

# How to file for PTE-E (Pass-through Entity Elective tax)



Taxpayers and tax preparers



*January 2023*

# Revenue Online

Log in to your Revenue Online account



# Choose the account type PTE Elective

## Select File or view returns

### PTE Elective

PTEE COMPANY  
955 CENTER ST NE  
SALEM OR 97301-2555  
[Action Center Items](#) 1

### Account

014618621-44

Balance

**\$0.00**



- > [File or view returns](#)
- > [View estimated payments](#)
- > [Request a refund](#)

# Returns

## Select File Now

< PTEE COMPANY

### Returns

PTE Elective  
014618621-44  
PTEE COMPANY


Balance

**\$0.00**

> [Make a payment](#)

[Returns](#) [Periods](#)

### Returns

Period	Return	Status	Due Date
31-Dec-2022	PTE Elective		18-Apr-2023

[File Now](#)

# Instructions

## Review the instructions before continuing.

### Instructions

Pass-through entities (PTEs) may elect to pay income tax at the entity level. Individual members will still report and be taxed on their income from the PTE, but they will be able to claim a credit on their individual returns for the tax already paid by the PTE.

An electing PTE must be a partnership, an S corporation, or an LLC taxed as a partnership or S corporation. All of the PTE's members must be individuals or other PTEs whose members are all individuals.

The election to pay the PTE elective tax (PTE-E tax) is made by timely filing Form OR-21. The election must be made by members of the PTE who are members on the date the election is made or by any officer, manager or member of the electing PTE who is authorized, under law or the PTE's organizational documents, to make the election and who attests to having such authority under penalty of perjury.

An upper-tier PTE that is a member of an electing PTE will also use Form OR-21 to pass its share of the lower-tier entity's distributive proceeds, addition, and tax credit through to the upper-tier PTE's individual owners.

Do not file Form OR-21 if **not** making the PTE-E tax election unless you are filing to pass-through items from a lower-tier entity. If the PTE is not making the election and estimated payments have been made, cancel this process if there are no pass-through items, and click the link to **Request a refund**.

Refer to the [Form OR-21 instructions](#) for more information.

# Contact information

Enter the contact name, email address and phone number.

## Contact Information

Enter the name, phone, and email of a person the department can contact if we have questions or need more information. The contact person does not have to be the same person who prepares or signs the return, but they should be knowledgeable about the PTE's election.

Name JAKE STONE

Email ptee1@test.com

Phone type Business Phone

Phone country USA

Area code (971)

Number 555-1234

Extension

# Revocation

- If you are filing a return, select no.
- If you have previously filed a return and wish to revoke the election, select yes.


**Return**

Instructions    Contact Information    Revocation

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**Revocation**

Is the PTE filing this return to revoke a previously made election to pay the PTE-E tax?

  No  Yes

# Amend

- If you are not filing an amended return, select no.
- If you have previously filed a return and wish to amend, select yes.

## Return



### Amend

① Is the PTE filing this return to make corrections to a previously filed PTE-E tax return?



No

Yes



# Election, Extension, Pass Through

- Election – Select “I Understand” after reading the statement.
- Extension – If you have filed a federal extension for your PTE select yes, if not, select no.
- Pass Through – If you have lower tier items passing through, select yes.
  - If no lower tier PTE items passing through, select no.


## Pass-through Entity Elective Tax Election

Check this box if the pass-through entity (PTE) elects to be liable for and pay the Oregon PTE elective tax (PTE-E tax). By checking this box, I declare: (a) under penalty of false swearing that, as of the date this return is submitted, all members of the PTE elect to be liable for and pay the PTE-E tax or (b) under penalty of perjury that I am an officer, manager, or member of the PTE with the authority to make this election on behalf of all members of the PTE.

 I Understand

## Extension of Time to File


Has the PTE received a federal extension or requested an extension to file the return? A PTE makes the election by timely filing Form OR-21. To be timely, Form OR-21 must be filed on or before the due date, unless an extension has been requested. The due date for filing Form OR-21 for tax year 2022 is April 18, 2023.



No	Yes
----	-----

## Pass Through

Is the PTE an upper-tier member of one or more electing PTEs and is filing this return to report the amount of distributive proceeds, addition, and credit that the PTE is passing through to its own members from the lower-tier electing PTE(s)?

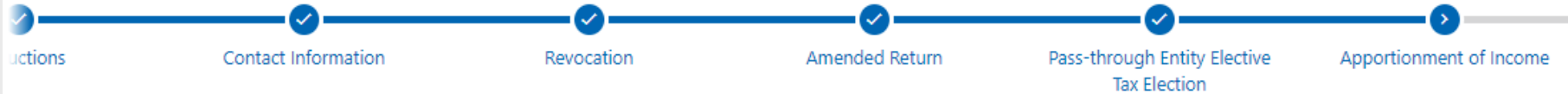


No	Yes
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# Income Apportionment

- If you have business activities both inside and outside Oregon, select yes.
- If all business activity is inside Oregon, select no.

## Return



### Income Apportionment

Does the PTE have business activities both inside and outside Oregon?



No	Yes
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Any PTE with income from business activity that is taxable by Oregon and one or more other states must apportion their income according to Oregon's Uniform Division of Income for Tax Purposes Act, ORS 314.605 to 314.675, unless the PTE is a financial institution or public utility. In that case, the PTE must apportion their income using the provisions of ORS 314.280. For more information see [Publication Schedule OR-21-AP Instructions](#).

# Data source for completing the OR-21

The information used to complete this example can be found on the PTE Elective Tax Webpage: <https://www.oregon.gov/dor/programs/businesses/Pages/Pass-Through-Entity-Elective-Tax.aspx>

The data used is listed under “Examples”

## Example 1 Facts

Example 1 worksheet for OR-21-K-1

Example 1 Worksheet for OR-21-K-1 member 2


Example 1 Worksheet for OR-21-MD

Example 1 Worksheet OR-21

# Form OR-21

- Complete the form using Schedule K from your PTE tax return

## Form OR-21

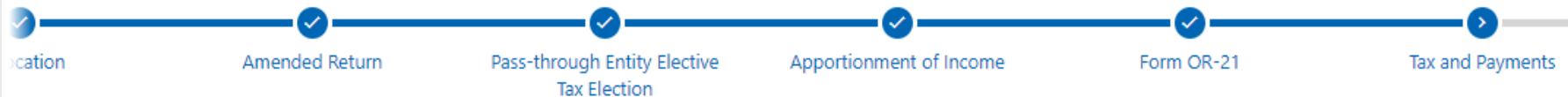
6.	Enter the PTE's ordinary business income or loss from federal Schedule K, line 1.	756,789.00
7.	Enter the PTE's net rental real estate income or loss from federal Schedule K, line 2.	-455,862.00
8.	Enter the PTE's other net rental income or loss from federal Schedule K, line 3c.	0.00
9.	If the PTE is a partnership, enter the total guaranteed payments from federal Schedule K, line 4c; otherwise, enter 0.	0.00
10.	Enter the PTE's interest income from federal Schedule K, line 5 (Form 1065) or line 4 (Form 1120-S).	7,235.00
11.	Enter the PTE's ordinary dividends from federal Schedule K, line 6a (Form 1065) or line 5a (Form 1120-S).	0.00
12.	Enter the PTE's royalties from federal Schedule K, line 7 (Form 1065) or line 6 (Form 1120-S).	0.00
13.	Enter the PTE's total net gain or loss from the disposition of property from federal Schedule K, the sum of line 8 plus line 9a (Form 1065) or the sum of line 7 plus line 8a (Form 1120-S).	0.00
14.	Enter the PTE's net section 1231 gain or loss from federal Schedule K, line 10 (Form 1065) or line 9 (Form 1120-S).	0.00
15.	Enter any other income or loss from federal Schedule K, line 11 (Form 1065) or line 10 (Form 1120-S).	6,589.00
16.	<b>Total income from all sources.</b> Add lines 6 through 15.	314,751.00
17.	 Enter the total of the PTE's non-apportionable income that is included in the amount on line 16.	0.00
18.	<b>Total apportionable income.</b> Line 16 minus line 17.	314,751.00
19.	Enter the apportionment percentage from Schedule OR-21-AP, line 12.	100.0000
20.	<b>Oregon apportionable income.</b> Line 18 multiplied by line 19.	314,751.00
21.	Enter the total of the non-apportionable income from line 12 that is allocated to Oregon. If the PTE does all of its business activity in Oregon, enter the amount from line 12. If the PTE must apportion its income, see "Allocable income" in Schedule OR-21-AP Instructions to determine whether the amount on line 12 includes income that is allocated to Oregon.	0.00
22.	<b>Total Oregon distributive proceeds.</b> Line 20 plus line 21.	314,751.00

# Tax and Overpayments

The tax will calculate for you and the payments made will post.

- This is how it will look if you have an overpayment.
- It will show tax due if payments are less than the tax calculated.

## Return



### Tax and Overpayments

23.	PTE elective tax.	28,910.00
24.	Total PTE-E tax payment made prior to filing this return.	30,000.00
26.	<b>Overpayment of tax.</b>	1,090.00

# Schedule OR-21-MD Part A

- If you have completed the member information schedule, you can import it and the member information will be entered on the schedule immediately, you can also make changes and import it again.
- Select Import Schedules and then select choose file to import, select OK.

The screenshot displays the 'Schedule OR-21-MD' interface. At the top left, there is a blue button labeled 'Import Schedules'. A green arrow points from this button to a modal dialog box titled 'Select a file to import:'. Inside the dialog, there is a text input field with the placeholder text 'Choose File' and a blue 'Required' label to its right. A green arrow points from the 'Choose File' text to the 'Required' label. Below the input field are two buttons: 'Cancel' and 'OK'. A green arrow points from the 'OK' button back to the 'Import Schedules' button on the main screen. The background interface shows a table with columns for '1i. Member type', '1a. PTE member legal', '1f. Individual member', '1h.', '1r. Distributive procee', '1s. Addition for tax de', and '1t. Credit for PTE-E ta'. There is also a '+ Add a Record' link at the bottom right of the table area.

# Schedule OR-21-MD Part A (continued)

If you do not have the Member Information Schedule to import, select Add a Record. If the Member is included on the Oregon Composite return, select yes.

## Form OR-21-MD

1i. Member type

INDIVIDUAL

1a. PTE member legal name, if member is not an individual

1c. PTE contact first name

1e. PTE contact last name

1j. Social Security Number

999-78-9012

1f. Individual member first name

JANET

1h. Individual member last name

STONE

1i. Current address

955 CENTER ST NE

1m. City

SALEM

1o. Zip

97301

1p. Phone

(971) 555-1234

1r. Distributive proceeds

157,376.00

1s. Addition for tax deduction at federal level

15,000.00

1t. Credit for PTE-E tax paid

14,455.00

1b. Ownership percentage

50.0000

1d. Initial

1k. FEIN

1g. Initial

1n. State

OR

1q. Form OR-OC (see instructions)

No


Yes



# Schedule OR-21-MD Part A (continued)

Continue to add a record until all members are added

1i. Member type <b>INDIVIDUAL</b>	1b. Ownership percentage 50.0000
1a. PTE member legal name, if member is not an individual	1d. Initial
1c. PTE contact first name	1k. FEIN
1e. PTE contact last name	1g. Initial
1j. Social Security Number 999-12-3456	
1f. Individual member first name JAKE	
1h. Individual member last name STONE	
1l. Current address 955 CENTER ST NE	
1m. City SALEM	1n. State OR
1o. Zip 97301	
1p. Phone (971) 555-1234	1q. Form OR-OC (see instructions)
1r. Distributive proceeds 157,375.00	<input type="checkbox"/> No <input type="checkbox"/> Yes
1s. Addition for tax deduction at federal level 15,000.00	
1t. Credit for PTE-E tax paid 14,455.00	







# Schedule OR-21-MD Part A (continued)

Completed Part A for this example.

## Schedule OR-21-MD

✔ **Part A — Member information** (requires at least one entry):

Import Schedules

	1i. Member type	1a. PTE member legal	1f. Individual member	1h. Individual member	1k. FEIN	1j. Social Security	1r. Distributive procee	1s. Addition for tax de	1t. Credit for PTE-E tax
 <a href="#">INDIVIDUAL</a>			JAKE	STONE		999-12-3456	157,375.00	15,000.00	14,455.00
 <a href="#">INDIVIDUAL</a>			JANET	STONE		999-78-9012	157,376.00	15,000.00	14,455.00

+ [Add a Record](#)

+ [Add a Record](#)

# Schedule OR-21-MD Part B

- Line 3 - Total distributive proceeds should equal line 22 on Form OR-21 and the total of all member lines 1r.
- Line 4 – Total addition for tax deducted at the federal level should equal the total of all member lines 1s.
- Line 5 – Total credit for PTE-E tax paid should equal line 23 on Form OR-21 and the total of all member lines 1t.

**Part B — Total distributive proceeds, addition, and credit**  
Total the amounts in columns q, r, and s.

3.	Total distributive proceeds (column r).	314,751.00
4.	Total addition for tax deducted at federal level (column s).	30,000.00
5.	Total credit for PTE-E tax paid (column t).	28,910.00

# Attachment Upload

- If you wish to send additional documents with your return, you may attach them here.
- There are no required attachments.

## Attachment Upload

We accept up to five files, up to twenty megabits each.

If you need to attach something larger than this, please contact the person listed on your letter. You may attach the following file types: DOC, DOCX, PNG, XLS, XLSX, JPEG, JPG, TXT, PDF, and ZIP.

[Add Attachment](#)

## Attachments

[Add](#)

Type	File Name	Description	Size
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There are no attachments.

# Payments


If you owe tax on the return, you can select yes to make a payment. Follow the prompts to complete your payment.

**Payments**

Would you like to make a payment?  No  Yes

Payment method.  Checking or Savings  Credit Card

Amount to pay. \_\_\_\_\_ 0.00



# Submission Summary and Confirmation

Please verify that the summary information is correct.

- If yes, select submit. You will be prompted to enter your password to act as your signature.
- If no, make the changes as needed.

[Return](#)



## Submission Summary

Thank you for filling out this PTE Elective submission. Please verify that the summarized information is correct. You can still go back and make changes, if necessary. If no changes need to be made, please click the Submit button to complete the submission. You will then receive a confirmation notice with further information.

PTE elective tax.	28,910.00
Total PTE-E tax payment made prior to filing this return.	30,000.00
Overpayment of tax.	1,090.00
Tax payment submitted with this return.	0.00

## Confirmation

I, the taxpayer or authorized representative, agree that this request, including any accompanying schedule, has been examined by me and to the best of my knowledge and belief is a true, correct, and complete request.

Your password will act as your signature.

Password

\*\*\*\*\*



January 2023

# Confirmation, Print and Feedback


- Select Printable View to print a copy of your Form OR-21 for your records
- Provide feedback to assist us in improving the process.
- Select OK

### Confirmation

Your PTE Elective confirmation number is **1-317-418-112**.

Need help? [Contact us](#).

**Printable View**

**OK** 

### Feedback

How satisfied were you with this process?

★ ★ ★ ☆ ☆

Comments

**Submit Feedback**

# Returns Submitted

The last screen shows that the return has been submitted.

- You can Make a payment
- You can View the Submission

< PTEE COMPANY

## Returns

PTE Elective  
014618621-44  
PTEE COMPANY

Balance

**\$0.00**

> [Make a payment](#)

[Returns](#) [Periods](#)

## Returns

Period	Return	Status	Due Date
31-Dec-2022	PTE Elective	Submitted	<a href="#">View Submission</a>

# Questions?

If you have additional questions, please contact:

Email: [BusinessAlternative.IncomeTax@dor.oregon.gov](mailto:BusinessAlternative.IncomeTax@dor.oregon.gov)