



# TriMet Self-Employment Tax

These instructions aren't a complete statement of laws and rules that apply to the Tri-County Metropolitan Transportation 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

**Important notice:** Previously, the instructions for the TriMet Self-Employment taxes have stated that self-employed individuals with more than one Schedule C business may not use a loss from one business to offset a gain from another business. Effective immediately, taxpayers with more than one Schedule C business within the district may use a loss from one business to offset a gain from another business when calculating self employment earnings for the purposes of these taxes. This change applies to all years for which an amended return may be filed under Oregon law, however, refunds may only be issued within three years of the original return due date or filed date, whichever is later.

**New tax rate:** Beginning January 1, 2014, the tax rate has increased to 0.007237 (0.7237 percent).

**New self-employment tax:** Effective January 1, 2014, the tax rate increased to 0.72 percent (\$7.237 per \$1,000) of the net earnings from self-employment for services performed within the TriMet District boundary. Self-employed individuals should use the new rate when first reporting earnings for 2014.

The 2003 Oregon Legislature provided TriMet with the authority to increase the rate over 10 years to help pay for new transit service throughout the region. The rate increases annually by 1/100 of a percent.

## Important reminders

TriMet (TM) now has its own payment voucher, *Form TM-V*. Please include this voucher with your payment.

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

### For tax years beginning on or after July 1, 2005:

Self-employment income is apportioned to Oregon using a 100 percent sales factor unless you meet one of these exceptions.

- A taxpayer primarily engaged in utilities or telecommunications may elect to use the double-weighted sales factor formula.

## What is the TriMet self-employment tax?

The TriMet tax helps fund mass transportation in the TriMet District. This tax is applied to self-employment earnings of

individuals doing business or providing services in the district. This includes portions of Multnomah, Clackamas, and Washington counties. The Oregon Department of Revenue collects the tax for TriMet.

A list of ZIP codes included in the district boundary is on page 4. For more information, call TriMet at 503-962-6466, or visit [www.trimet.org/taxinfo](http://www.trimet.org/taxinfo).

The tax rate is 0.007237 (0.7237 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 TriMet 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 the TriMet District.
- **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 TriMet self-employment tax.
- **Fiscal year filers.** If you are a fiscal year filer and your tax year begins in 2014, you should file on a 2014 tax return.

### Partnerships

Partnerships are not subject to the TriMet 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.

### 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**—Applies only to insurance-related income. Noninsurance-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

Complete Form TM, *TriMet Self-Employment Tax Return* and include the following:

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

Make your check or money order payable to "**Oregon Department of Revenue.**"

On your check, write the following:

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

Mail to: **TMSE**

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

## Important filing information

- **Do not combine** your TriMet self-employment tax payment with any other tax payment made to the Oregon Department of Revenue.
- **Do not attach** your Form TM to your Oregon income tax return.
- **Mail** your transit return to the Oregon Department of Revenue.

File **one** *TriMet 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 TriMet return?***

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

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

**No.** Each taxpayer having self-employment earnings must file a separate Form TM. 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 cannot apply any income tax refund to pay your TriMet self-employment tax.

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

**No.** File your transit return by mail. Make a copy for your records, and mail your return to the Oregon Department of Revenue address printed at the bottom of the tax return.

### ***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 "This is an 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 TriMet return is generally due the same day as your federal and Oregon individual income tax returns. For most taxpayers, the 2014 due date is April 15, 2015. Fiscal year returns are due 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 TriMet Self-Employment Tax Return. Check the "An extension has been filed" box on your Form TM. 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 TM-V and send it with your payment of tax. Form TM-V is available at [www.oregon.gov/dor/business](http://www.oregon.gov/dor/business), on the left menu, go to Forms, then click on Transit (TriMet and LTD) or see "Taxpayer assistance" on page 4. 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. 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.

**Due date:** April 15, 2015. The partnership **must** file a return and pay the tax due on or before April 15, 2015.

*Example:* If a partnership has a tax year ending August 31, 2014, the partnership must pay on or before April 15, 2015 the tax due from the partners' net earnings from the partnership for its taxable year ending August 31, 2014.

**Partners:** If your partnership is filing on behalf of all partners, you do not need to file a separate Form TM **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 TM.

## Amended returns

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 "**This is an amended return**" box. Attach an explanation of the changes

made to the back of the return. Oregon doesn't have a separate amended transit tax return.

## Form TM instructions

### Name and address section

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

**Important.** Do not include a BIN (Oregon business identification number) or 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, FEIN, and Oregon business identification number (BIN). If you do not know your Oregon BIN, leave it blank and we will fill it in.

You must provide, on a schedule attached to Form TM, the name, SSN, share of partnership income, and individual exclusion for each partner. Your return cannot be processed without this information. Check the box if any apply:

- An extension has been filed.
- This is an amended return.
- Utility or telecommunications.

## Line instructions—Form TM

Instructions are for lines not fully explained on the return.

### 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 those businesses from line 3 of your federal Schedule SE that are doing business or providing services in the TriMet District. You may use a business with a net loss to offset a business with net earnings if they are both within the TriMet 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 TriMet District. The amount on line 3 of your federal schedule SE is \$10,000. Fill in line 1 on Form TM the amount of \$10,000. **File one return.** Attach a schedule to the return and include 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 TM 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 TM. Your earnings that are subject to TriMet 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 TriMet tax purposes.

**Line 2. Apportionment:**

- Percentage cannot be less than 0 percent or more than 100 percent.
- Enter 100 percent if **all** of your business activity is within the transit district. **Do not fill out Form TSE-AP.**
- Fill out and attach a completed Form TSE-AP to the back of Form TM 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	20.00%	100.00%
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 2014 Form TM 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 2014 Form TM, 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 TriMet 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 "2014 Oregon Form TM" on your check. Staple your payment and the Form TM-V payment voucher to the top of your return. 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 TM is generally due the same day as your federal and Oregon income tax returns. For a calendar year return, this is April 15, 2015.

**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:*

For periods beginning	Annual	Monthly	Daily
January 1, 2015	4%	0.3333%	0.0110%
January 1, 2014	4%	0.3333%	0.0110%
January 1, 2013	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.

**TriMet ZIP codes**

TriMet serves the Portland Metropolitan area, which includes parts of Multnomah, Washington, and Clackamas counties. For information on TriMet boundaries, call 503-962-6466 or access the TriMet website at [www.trimet.org/taxinfo](http://www.trimet.org/taxinfo).

**ZIP codes completely in TriMet Transit District**

97005	97036	97206	97216	97225	97256
97006	97068	97209	97217	97227	97258
97008	97077	97210	97218	97229	97266
97024	97201	97211	97219	97230	97267
97027	97202	97212	97220	97232	
97030	97203	97213	97221	97233	
97034	97204	97214	97222	97236	
97035	97205	97215	97223	97239	

**ZIP codes partially in TriMet Transit District**

97007	97022	97062	97089	97124
97009	97023	97070	97113	97140
97015	97045	97080	97116	97224
97019	97060	97086	97123	97231

**PO Box ZIP codes completely in TriMet District**

97075	97228	97268	97282	97291	97296
97076	97238	97269	97283	97292	97298
97207	97240	97280	97286	97293	
97208	97242	97281	97290	97294	

**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  
 E-mail ..... [tse.help.dor@oregon.gov](mailto:tse.help.dor@oregon.gov)

*This e-mail 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.

**TriMet Transit District boundary information**

Telephone..... 503-962-6466  
 Internet.....[www.trimet.org/taxinfo](http://www.trimet.org/taxinfo)

<b>FORM</b> <b>TM</b> (230)	Tri-County Metropolitan Transportation District <h1 style="margin: 0;">.2014</h1> <h2 style="margin: 0;">Self-Employment Tax</h2>	<b>For office use only</b> Date received ● Payment ● <table style="width:100%; border: none;"> <tr> <td style="width:33%; border: none;">1</td> <td style="width:33%; border: none;">2</td> <td style="width:33%; border: none;">3</td> </tr> <tr> <td style="border: none;">●</td> <td style="border: none;">●</td> <td style="border: none;">●</td> </tr> </table>	1	2	3	●	●	●
1	2	3						
●	●	●						
Fiscal year beginning: Mo / Day / Year      Fiscal year ending: Mo / Day / Year ●      ●		If you have previously filed a return, indicate if: <input type="checkbox"/> Name change <input type="checkbox"/> Address change						
Last name (if an individual filing) ● Partnership name (if a partnership filing)		Social Security number (SSN) ●						
Business address		Federal employer identification number (FEIN)						
City      State      ZIP code      County		Oregon business identification number (BIN) ● Telephone						
Did you file Form TM for 2013? <input type="checkbox"/> Yes <input type="checkbox"/> No (if No, give reason) _____		<input checked="" type="checkbox"/> An <b>extension</b> has been <b>filed</b> <input checked="" type="checkbox"/> This is an <b>amended return</b> <input type="checkbox"/> <b>Utility or telecommunications</b>						

**Include your payment with this return.**

1. Self-employment earnings from federal Schedule SE or Partnership Form 1065 .....	● 1	
2. Apportionment percentage .....	● 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 0.007237.....	● 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:** Attach a copy of your federal Schedule SE. **Business activity:**  Sales  Services  Other: \_\_\_\_\_  
**Partnerships:** Attach a schedule listing each partner's name, Social Security number, partnership earnings, and exclusion.  
**Apportioning?** Attach a copy of TSE-AP.

Under penalty of false swearing, I declare that the information in this return and any attachments is true, correct, and complete.	I <b>authorize</b> the Department of Revenue to discuss this return with this preparer. <table style="float: right; margin-left: 20px;"> <tr> <td style="text-align: center;">Yes</td> <td style="text-align: center;">No</td> </tr> <tr> <td style="text-align: center;"><input type="checkbox"/></td> <td style="text-align: center;"><input type="checkbox"/></td> </tr> </table>	Yes	No	<input type="checkbox"/>	<input type="checkbox"/>
Yes	No				
<input type="checkbox"/>	<input type="checkbox"/>				
Your signature X	Date / / Signature of preparer other than taxpayer X				
<b>SIGN HERE</b> Make check or money order payable to: <b>Oregon Department of Revenue</b> Mail your return to: <b>TMSE, Oregon Department of Revenue</b> <b>PO Box 14003, Salem OR 97309-2502</b>	License No. ● Telephone				
	Address of preparer				
	City      State      ZIP code				

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