

General information

Schedule OR-K-1 is used to provide an individual owner of a pass-through entity (PTE) with information necessary to complete their Oregon income tax return.

Keep this schedule with your tax records. Don't submit with your individual tax return, Form OR-65, Form OR-20-S, or Form OR-41.

Schedule OR-K-1 isn't designed to substitute for a federal Schedule K-1 and isn't designed for owners that are corporations, estates, trusts, PTE, or disregarded entities.

Instructions for pass-through entities

Provide a copy of this form to individual owners for Oregon tax reporting purposes.

If this is a final or amended Schedule OR-K-1, check the appropriate box. For a PTE filing for a fiscal or short tax year, enter the start and end date.

If the owner is considered a disregarded entity for tax purposes, the individual owner's information must be used. If the disregarded entities' information is used to report withholding or other information, delays in processing may occur, or the individual owner may not receive credit for amounts listed on the K-1. Two common examples of disregarded entities are: single member LLCs and revocable trusts.

Parts I and II—Complete all fields for the PTE and owner

Business code number—Provide the business code number (or North American Industry Classification System code) as reported on line c of federal Form 1065 or line b of federal Form 1120S. The code is reported on Schedules OR-PTE-FY, OR-PTE-PY, or OR-PTE-NR for taxpayers that have qualifying income for the qualified business income reduced tax rates.

Owner's member type—Check the proper box to show if the owner is a general partner, LLC member manager, limited partner or other LLC member, shareholder, or beneficiary.

Oregon residency—Check the appropriate box. If the owner is a nonresident, indicate the state of legal residence.

Nonresident owners—If the owner is a nonresident, check the appropriate box regarding the PTE's requirements for this owner. If the owner joined a composite return (Form OR-OC) filed by the PTE, mark the Form OR-OC checkbox and complete line 21 in Part III. If the nonresident owner didn't join Form OR-OC, the PTE is generally required to submit estimated payments (Form OR-19). If the PTE made

PTE owner payments on behalf of the owner, mark the Form OR-19 checkbox and complete line 20 in Part III. If payments weren't submitted because the owner submitted an affidavit, mark the Form OR-19-AF checkbox. If the PTE wasn't required to submit payments for this owner, mark the not required checkbox.

For more information on these requirements, see Publication OR-19 or Publication OR-OC.

Owner's share of profit and loss/stock ownership—Enter the owner's beginning and ending pro rata share percentage of profit and loss, or stock ownership.

Part III—Distributive share items

Enter the Oregon apportionment percentage for the PTE. If all business was transacted within Oregon, enter 100 percent. Otherwise, enter the amount from Schedule OR-AP, line 22.

For Oregon residents—Complete lines 1–18 of the federal column (a) and line 19, column (b). You won't use lines 1–18 of the Oregon column (b) for Oregon residents.

For nonresidents—Complete both the federal column (a) and the Oregon column (b). The amounts in the federal column (a) are reported as if the owner was a full-year Oregon resident. The amounts in the Oregon column (b) are the Oregon source portion of the item allocated or apportioned to Oregon. Report any tax payments made on the owner's behalf from the composite return on line 21 (Form OR-OC) or any estimated payments made on the owner's behalf on line 20 (Form OR-19).

Column (a)—Federal column

Lines 1–13—Enter the amounts from federal Schedule K-1 where appropriate. On line 13, enter the owner's pro rata share for each adjustment they can claim on their federal return. Enter losses and adjustments in parentheses.

Lines 14–18—Enter the owner's pro rata share for each addition and subtraction. Enter all amounts as positive.

Column (b)—Pro rata share of Oregon source items

For the Oregon amounts, you generally will multiply the owner's Oregon percentage by the owner's pro rata share in the federal column. Don't use lines 1–18 of the Oregon column (b) for full-year residents.

Lines 1–13—Enter the owner's pro rata share of income apportioned and allocated to Oregon. Enter losses and adjustments in parentheses.

Lines 14–18—Enter the owner's pro rata share of Oregon additions and subtractions. Enter all amounts as positive.

Line 19—Enter the owner's share of Oregon credits.

Line 20—For nonresidents only, enter the total estimated tax payments submitted on behalf of the owner as reported on Form OR-19.

Line 21—For nonresidents only, enter the tax paid on behalf of the owner from Form OR-OC.

For other income, adjustments, additions, subtractions, and credits, include a separate schedule listing each item. Include the codes for individual income taxpayers which can be found in Publication OR-CODES. Use Schedule OR-ASC for resident owners or Schedule OR-ASC-NP for nonresident or part-year resident owners to list the codes and amounts for each owner.

Instructions for individual owners

Use the information provided to complete your Oregon return if you are required to file. **Don't** include Schedule OR-K-1 with your individual return. Keep the schedule with your tax records.

Losses may only be claimed to the extent that they are included in federal adjusted gross income.

Nonresident individuals—If required to file, report the amounts on the lines of your Form OR-40-N as indicated in column (c). The amounts in column (a) should be included on your federal return which should match the federal column of Form OR-40-N (along with all other income from all sources). Enter the amounts in column (b) of this schedule in the Oregon column of your Form OR-40-N along with any other Oregon source income. **Important:** You **aren't** required to file an Oregon return if you participated in a Form OR-OC filed by this PTE **unless** you have other Oregon source income to report. Form OR-OC was filed and the tax was already paid by the PTE on your behalf. If you have other Oregon source income, see the Publication OR-OC.

The payment shown on line 21 of this schedule was Oregon tax paid on your behalf by this PTE when they filed for you. You can use this information to claim state taxes paid as an itemized deduction on your federal return and to calculate a credit for taxes paid to another state if your resident state also taxes your income. **Don't claim the payment on line 21 on your nonresident return.**

If you have questions about the PTE's requirements to file or pay taxes on your behalf, see Publication OR-OC and Publication OR-19.

Full-year Oregon residents—You are taxed by Oregon on all of your income from the PTE even if the income is apportioned between Oregon and other states. Report your federal adjusted gross income on line 7 of Form OR-40 and report Oregon addition, subtraction, and credit amounts on your Schedule OR-ASC. Use the appropriate code as shown on enclosed schedules or as listed in Publication OR-CODES.

Part-year residents—Oregon taxes all PTE income received while an Oregon resident. For the portion of the year you are a nonresident, Oregon only taxes income from Oregon sources. Therefore, a part-year resident may need to modify the amounts reported in column (b) before entering on Form OR-40-P.

If your residency status changes, be sure to notify the PTE.

Do you have questions or need help?

www.oregon.gov/dor
503-378-4988 or 800-356-4222
questions.dor@oregon.gov

Contact us for ADA accommodations or assistance in other languages.