

General information

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

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, other PTEs, or disregarded entities.

Instructions for pass-through entities

Complete Schedule OR-AP, if needed, before completing this schedule.

If this is a final or amended Schedule OR-K-1, check the appropriate box at the top of the schedule. For a PTE filing for a fiscal or short tax year, enter the starting and ending dates.

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

If the owner is considered a disregarded entity for tax purposes, the individual owner's information must be used. Two common examples of disregarded entities are single-member LLCs and revocable trusts. (Note: If the disregarded entity's 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 this schedule.)

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 using the qualified business income reduced tax rates.

Owner's member type—Check the appropriate box.

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 box for Form OR-OC and complete line 21 in Part III.
- If the nonresident owner didn't join Form OR-OC, the PTE is generally required to withhold tax and make owner payments on the nonresident owner's behalf. If the PTE made tax payments on the owner's behalf, mark the box for Form OR-19 and complete line 20 in Part III.

- If owner payments weren't submitted because the nonresident owner submitted an affidavit, mark the box for Form OR-19-AF.
- If the PTE wasn't required to submit payments for this owner, mark the "Not required" checkbox.

For more information on these requirements, see Form OR-19 Instructions 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 percentage from Schedule OR-AP, line 23.

For Oregon residents—Complete lines 1–18 of the federal column (a) and line 19, column (b). Don'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 were 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.

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. Use parentheses for losses and adjustments.

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

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

If the owner is a nonresident multiply the apportionment percentage by the owner's pro rata share of each item 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. Use parentheses for losses and adjustments.

Lines 14–18—Enter the owner's pro rata share of each Oregon addition and subtraction as a positive amount.

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

Line 20—For nonresidents only, enter the total of all 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 code for each item from Publication OR-CODES. You can 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.

Include a copy of these instructions with the Schedule OR-K-1 you send to each owner. Keep a copy of each schedule with your tax records; don't submit them to the department.

Instructions for individual owners

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

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

Nonresident individuals—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 with your other income from all sources on your federal return, which should match the federal column of Form OR-40-N. 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. Report the Oregon adjustments, additions, subtractions, and credits from lines 14 through 19 on Schedule OR-ASC-NP. Use the appropriate code for each item as shown on the enclosed schedule(s) or as listed in Publication OR-CODES. **Important:** You **aren't** required to file an Oregon return if you elected to be included in a composite return filed by this PTE **unless** you have other Oregon source income to report. If you made this election, the PTE must file Form OR-OC and pay your share of Oregon tax on your behalf. Use the payment amount from line 21 of this schedule

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 Form OR-19 Instructions.

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. Include the amounts from column (a), lines 1 through 13, on your federal return. Report your Oregon addition, subtraction, and credit amounts from column (a), lines 14 through 19, on your Schedule OR-ASC. Use the appropriate code for each item as shown on the enclosed schedule(s) or as listed in Publication OR-CODES.

Part-year residents— Report the amounts from column (a), lines 1 through 13, on your federal return and on the lines of Form OR-40-P as indicated in column (c). 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. You may need to modify the amounts reported in column (b) before entering them in the Oregon column 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@dor.oregon.gov

Contact us for ADA accommodations or assistance in other languages.