

New information

If the entity is making the election to pay tax at the entity level for calendar year 2022, complete Form OR-21 and associated schedules first. **Note:** Schedule OR-K-1 is **not** a substitute for Schedule OR-21-K-1 which is required to be provided by electing PTEs to all of its members. Don't use this schedule to report the PTE-E distributive proceeds, addition, or credit. Use Schedule OR-21-K-1 for that purpose.

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—PTE and owner information

Complete all fields for both the PTE and the 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 1120-S. The code is reported on Schedules OR-PTE-FY, OR-PTE-PY, or OR-PTE-NR for taxpayers using the reduced tax rate for qualified business income.

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.

Checkboxes—Mark the appropriate box regarding the PTE's requirements for this owner.

- If the owner is a nonresident who elected to be included in Form OR-OC filed by the PTE, mark the box for Form OR-OC and complete line 21 in Part III.
- If a nonresident owner didn't elect to be included in Form OR-OC, the PTE is generally required to withhold tax and make owner payments on the nonresident owner's behalf, unless the owner submits Form OR-19-AF stating that they will make their own estimated tax payments. Resident owners may elect to have owner payments made on their behalf. Withheld owner tax payments are reconciled at the end of the year when the PTE files Form OR-19. 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 tax wasn't withheld on a nonresident owner's behalf because the nonresident owner submitted an affidavit, mark the box for Form OR-19-AF.
- If the owner is a nonresident and the PTE wasn't required to submit payments for this owner, or if the PTE elected to pay the PTE-E tax and withholding wasn't required, mark the "Not required" checkbox.

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

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 lines 19 and 20, 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 through 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 through 18. Enter the owner's pro rata share for each addition and subtraction as a positive amount. Don't

include the PTE-E addition if the PTE made the election to pay PTE-E tax.

Column (b)—Oregon column

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 through 18 of the Oregon column (b) for full-year residents.

Lines 1 through 13. Enter the owner's pro rata share of income apportioned and allocated to Oregon. Use parentheses for losses and adjustments.

Lines 14 through 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. Don't include the PTE-E tax credit if the PTE elected to pay the PTE-E tax.

Line 20. Enter the total of all withheld tax payments submitted on behalf of the owner as reported on Form OR-19.

Line 21. For nonresidents who elected to be included in a composite filing only, enter the tax paid on behalf of the owner from Form OR-OC.

For other income, adjustments, additions, subtractions, and credits, attach 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 and any attachments 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.

Full-year residents. Include the amounts from column (a), lines 1 through 13, with your income from all sources on your federal return. Report the Oregon additions, subtractions, and credits from lines 14 through 19 on Schedule OR-ASC. Use the appropriate code for each item as shown on an attachment to Schedule OR-K-1 or as listed in Publication OR-CODES. If the PTE withheld tax on your behalf, enter the amount on line 20 as a PTE payment on your return.

Nonresidents. Include the amounts from column (a), lines 1 through 13, with your other income from all sources on

your federal return and in the federal column of Form OR-40-N. Enter the amounts in column (b) of this schedule in the Oregon column of 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 an attachment to Schedule OR-K-1 or as listed in Publication OR-CODES. If the PTE withheld tax on your behalf, enter the amount on line 20 as a PTE payment on your nonresident return.

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. You may use the payment amount from line 21 of this schedule to claim an itemized deduction on your federal return for income tax paid to Oregon and to calculate a credit for income taxes paid to another state, if applicable. **Don't claim the composite return payment on line 21 as a payment 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.

Part-year residents. Report the amounts from column (a), lines 1 through 13, with your other income from all sources on your federal return and in the federal column of Form OR-40-P. 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. The amounts reported in column (b) may need to be modified to reflect income received from all sources when you were a resident or from Oregon sources when you were a nonresident before you enter them in the Oregon column on Form OR-40-P. 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 an attachment to Schedule OR-K-1 or as listed in Publication OR-CODES. If the PTE withheld tax on your behalf, enter the amount from line 20 as a PTE payment on your part-year return.

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.