

Purpose of Schedule OR-21-MD

Pass-through entities (PTEs) electing to pay the PTE elective tax (PTE-E tax) use Schedule OR-21-MD to provide information about the members of the PTE. Schedule OR-21-MD **must be included** with Form OR-21 when the return is filed.

The election to be liable for and pay the PTE-E tax can be made only by entities whose members are:

- Individuals who are subject to Oregon's personal income tax laws, or
- Entities that are PTEs owned entirely by such individuals.

By providing the information required by Schedule OR-21-MD, the electing PTE confirms that it qualifies to make the election.

Complete Form OR-21 before completing this schedule.

Part A: Member information

Complete all fields for each member. If the electing PTE has more than two members, use additional copies of the schedule to list all members.

PTE member legal name and contact name. If the member is a PTE, the legal name must be entered even if the PTE does business under an assumed name. Enter the first name, middle initial, and last name of a contact person for the member PTE. If the member is an individual, skip these fields.

Ownership percentage. Enter each member's ownership percentage as of the close of the tax year. If the member disposed of all or part of an ownership interest during the year, enter the member's ownership percentage before the disposition.

Form OR-OC. Mark this box if the member is a nonresident individual who elects to be included in a composite filing for this tax year.

Individual member name. If the member is an individual, enter their first name, middle initial, and last name. If the member is a PTE, skip these fields.

Member type. Indicate whether the member is a partnership, S corporation, or an individual.

- Grantor trust. If the member is a grantor trust (also known as a revocable trust or living trust), select "Individual" and enter the grantor's name, Social Security number (SSN), and address in the same manner as an individual. Don't enter the name, federal employer identification number (FEIN), or address of the grantor trust.
- Limited liability company (LLC). If the member is a single-member LLC, select "Individual" and enter the member's

name, SSN, and address in the same manner as an individual. Otherwise, indicate which type of organization the LLC is treated as for tax purposes.

Identification number. Enter the member's SSN if the member is an individual, or the member's FEIN if the member is a PTE.

Current address and phone. Enter the member's current address, including city, state, and ZIP code. Include a day-time phone where the member or the member's contact can be reached.

Column r: Distributive proceeds. Each member's share of distributive proceeds is based on information reported on the entity's Form OR-65 or Form OR-20-S. (For members who are individuals, this information is reported to members on Schedule OR-K-1, Part III, lines 1 through 11, Oregon column.) **Note:** If a member's share of distributive proceeds is zero or a loss, that member won't benefit from the PTE's election to pay the PTE-E tax.

Column s: Addition for tax deducted at federal level. Taxes paid by the electing PTE to the State of Oregon that are deducted on a federal return filed by the entity must be added to Oregon income. Individual members of the electing PTE, or individual members of a PTE that is a member of the electing PTE, report their share of the addition on their Oregon personal income tax returns, including composite returns joined by nonresident individuals.

The total addition amount can be found as a deduction for state taxes paid on the applicable federal return, such as Form 1065 or Form 1120-S. For each member with a positive share of distributive proceeds in column r, divide the member's share by the total distributive proceeds from Form OR-21, line 22. Multiply this percentage by the total addition amount. Enter the result in column s.

Column t: Credit for PTE-E tax paid. Multiply the total amount of the PTE-E tax shown on Form OR-21, line 23, by the percentage for each member determined using the process described in the instructions for column s. Enter the result in column t. Do not include penalty, interest on unpaid tax, or interest on an underpayment of estimated tax.

Part B: Total distributive proceeds, addition, and credit

Line 3: Total distributive proceeds. Add together all of the shares of distributive proceeds from Oregon sources for each member in column r.

Line 4: Total addition for tax deducted at federal level. Total all of the shares of the Oregon addition for each member in column s. The total should equal the amount of taxes paid to

the State of Oregon that were deducted on a federal return filed by the entity.

Line 5: Total credit for PTE-E tax paid. Add together all of the shares of PTE-E tax credit for each member in column t. The total should equal the amount of PTE-E tax on Form OR-21, line 23.

Caution: If any of the total amounts do not match the amounts from Form OR-21 or the applicable federal return, the schedule is not complete. Make any necessary corrections before filing Form OR-21.

Include the completed schedule, including any additional pages, when filing Form OR-21.

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-MD

Complete this worksheet to prepare to file Schedule OR-21-MD. 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 A—Member information (complete for each member)

1r. Distributive proceeds	1r. _____
1s. Addition for tax deducted at federal level	1s. _____
1t. Credit for PTE-E tax paid	1t. _____
2r. Distributive proceeds	2r. _____
2s. Addition for tax deducted at federal level	2s. _____
2t. Credit for PTE-E tax paid	2t. _____

Part B—Total distributive proceeds, addition, and credit

3. Total distributive proceeds (column r)	3. _____
4. Total addition for tax deducted at federal level (column s)	4. _____
5. Total credit for PTE-E tax paid (column t)	5. _____