1: Regular installments

Use this worksheet to figure the amount of the PTE's regular installment of estimated PTE-E tax. This worksheet must be completed even if the PTE made annualized installment payments. Round all dollar amounts to the nearest \$1.

Regular installment worksheet

- 1. Tax from Form OR-21, line 23. 1. _____
If the amount on line 1 is less than \$1,000, stop; underpayment interest won't be charged.
- 2. Multiply line 1 by 90% (0.9). 2. _____

- 3. Enter your 2023 tax from Form OR-21, line 23. If you didn't file a 2023 return, don't complete this line; enter the amount from line 2 on line 4. 3. _____
- 4. **Annual required payment.** Enter the lesser of line 2 or line 3. 4. _____
- 5. **Regular installment payment.** Line 4 divided by four. 5. _____

Method 2: Annualized installments

If the PTE didn't realize its income evenly throughout the year, the required estimated tax payments may be figured using the annualized installment method. With this method, income and tax are placed on an annualized basis for each period, and the lesser of the regular installment or annualized installment for each period is the required payment amount. Complete the **Regular installment worksheet** above before figuring the PTE's annualized installments.

Annualized installment worksheet instructions. Use the worksheet below to figure the PTE's annualized installment payments. The period dates in the worksheet are based on a calendar year.

Work through the worksheet **column-by-column** except where otherwise indicated.

Line 1. Determine the Oregon distributive proceeds for each period using Form OR-21, lines 6 through 22 as a guide. Enter only the proceeds for the time period shown at the top of each column. **Note:** The amount in box 1D should be the same as the total Oregon distributive proceeds for the year from Form OR-21, line 22.

Line 4. If the annualized amount on line 3 is less than \$250,000, multiply line 3 times 9 percent (0.09). Otherwise, use the instructions for Form OR-21, line 23 as a guide for calculating the tax.

Line 7. Don't enter an amount in box 7A there were no prior installment payments before this period. Enter the amount from box 13A in box 7B, box 13A plus box 13B in box 7C, and the sum of boxes 13A, 13B, and 13C in box 7D.

Line 10. The excess regular installment entered on line 12 is the difference between the regular installment payment and the annualized installment payment for the period. Don't enter an amount in box 10A; there was no excess regular installment amount before this period. Enter the excess regular installment amount from box 12A in box 10B, box 12B in box 10C, and box 12C in box 10D.

Line 13. This is the annualized installment payment that you needed to make for each period if you are using this method. Payments were due on the due dates for a calendar-year

Annualized installment worksheet

	A 1/1/2024 to 3/31/2024	B 1/1/2024 to 5/31/2024	C 1/1/2024 to 8/31/2024	D 1/1/2024 to 12/31/2024
1. Distributive proceeds from Oregon sources for the period (see instructions).				
2. Annualization multiplier.	4	2.4	1.5	1
3. Annualized distributive proceeds. Line 1 multiplied by line 2.				
4. Annualized tax (see instructions).				
5. Percentage for this period (as a decimal).	0.225	0.45	0.675	0.9
6. Annualized tax for this period. Line 4 multiplied by line 5.				
7. Prior period installment (see instructions).				
8. Line 6 minus line 7. If less than zero, enter 0.				
9. Line 5 of the Regular installment worksheet , above.				
10. Prior excess regular installment (see instructions).				
11. Line 9 plus line 10.				
12. Excess regular installment amount. Line 11 minus line 8. If less than zero, enter 0.				
13. Annualized installment payment. Enter the smaller of line 8 or line 11.				

filer: April 15, 2024, June 17, 2024, September 16, 2024, and January 15, 2025.

Underpayment interest worksheet instructions

First, use the **Regular installment worksheet** or the **Annualized installment worksheet** to determine the amount of your installment payments for tax year 2024.

Date and Amount columns. This worksheet includes payment due dates and space to record two estimated tax payments per period. Use the PTE's Revenue Online account to verify the date or amount of any payment, if needed.

Lines 1, 4, 7, and 11. In the **Amount** column for each line, enter the required installment for each period from the **Regular installment worksheet**, line 5, or from the **Annualized installment worksheet**, line 13, whichever applies.

Lines 2 and 3. Enter the dates and amounts of any estimated payments you made before June 17, 2024 in date order. All payments made on or before April 15, 2024 can be added together and entered on line 2.

Lines 5 and 6. Enter the dates and amounts of any estimated PTE-E tax payments made from June 17, 2024 through September 15, 2024 in date order.

Line 8. Enter the date and amount of an estimated payment made from September 16, 2024 through December 31, 2024.

Line 9. Any interest rate change as of January 1, 2025 is noted on this line and is treated as an event.

Line 10. Enter the date and amount of an estimated PTE-E tax payment made from January 1, 2025 through January 14, 2025.

Lines 12 and 13. Enter the dates and amounts of any estimated PTE-E tax payments made from January 15, 2025 through April 14, 2025.

Running balance column. The running balance is the amount of tax due at any given time during the year. Required installments increase the running balance, and estimated tax payments decrease it. The running balance can be positive, negative, or zero. Use a minus sign or parentheses to indicate a negative amount.

Work through this column starting with line 1.

Number of days column. Count the number of days after the first event that creates a positive running balance until the next event that changes the running balance, including the day of the next event (except January 1 when there has been a change in the interest rate; include January 1 in the day count for a subsequent event). Enter the count in the **Number of days** column, on the same line as the first event. Continue down the column, entering the number of days when the running balance is positive, until the last event is reached. If the running balance is positive after the last event, count the number of days after the last event through the due date of the return. Don't count any days when the running balance is negative or zero.

Interest due column. To calculate the underpayment interest, multiply each positive running balance by the number of days and the daily rate on the same line. **Don't** calculate interest on a negative running balance. Round all amounts to the nearest \$1.

Line 14. Add the amounts in the **Interest due** column. Enter the total here and on Form OR-21, line 28.

Keep the calculations with the PTE's business records; we may ask for it later.

Example. Sunset Inc., an S corporation, owed \$12,500 in PTE-E tax when it elected to pay the tax and file Form OR-21 for tax year 2024. Sunset Inc. didn't make the election for 2023. The PTE's tax on Form OR-21, line 23 is \$95,556. Multiplying the tax by 90 percent results in an annual required payment of \$86,000, with four regular installments of \$21,500. Sunset made its first estimated payment on April 15, 2024, paying \$19,000. Sunset made its second estimated payment on June 17, 2024, paying \$18,000. The PTE made a payment of \$19,000 on September 16, 2024 and \$8,500 on January 6, 2025. The PTE made its last estimated payment of \$9,000 on January 31, 2025.

On April 15, Sunset starts a running balance of \$2,500 (\$21,500-\$19,000), which lasts for 63 days until the \$18,000

payment on June 17, 2024. On June 17, Sunset starts a running balance of \$6,000 [(\$21,500 - \$18,000) + \$2,500] which lasts for 91 days until the \$19,000 payment on September 16, 2024. Sunset's new running balance as of September 16 is \$8,500 [(\$21,500 - \$19,000) + \$6,000]. This balance runs for 106 days until December 31, 2024, and then the interest rate changes on January 1, 2025. Sunset calculates interest at the new rate for 6 days, from January 1 through January 6, 2025.

The \$8,500 payment on January 6 results in a zero running balance until the next required installment on January 15. No interest is calculated for those days. The new balance of \$21,500 on January 15 runs for 16 days until Sunset's \$9,000 payment on January 31. The running balance of \$12,500 (\$21,500 - \$9,000) continues for 74 days until the return due date.

Sunset Inc.'s underpayment interest worksheet							
	Date	Event	Amount	Running balance	Number of days	Daily interest rate	Interest due
1.	04/15/2024	Required installment	\$21,500			0.000219	
2.	04/15/2024	Payment	\$19,000	\$2,500	63	0.000219	\$34
3.		Payment				0.000219	
4.	06/17/2024	Required installment	\$21,500	\$24,000		0.000219	
5.	06/17/2024	Payment	\$18,000	\$6,000	91	0.000219	\$120
6.		Payment				0.000219	
7.	09/16/2024	Required installment	\$21,500	\$27,500		0.000219	
8.	09/16/2024	Payment	\$19,000	\$8,500	106	0.000219	\$197
9.	01/01/2025	Rate change		\$8,500	6	0.000247	\$13
10.	01/06/2025	Payment	\$8,500	\$0		0.000247	
11.	01/15/2025	Required installment	\$21,500	\$21,500	16	0.000247	\$85
12.	01/31/2025	Payment	\$9,000	\$12,500	74	0.000247	\$228
13.		Payment				0.000247	
14.	04/15/2025	Total interest due					\$677

Sunset enters \$677 on Form OR-21, line 28.

Underpayment interest worksheet							
	Date	Event	Amount	Running balance	Number of days	Daily interest rate	Interest due
1.	04/15/2024	Required installment				0.000219	
2.		Payment				0.000219	
3.		Payment				0.000219	
4.	06/17/2024	Required installment				0.000219	
5.		Payment				0.000219	
6.		Payment				0.000219	
7.	09/16/2024	Required installment				0.000219	
8.		Payment				0.000219	
9.	01/01/2025	Rate change				0.000247	
10.		Payment				0.000247	
11.	01/15/2025	Required installment				0.000247	
12.		Payment				0.000247	
13.		Payment				0.000247	
14.	04/15/2025	Total interest due					

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.

Worksheet OR-21

Complete this worksheet to prepare to file Form OR-21. To complete your filing, go to Revenue Online at www.oregon.gov/dor. This worksheet is for informational purposes only. **Do not file this worksheet.**

Part C: Distributive proceeds

Income from all sources

- | | |
|--|-----------|
| 6. Ordinary business income or (loss) | 6. _____ |
| 7. Net rental real estate income or (loss) | 7. _____ |
| 8. Other net rental income or (loss) | 8. _____ |
| 9. Guaranteed payments to partners | 9. _____ |
| 10. Interest | 10. _____ |
| 11. Ordinary dividends | 11. _____ |
| 12. Royalties | 12. _____ |
| 13. Net capital gain or (loss) | 13. _____ |
| 14. Net IRC section 1231 gain or (loss) | 14. _____ |
| 15. Other income or (loss) | 15. _____ |
| 16. Total income from all sources. Add lines 6 through 15. | 16. _____ |

Apportionable income from all sources

- | | |
|---|-----------|
| 17. Non-apportionable income (see instructions) | 17. _____ |
| 18. Total apportionable income. Line 16 minus line 17. | 18. _____ |

Oregon apportionable income

- | | |
|---|-------------|
| 19. Enter the apportionment percentage from Schedule OR-21-AP, line 12. You must attach Schedule OR-21-AP to apportion income. If you don't apportion income, enter 100.0000. | 19. _____ % |
| 20. Oregon apportionable income. Line 18 multiplied by line 19. | 20. _____ |
| 21. Oregon allocated income (see instructions). | 21. _____ |
| 22. Total Oregon distributive proceeds. Line 20 plus line 21. | 22. _____ |

Part D: Tax, payments, penalty, and interest

- | | |
|--|-----------|
| 23. PTE elective tax. (see instructions) | 23. _____ |
| 24. Total PTE-E tax payments. Include all payments made prior to filing this return | 24. _____ |
| 25. Net tax. If line 23 is more than line 24, you have tax to pay. Line 23 minus line 24. | 25. _____ |
| 26. Overpayment of tax. If line 23 is less than line 24, you overpaid. Line 24 minus line 23. | 26. _____ |

Penalty and interest

- | | |
|---|-----------|
| 27. Penalty and interest for paying late (see instructions). | 27. _____ |
| 28. Interest on underpayment of estimated tax (see instructions). | 28. _____ |
| 29. Total penalty and interest due. Line 27 plus line 28. | 29. _____ |

Part E: Tax to pay or refund

- | | |
|---|-----------|
| 30. Net tax including penalty and interest. Line 25 plus line 29. This is the amount you owe. | 30. _____ |
| 31. Overpayment less penalty and interest. Line 26 minus line 29. This is your refund. | 31. _____ |
| 32. Estimated tax. Enter the amount from line 31 you want to apply as an estimated payment of your 2025 PTE-E tax. | 32. _____ |
| 33. Net refund. Line 31 minus line 32 This is your net refund. | 33. _____ |