

The Oregon return filing and return payment due date for tax year 2019 is automatically extended for taxpayers that have a filing due date of April 15, 2020 to July 15, 2020. Visit www.oregon.gov/dor for updated information. Note: The body of these instructions has NOT been updated with this information.



Form OR-LTD Instructions LTD Self-Employment Tax Lane County Mass Transit District

2019

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, under Reporting Requirements select Self-employment and transit, then click on Transit district self-employment taxes.

New information

Payments. To pay by mail when you file your return, include your check or money order in the same envelope with your return. **Don't** include a Form OR-LTD-V payment voucher. Only use Form OR-LTD-V if you're paying separate from filing your return. If paying separate from your return, use Form OR-LTD-V. See "Payments" below.

Important reminders

The Lane Transit District (LTD) has its own payment voucher, Form OR-LTD-V. Please include this voucher with your payment only if mailed separate from your return. If you and your spouse both file returns, you must make separate payments.

If you were granted an extension, attach your extension payment to the Form OR-LTD-V and mark the extension payment box. *Don't file the Form OR-LTD as an extension.*

If you conduct business both inside and outside the district, use an apportionment formula that is calculated by completing Schedule OR-TSE-AP and including it with your transit self-employment tax return (ORS 314.280, 314.650 to 314.675 and supporting administrative rules).

For tax years beginning on or after January 1, 2018 Oregon moved to market-based sourcing (MBS). This means receipts from the sale of services are sourced to a transit district when they are delivered inside the district.

You must attach a copy of your federal Schedule SE to your return.

E-file: You may file your return through the federal/state e-filing program. For more information about e-filing, go to our website at www.oregon.gov/dor.

Revenue Online. You may also file directly with us through Revenue Online. Revenue Online is a secure online portal that provides access to your tax account at any time. You can:

- File a return.
- Check the status of your refund.
- View and print letters from us.
- Make payments or schedule future payments.
- Securely communicate with us.
- Update your information.

- Check balances and view your account history.
- File an appeal.

Visit www.oregon.gov/dor to sign up for a Revenue Online account.

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. We collect the tax for Lane transit.

A list of ZIP codes included in the district boundary is on page 5. For more information, call LTD at 541-682-6100, or visit their website at www.ltd.org/businesscenter.html.

The tax rate is 0.0074 (.7400 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.

Partnerships

Partnerships aren't 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 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 isn't 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 corporations.** Distributions aren't 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 or email payroll.help.dor@oregon.gov.

How to file

Visit us online at www.oregon.gov/dor for current information about electronic filing or how to file using Revenue Online.

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

- Federal Schedule SE.
- Form OR-TSE-AP if you're apportioning.

Payments

To make payments online, visit us at www.oregon.gov/dor.

To pay using a check or money order, make it payable to **"Oregon Department of Revenue"** and write the following:

- Daytime telephone number.
- Tax year beginning and ending dates.
- "Form OR-LTD."
- SSN or FEIN.

To pay by mail **separate from filing your return**, send your check or money order with Form OR-LTD-V payment voucher. Mail to: Oregon Department of Revenue, PO Box 14950, Salem OR 97309-0950.

To pay by mail **when you file your return**, include your check or money order in the same envelope with your return. **Don't** include a Form OR-LTD-V payment voucher. Mail your return with payment included to: LTDSE, Oregon Department of Revenue, PO Box 14555, Salem OR 97309-0940.

Important filing information

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

File **one** return for all of your self-employment earnings.

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

Extension payments. If you were granted an extension, attach your extension payment to Form OR-LTD-V and mark the extension payment box. Don't file Form OR-LTD with your extension payment. Extension payments are mailed with Form OR-LTD-V to: Oregon Department of Revenue, PO Box 14950, Salem OR 97309-0950.

Individual fiscal year filers. If you're an individual fiscal year filer and your tax year begins in 2019, you should file on a 2019 tax return.

Frequently asked questions

I have more than one business. How should I file my 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 self-employment earnings from the total net income of all your Schedule C activities within the same transit district. See instructions for line 1 on page 4.

Can I file a joint return?

No. Each taxpayer having self-employment earnings must file a separate Form OR-LTD. That's true even if you and your spouse file a joint federal income tax return. The only exception is a partnership filing for all partners. Both spouses can 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't apply any income tax refund to pay your LTD self-employment tax.

Can I file my return electronically?

Yes. Visit us online at www.oregon.gov/dor for current information about electronic filing.

Can I file an amended return?

Yes. File an amended return any time you need to correct your return as originally filed. Generally, you're 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 return.

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

Use an apportionment formula by completing Schedule OR-TSE-AP. Self-employment earnings are apportioned using a 100 percent sales factor unless you're 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 tax, you have two years from the date of the audit report to claim a refund.

See more FAQs at www.oregon.gov/dor.

Due date—when to file

Your return is generally due the same day as your federal and Oregon individual income tax returns. For most taxpayers, the 2019 due date is April 15, 2020. 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 OR-LTD. **Don't** include a copy of your federal extension with your Oregon return. Keep it with your records.

An extension doesn't mean more time to pay.

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 OR-LTD-V and send it with your payment of tax. Form OR-LTD-V is available at www.oregon.gov/dor. Be sure to use the same name and Social Security number (SSN) or federal employer identification number (FEIN) that you'll use on your return when you file.

Extension payments are mailed with Form OR-LTD-V to: Oregon Department of Revenue, PO Box 14950, Salem OR 97309-0950.

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.

Penalties

You'll owe a 5 percent late-payment penalty on any tax not paid by due date of the return, even if you've filed an extension.

Oregon doesn't allow an extension of time to pay even if the IRS allows an extension.

If you file your return more than three months after the due date (including extensions), a 20 percent late-filing penalty

will be added; you'll owe a total penalty of 25 percent of any tax not paid. A 100 percent penalty is charged if you don't file a return for **three consecutive years** by the due date of the third year, including extensions.

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. **Don't 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 include a schedule with Form OR-LTD. Include the partners name, SSN, share of partnership income, and individual exclusion for each partner. Your return can't be processed without this information.

Due date for calendar year filers: April 15, 2020. The partnership **must** file a return and pay the tax due on or before April 15, 2020.

Fiscal year filers. If you're a partnership fiscal year filer and your tax year *ends* in 2019, file on a 2019 tax return.

Example: If a partnership has a tax year ending August 31, 2019, the partnership must pay on or before April 15, 2020, the tax due from the partners' net earnings from the partnership for its taxable year ending August 31, 2019.

Partners: If your partnership is filing on behalf of all partners, you don't need to file a separate Form OR-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 OR-LTD.

Note: You may only take one \$400 exclusion for all self-employment income.

Amended returns

If you need to amend your tax return, use the Form OR-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 doesn't have a separate amended transit tax return.

Form OR-LTD instructions

If you're amending your return, check the "amended return" box in the upper left corner.

Name and address section

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

Important! Don't include a FEIN (federal employer identification number) if you're 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 for tax purposes only.

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

Check the box if any apply:

- **An extension has been filed checkbox.** If you received a federal extension to file, or are filing an extension for Oregon only, check the box on the return.
- **Utility or telecommunications companies checkbox.** Taxpayers primarily engaged in utilities or telecommunications may elect to apportion income using double-weighted sales factor formula (ORS 314.280 and OAR 150-314-0060). Check the box if making this election.

Line instructions—Form OR-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 earnings from line 3 of your federal Schedule SE that are from businesses 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're 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 OR-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. Losses can't be carried forward to another year.

Did you receive Partnership income? Did the partnership file Form OR-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. Don't make Oregon changes or modifications to federal income on Form OR-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. Don't include Oregon modifications.

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

Line 2. Apportionment:

- Fill out and include a completed Schedule OR-TSE-AP with Form OR-LTD if your business activity is carried on both in and out of the district.
- If all of your business activity is within the transit district don't fill out the Schedule OR-TSE-AP.
- Percentage can't 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.

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.

For example:	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 2019 Form OR-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 2019 Form OR-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 doesn't exceed \$400.**

Don't include any partner with a loss.

Line 7. Prepayments. Fill in the amount of any advance payments you made for this tax year.

Line 8. Tax to pay. Calculate your tax to pay. An expected refund from your state income tax can't be used to pay your transit tax.

You may pay online at www.oregon.gov/dor.

To pay using a check or money order, make it payable to "Oregon Department of Revenue" and write the following:

- Daytime telephone number.
- Tax year beginning and ending dates.
- "Form OR-LTD."
- SSN or FEIN.

To pay by mail **separate from filing your return**, send your check or money order with Form OR-LTD-V payment voucher. Mail to: Oregon Department of Revenue, PO Box 14950, Salem OR 97309-0950.

To pay by mail **when you file your return**, include your check or money order in the same envelope with your return. **Don't** include a Form OR-LTD-V payment voucher. Mail your return with payment included to: LTDSE, Oregon Department of Revenue, PO Box 14555, Salem OR 97309-0940.

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

Due date. Form OR-LTD is generally due the same day as your federal and Oregon income tax returns. For a calendar year return, this is April 15, 2020.

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

If you don't 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. Interest rates may change once a calendar year. To calculate interest due:

- Tax × Daily interest rate × Number of days.

Interest rates and effective dates:

For periods beginning	Annual	Daily
January 1, 2020	6%	0.0164%
January 1, 2019	6%	0.0164%
January 1, 2018	5%	0.0137%

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 isn't 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. See page 3.

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.

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

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.

Lane Transit District boundary information

Telephone 541-682-6100
Internet www.ltd.org/businesscenter.html