

OREGON  
DEPARTMENT  
OF REVENUE

2022 Oregon  
New Law Update

Hosted by: Daron Prara

1

---

---

---

---

---

---

---

---

### How to participate

Your camera and microphone will **not** be on.

Audio Settings ^ Click the carat to adjust the sound.

Use Q&A to ask questions for presenter to answer.

Click thumb to upvote questions.

Use chat function to communicate with other attendees.

Q&A

Chat

Lisa Robins 10:04 PM  
Can I join a Zoom meeting by phone?

2

2

---

---

---

---


---

---

---


---

### Presenters



Robert Oakes  
Daron Prara

Personal Income Tax



Jason Larimer

Corporations  
and Estates

3

3

---

---

---

---

---

---

---

---



## What's New for Oregon 2022

- Personal Income Tax updates
- Paid Leave Oregon
- Taxpayer Advocate Office
- Corporation updates
- Corporate Activity Tax updates
- Agricultural Worker Overtime
- Pass-through Entity Elective tax (PTE-E)
- Roundup

4

4

---

---

---


---

---

---

---

---



OREGON  
DEPARTMENT  
OF REVENUE

Earned Income  
Credit (EIC)  
Changes

---

5

---

---

---

---




---

---

---

---

### HB 2443: EIC for ITIN Filers

-  IRS does not allow EIC for taxpayers with an ITIN
-  ITIN filers will be eligible for EIC in Oregon
-  Claimed using Schedule OR-EIC-ITIN and reported on the OR-ASC

6

6

---

---

---


---

---

---

---

---



OREGON  
DEPARTMENT  
OF REVENUE

Updates  
for Students

---

7

---

---

---

---

---

---

---

---

Loan Forgiveness and WFHDC

- No taxation of federal student loan forgiveness
- HB 2433 changes to WFHDC
  - Students can use imputed income for WFHDC
  - New Schedule OR-WFHDC-ST

8

---

---

---


---

---

---

---

---



OREGON  
DEPARTMENT  
OF REVENUE

Oregon 529 and  
Able Account  
Tax Recapture

---

9

---

---

---

---

---

---

---

---

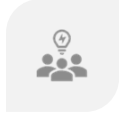
## Tax Recapture



Changes to 529 College Savings and ABLÉ Account



Nonqualified withdrawals require a recapture



More-than-expected returns claimed a Tax Recapture

10

10

---

---

---

---

---

---

---

---

## Tax Recapture Corrections

- Reviewed all claimed recaptures
- Sent letter to validate recapture
- Changed name from "Credit Recapture" to "Tax Recapture" on the 2022 return



11

---

---

---

---

---

---

---

---



Paid Family and Medical Leave Insurance Program – Paid Leave Oregon

12

---

---

---

---

---

---

---

---

### Program Overview

- HB 2005 (2019) created Paid Leave Oregon
- Oregon Employment Department (OED) is responsible for administration and enforcement of the program
- Employers and employees contribute to the Paid Leave Oregon fund (contribution amounts will be determined by OED)

---

---

---

---

---

---

---

---

13

### Program Overview

- Paid Leave Oregon contributions will be reported on a revised quarterly employer tax report (Form OQ) starting in first quarter 2023.
- Employers must withhold contributions from employee wages.
- Contributions payments are made to the Department of Revenue (similar to Unemployment Insurance)

---

---

---

---

---

---

---

---

14

### Program Overview (cont.)

- OED in the process of writing administrative rules to clarify certain authorities provided on ORS chapter 657B
- Returns and payments for Paid Leave Oregon are submitted quarterly
- Program and/or policy-specific questions must be directed to OED (DOR does NOT administer Paid Leave Oregon)
- Paid Leave Oregon contact information
  - Phone – 503.370.5800
  - Email – [paidleave@oregon.gov](mailto:paidleave@oregon.gov)
  - Internet – [www.Oregon.gov/employ/PFMLI/Pages/default.aspx](http://www.Oregon.gov/employ/PFMLI/Pages/default.aspx)

---

---

---

---

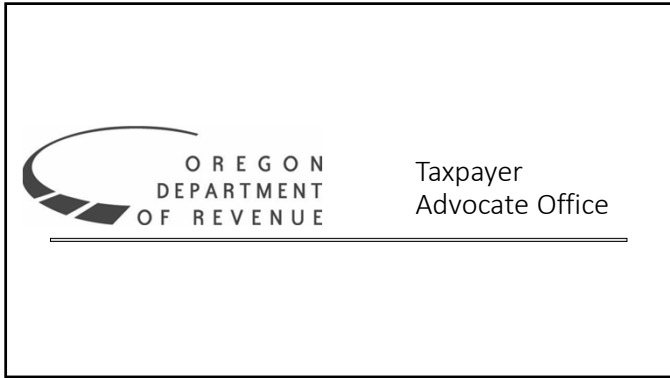
---

---

---

---

15



16

---

---

---

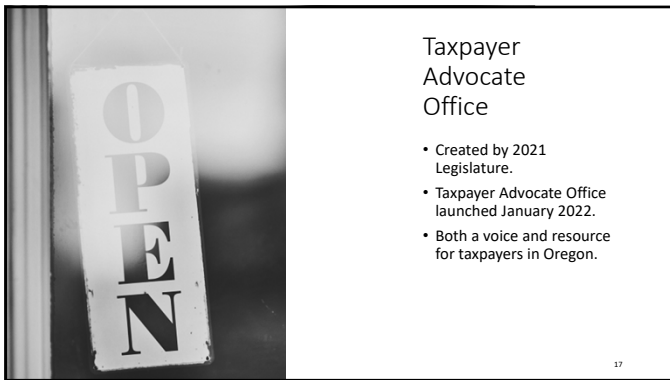
---

---

---

---

---



17

---

---

---

---

---

---

---

---

### House Bill 3373

2022 OREGON LEGISLATURE INTRODUCED 2021 Regular Session

**House Bill 3373**

Sponsored by Representative FARRIS

**SUMMARY**

The following summary is not intended to be a substitute for the statute and any other law that may apply to the subject matter of this bill. It is intended to provide a general overview of the bill's purpose and to identify the bill's major provisions. It is not intended to be a substitute for the statute and any other law that may apply to the subject matter of this bill.

**SECTION 1** (1) The office of the Taxpayer Advocate is established in the Department of Revenue. The office shall be responsible for identifying, resolving and disseminating information to assist the individuals and businesses of the public, present and future, who are unable to resolve tax issues with the Department of Revenue. The Department of Revenue shall assist the taxpayer of the office who may include employees of the Department and members of the state with knowledge of the office.

**SECTION 2** (1) The office shall have the following duties:

- (a) To identify and disseminate information to the public, including the general public, regarding the Department of Revenue.
- (b) To identify and disseminate information to the public, including the general public, regarding the Department of Revenue.
- (c) To identify and disseminate information to the public, including the general public, regarding the Department of Revenue.
- (d) To identify and disseminate information to the public, including the general public, regarding the Department of Revenue.
- (e) To identify and disseminate information to the public, including the general public, regarding the Department of Revenue.
- (f) To identify and disseminate information to the public, including the general public, regarding the Department of Revenue.
- (g) To identify and disseminate information to the public, including the general public, regarding the Department of Revenue.
- (h) To identify and disseminate information to the public, including the general public, regarding the Department of Revenue.
- (i) To identify and disseminate information to the public, including the general public, regarding the Department of Revenue.
- (j) To identify and disseminate information to the public, including the general public, regarding the Department of Revenue.
- (k) To identify and disseminate information to the public, including the general public, regarding the Department of Revenue.
- (l) To identify and disseminate information to the public, including the general public, regarding the Department of Revenue.
- (m) To identify and disseminate information to the public, including the general public, regarding the Department of Revenue.
- (n) To identify and disseminate information to the public, including the general public, regarding the Department of Revenue.
- (o) To identify and disseminate information to the public, including the general public, regarding the Department of Revenue.
- (p) To identify and disseminate information to the public, including the general public, regarding the Department of Revenue.
- (q) To identify and disseminate information to the public, including the general public, regarding the Department of Revenue.
- (r) To identify and disseminate information to the public, including the general public, regarding the Department of Revenue.
- (s) To identify and disseminate information to the public, including the general public, regarding the Department of Revenue.
- (t) To identify and disseminate information to the public, including the general public, regarding the Department of Revenue.
- (u) To identify and disseminate information to the public, including the general public, regarding the Department of Revenue.
- (v) To identify and disseminate information to the public, including the general public, regarding the Department of Revenue.
- (w) To identify and disseminate information to the public, including the general public, regarding the Department of Revenue.
- (x) To identify and disseminate information to the public, including the general public, regarding the Department of Revenue.
- (y) To identify and disseminate information to the public, including the general public, regarding the Department of Revenue.
- (z) To identify and disseminate information to the public, including the general public, regarding the Department of Revenue.

18

---

---

---

---

---

---

---

---

## What the Taxpayer Advocate does

- Identify issues or barriers to equitable and fair tax collection.
- Promptly serve taxpayers whose tax-related problems are not resolved through ordinary channels.
- Identify systemic issues and make recommendations to address them.
- Issue taxpayer assistance orders to compel the agency to act in an individual taxpayer's case.
- Reach previously underserved populations



19

19

---

---

---

---

---

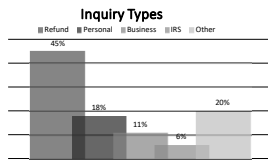
---

---

---

## January – October 2022

572 Inquiries → 61 Cases



- 57% by phone call
- 7-day median case resolution
- Same-day median inquiry resolution
- 1% bilingual assistance

20

20

---

---

---

---

---

---

---

---



Codi Trudell  
 (503) 985-2973  
[codi.trudell@dor.oregon.gov](mailto:codi.trudell@dor.oregon.gov)



[https://www.youtube.com/watch?v=0\\_o13Qipana](https://www.youtube.com/watch?v=0_o13Qipana)

<https://www.oregon.gov/dor/Pages/Taxpayer-Advocate.aspx>

21

21

---

---

---

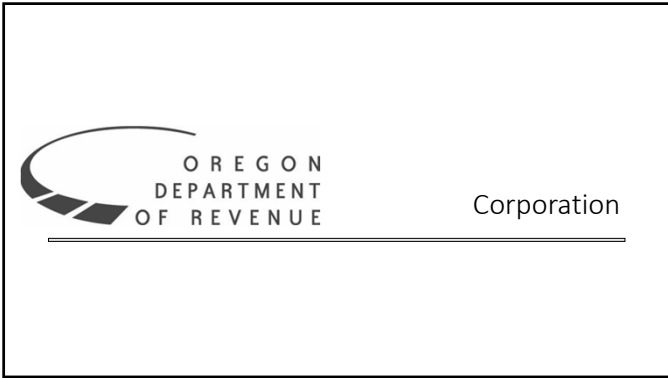
---

---

---

---

---



22

---

---

---

---

---

---

---

---

### Capital Losses

- The department is proposing to amend OAR 150-317-0060 to provide that capital losses deducted on a federal corporate tax return must be added back to federal taxable income before calculating the Oregon capital loss.
- This rule amendment is intended only to clarify and parallels content that has been included in the Form 20 series instructions for a number of years.
- This rule will be effective January 1, 2023, and applies to all open tax years.

23

23

---

---

---

---

---

---

---

---

### SB 1502

- SB 1502 (2022) creates a new tax credit for a small forestland owner that elects to use standard harvesting practices instead.
- The credit equals the stumpage value of timber left standing, and it may be claimed in non-consecutive tax years.
- The credit is certified through Oregon Department of Forestry.
- The credit first applies to tax years beginning on or after January 1, 2023.

24

24

---

---

---

---

---

---

---

---





**Questions?**  
Jason M. Larimer  
503-877-7833  
jason.larimer@dor.oregon.gov

25

---

---

---

---


---

---

---

---

25



Corporate Activity Tax

---

---

---

---

---

---


---

---

26

2022 Legislation – SB 1524

- Temporary exclusion for sales of prescription drugs
- Available only to **eligible pharmacies**
  - Nine or fewer locations under common ownership
  - Do not cater primarily to veterinary customers
- Tax years beginning on or after Jan. 1, 2022, and before Jan. 1, 2026



---

---

---

---

---

---

---

---

27



### Eligible Pharmacy Rules

- Adopted [OAR 150-317-1180](#) to provide guidance to eligible pharmacies (effective Oct 2022)
- Amending [OAR 150-317-1200](#) to incorporate new exclusion (effective early 2023)

28

28

---

---

---

---


---

---


---

---


### 2022 Rulemaking – Amended Rules




[OAR 150-317-1060](#) Insurers' Gross Premiums Receipts




[OAR 150-317-1300](#) Estimated Tax Payments



[OAR 150-317-1150](#) Exclusion for Retail Grocery Sales



[OAR 150-317-1410](#) Motor Vehicle Resale Certificate



[OAR 150-317-1200](#) Cost Input or Labor Cost Subtraction

29

29

---

---

---

---


---

---


---

---


### 2022 Rulemaking – New Rules




[OAR 150-317-1015](#) Short Tax Period Returns




[OAR 150-317-1090](#) Sourcing Sea Transportation Services



[OAR 150-317-1022](#) Unitary Group Tax Year



[OAR 150-317-1095](#) Sourcing River Transportation Services



[OAR 150-317-1023](#) Designated Reporting Entity

30

30

---

---

---

---

---

---

---

---



### Tax Compliance

- Auditing and filing enforcement activities underway
- Businesses urged to use the Voluntary Disclosure Agreement (VDA) process
- CAT processes an average of five VDA requests per month
- Information on VDA process available on [DOR voluntary disclosure webpage](#)

31

31

---

---

---

---

---

---

---

---

CAT Resources

- [CAT Frequently Asked Questions](#)
- [Training materials and videos](#)
- [CAT Mailing List](#)
- Contact CAT Help Team: 503-945-8005 or [cat.help.dor@oregon.gov](mailto:cat.help.dor@oregon.gov)

32

32

---

---

---


---

---

---

---

---



Agricultural Worker Overtime Project  
HB 4002 (2022)

33

---

---

---

---

---

---

---

---

## Background

- House Bill 4002 established mandatory overtime pay for certain employees working more than 40 hours per week.
  - The Legislature extended overtime pay to employees working in the agricultural industry.
  - The measure includes almost every sector of the industry.
  - Includes a tax credit for employers.
  - The credit is not offered to labor contractors.
- \$55 million total credit per year
- Application process, not a certification process

34

34

---

---

---

---

---

---

---

---

## Background (cont.)

- Automatic filing extension for all applicants
- Six-year phase-in period
- SB 1524 (2022)
  - Three-year net operating loss (NOL) for personal income and corporation tax programs
- Exceptions:
  - Family members
  - Administrative employees
  - Individuals described in ORS 653.020(1)

35

35

---

---

---

---

---

---

---

---

## Background (cont.)

### Agriculture Employer Overtime Tax Credit

Year	Overtime threshold	Tax credit as a percentage of overtime costs			
		More than 50 FTE*	26 to 50 FTE* & dairies with more than 25 FTE*	Not more than 25 FTE*	Dairies with not more than 25 FTE*
2023	55 hours	60%	75%	90%	100%
2024	55 hours	60%	60%	80%	100%
2025	48 hours	45%	60%	80%	100%
2026	48 hours	30%	50%	60%	100%
2027	40 hours	15%	50%	60%	100%
2028	40 hours	15%	50%	60%	100%

\*FTE is full-time equivalent

36

36

---

---

---

---

---

---

---

---

## DOR Responsibility

- Create an application approval process
  - Electronically through Revenue Online
- Develop unit to process applications
  - Review application
  - Deny or approve
  - Work appeals
  - Monitor amount of credit requested
  - Apportion credits
  - Mail notices to eligible applicants of allowable credit

37

37

---

---

---

---

---

---

---

---

## DOR Responsibility

- Create administrative rules
  - Phase 1
  - Phase 2
- Partner with external agencies for rules and reporting
  - Bureau of Labor Industries (BOLI)
  - Oregon Department of Agriculture (ODA)
  - Oregon Business Development Department
  - Oregon Employment Department (OED)

38

38

---

---

---

---

---

---

---

---

## Application Filing Timeline 2024

- Application filing period January 1 through January 31
  - Automatic extension granted – extension filing due date October 15
- Department reviews applications
  - Approved
  - Denied – denial mailed by February 15
- Appeal process to be determined (Phase 2)
- Approval letter with allowed credit amount mailed by June 1

39

39

---

---

---

---

---

---

---

---

Outreach

- Listening sessions
- Tax Professional Liaison meeting
- Webpage
- GovDelivery

40

---

---

---

---

---

---

---

---

40

Communicating with Ag OT Team

Tax credit questions can be sent to: [Ag.Overtime@dor.oregon.gov](mailto:Ag.Overtime@dor.oregon.gov)  
Project managers:  
**Daron Prara**, PTAC Operations and Policy Unit  
**Favi Morales**, PTAC Operations and Policy Unit

External Webpage: [www.oregon.gov/dor/programs/businesses/Pages/ag-overtime](http://www.oregon.gov/dor/programs/businesses/Pages/ag-overtime)  
(From our main page, click the Businesses section and follow the link under Resources)

Subscribe to Agriculture Overtime Update emails: [www.oregon.gov/dor](http://www.oregon.gov/dor)  
(Under Contact and Follow Us at the bottom of the page)

Wage and hour questions can be sent to: [Ag.Overtime@boli.oregon.gov](mailto:Ag.Overtime@boli.oregon.gov)

41

---

---

---

---


---

---

---

---

41



OREGON  
DEPARTMENT  
OF REVENUE

Pass-Through Entity  
Elective Tax

---

Operations and Policy Unit  
Daron Prara, Policy Analyst  
Email: [BusinessAlternative.IncomeTax@dor.oregon.gov](mailto:BusinessAlternative.IncomeTax@dor.oregon.gov)

---

---

---

---

---

---

---

---

42

**Pass-Through Entity Elective Tax – SB 727 (2021)**

- Allows state income tax to be paid at pass-through entity level.
- Avoids \$10,000 cap on state and local tax deduction.
- For tax years beginning January 1, 2022 and ending before January 1, 2024.
- SB 1524 (2022) requires estimated payments.

43

---

---

---

---

---

---

---

---

**Pass-Through Entity Elective Tax – SB 727 (2021)**

- Business alternative income tax – refundable credit.
- Addition for state taxes claimed on federal return.
  - May be eligible for qualified business income reduced tax rate (QBIRTR).
- PTE will issue an OR-21-K-1, or equivalent to members.
- Template available to import numerous members.

44

---

---

---

---

---

---

---

---

**Pass-Through Entity Elective Tax (PTE-E)**

**Program details:**

- Elective
- Register on Revenue Online before making estimated tax payments
- Registration opened June 6, 2022
- First and second quarter payments due June 15, 2022
  - Third quarter was due September 19, 2022
  - Fourth quarter due January 17, 2023
- Entity must make an election to pay each year

45

---

---

---

---

---

---

---

---

Pass-Through Entity Elective Tax (PTE-E)

Implementation status:

- Revenue Online (ROL) Registration and payment functions
- New PTE-E webpage
  - Continually updated with frequently asked questions
  - Links to instructions and publications
- New email distribution list
- Implementing return processing system
- Rulemaking
  - Rules Advisory Committee (RAC) held
  - Amended four rules
  - Created two new rules

---

---

---

---

---

---

---

---

---

---

46

Pass-Through Entity Elective Tax (PTE-E)

Amended rules:

- 150-314-0515 Oregon Composite Return
- 150-314-0520 Pass-through Entity Withholding Requirements
- 150-316-0043 Qualified Business Income Reduced Tax Rate (QBIRTR)
- 150-316-0084 Credit for Income Taxes Paid to Another State - Computation

---

---

---

---

---

---

---

---

---

---

47

Pass-Through Entity Elective Tax (PTE-E)

New rules:

- 150-314-0521 Estimated Tax, Interest on Underpayment of Estimated Tax (UND), and Waiver of UND
- 150-314-0522 Timing of fiscal year PTEs and when members claim the addition and credit.

---

---

---

---

---

---

---

---

---

---

48



Example 1

An S corporation with two shareholders, each owning 50% of the stock, has elected to pay the Pass-through Entity Elective Tax (PTE-E). The Schedule K on the Form 1120S has the following entries:

Schedule K-1 Shareholders' Pro Rata Share Items		Total amount
1	Ordinary business income (less page 1, line 21)	100,000
2	Net rental real estate income (less) (attach Form 8825)	(65,802)
3a	Other gross rental income (less)	
3b	Expenses from other rental activities (attach statements)	20
4	Other net rental income (less). Subtract line 3b from line 3a	
5	Interest income	7,235
6	Dividends: a Ordinary dividends	
	b Qualified dividends	
7	Royalties	
8	Net short-term capital gain (loss) (attach Schedule D Form 1120-S)	
9	Net long-term capital gain (loss) (attach Schedule D Form 1120-S)	
10	Collectibles (28%) gain (loss)	
11	Unrecaptured section 1250 gain (attach statements)	
12	Net section 1231 gain (loss) (attach Form 4797)	
13	Other income (less) (see instructions)	6,560

All income is Oregon source income.

The company made timely estimated tax payments in the amount of \$30,000.

49

---

---

---

---

---

---

---

---

---

---

---

---

Example 1

**Worksheet OR-21**  
Complete this worksheet to prepare to file Form OR-21. To complete your filing, go to Revenue Online at [www.oregon.gov/dor](http://www.oregon.gov/dor). This worksheet is for informational purposes only. Do not file this worksheet.

Part C: Distributive proceeds	
Income from all sources	
1. Ordinary business income or (loss)	8. 758,789
2. Net rental real estate income or (loss)	7. (455,802)
3. Other net rental income or (loss)	8. _____
4. Qualified payments to partners	9. _____
5. Interest	10. 7,235
6. Ordinary dividends	11. _____
7. Royalties	12. _____
8. Net capital gain or (loss)	13. _____
9. Net IRC section 1231 gain or (loss)	14. _____
10. Other income or (loss)	15. 6,560
11. Total income from all sources. Add lines 6 through 15.	16. 314,751
Apportionable income from all sources	
12. Non-apportionable income (see instructions)	17. _____
13. Total apportionable income. Line 16 minus line 17.	18. 314,751
Oregon apportionable income	
14. Enter the apportionment percentage from Schedule OR-21-AP, line 12. You must attach Schedule OR-21-AP to apportion income. If you don't apportion income, enter 100.0000%	19. 100.0000%
15. Oregon apportionable income. Line 18 multiplied by line 19.	20. 314,751
16. Oregon allocated income (see instructions)	21. _____
17. Total Oregon distributive proceeds. Line 20 plus line 21.	22. 314,751

50

---

---

---

---

---

---

---

---

---

---

---

---

Example 1

Worksheet OR-21 continued

Part D: Tax, payments, penalty, and interest	
18. PTE elective tax. (see instructions)	23. 28,910
19. Total PTE-E tax payments. Include all payments made prior to filing this return.	24. 30,000
20. Net tax. If line 23 is more than line 24, you have tax to pay. Line 23 minus line 24.	25. _____
21. Overpayment of tax. If line 23 is less than line 24, you overpaid. Line 24 minus line 23.	26. 1,090
Penalty and interest	
22. Penalty and interest for paying late (see instructions).	27. _____
23. Interest on underpayment of estimated tax (see instructions).	28. _____
24. Total penalty and interest due. Line 27 plus line 28.	29. _____
Part E: Tax to pay or refund	
25. Net tax including penalty and interest. Line 25 plus line 29. This is the amount you owe.	30. _____
26. Overpayment less penalty and interest. Line 26 minus line 29. This is your refund.	31. 1,090

51

---

---

---

---

---

---

---

---

---

---

---

---

Example 1

**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](http://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.	157,375
1s. Addition for tax deducted at federal level	1s.	15,000
1t. Credit for PTE-E tax paid	1t.	14,455
2r. Distributive proceeds	2r.	157,376
2s. Addition for tax deducted at federal level	2s.	15,000
2t. Credit for PTE-E tax paid	2t.	14,455

**Part B—Total distributive proceeds, addition, and credit**

3. Total distributive proceeds (column r)	3.	314,751
4. Total addition for tax deducted at federal level (column s)	4.	30,000
5. Total credit for PTE-E tax paid (column t)	5.	28,910

52

---

---

---

---

---

---

---

---

---

---

Example 1

MEMBER 1

**Worksheet OR-21-K-1**

Complete this worksheet to prepare Schedule OR-21-K-1. This worksheet is for informational purposes only. Do not file this worksheet or distribute it to members.

**Part C. Member's distributive share of proceeds, addition, and credit**

1. Distributive proceeds	1.	157,375
2. Addition for tax deducted at federal level	2.	15,000
3. Credit for PTE-E tax paid	3.	14,455

MEMBER 2

**Worksheet OR-21-K-1**

Complete this worksheet to prepare Schedule OR-21-K-1. This worksheet is for informational purposes only. Do not file this worksheet or distribute it to members.

**Part C. Member's distributive share of proceeds, addition, and credit**

1. Distributive proceeds	1.	157,376
2. Addition for tax deducted at federal level	2.	15,000
3. Credit for PTE-E tax paid	3.	14,455

53

---

---

---

---

---

---

---

---

---

---

Example 2

Potter Investments is a partnership with four partners and has elected to pay the Pass-through Entity Elective Tax (PTE-E). The Schedule K on the Form 1065 has the following entries:

Schedule K Partners' Distributive Share Items			Total amount
1	Ordinary business income (loss) (page 1, line 22)		(1,825,577)
2	Net rental real estate income (loss) (attach Form 9825)		1,870
3a	Other gross rental income (loss)	3a	123,470
b	Expenses from other rental activities (attach statement)	3b	
c	Other net rental income (loss). Subtract line 3b from line 3a	3c	123,470
4	Guaranteed payments: a Services <b>4a</b>	b Capital <b>4b</b>	
c	Total. Add lines 4a and 4b	4c	
5	Interest income	5	184,860
6	Dividends and dividend equivalents: a Ordinary dividends	6a	250,190
b	Qualified dividends <b>6b</b>	c Dividend equivalents <b>6c</b>	
7	Royalties	7	383,010
8	Net short-term capital gain (loss) (attach Schedule D (Form 1065))	8	2,790,211
9a	Net long-term capital gain (loss) (attach Schedule D (Form 1065))	9a	
b	Collectibles (28%) gain (loss)	9b	
c	Unrecaptured section 1250 gain (attach statement)	9c	40,550
10	Net section 1231 gain (loss) (attach Form 4797)	10	
11	Other income (loss) (see instructions) Type ▶	11	3,324,172

54

---

---

---

---

---

---

---

---

---

---

Example 2

Income is apportioned with 10.6730% being Oregon source income. The company made timely estimated tax payments in the amount of \$50,000.

The following members for this partnership are:

- Individual Member #1 50% ownership
- Individual Member #2 30% ownership
- Individual Member #3 10% ownership
- Individual Member #4 10% ownership

This partnership also owns two other partnerships, A and B. Partnership A elected to pay the PTE elective tax and Partnership B did not.

The OR-21-K-1 received from Partnership A is attached. The distributive proceeds are \$68,729. The addition for tax deducted at the federal level is \$6,500. The credit for PTE-elective tax paid is \$6,186.

---

---

---

---

---

---

---

---

---

---

---

---

55

Example 2

Worksheet OR-21

Complete this worksheet to prepare to file Form OR-21. To complete your filing, go to Revenue Online at [www.oregon.gov/dor](http://www.oregon.gov/dor). This worksheet is for informational purposes only. Do not file this worksheet.

Part C: Distributive proceeds

Income from all sources		
1. Ordinary business income or (loss)	6	(1,825,977)
2. Net rental real estate income or (loss)	7	1,870
3. Other net rental income or (loss)	8	123,470
4. Guaranteed payments to partners	9	
5. Interest	10	184,869
6. Ordinary dividends	11	250,199
7. Royalties	12	383,910
8. Net capital gain or (loss)	13	2,790,211
9. Net IRC section 1231 gain or (loss)	14	
10. Other income or (loss)	15	3,324,172
11. Total income from all sources. Add lines 6 through 15	16	5,233,124
Apportionable income from all sources		
12. Non-apportionable income (see instructions)	17	
13. Total apportionable income, Line 16 minus line 17	18	5,233,124
Oregon apportionable income		
14. Enter the apportionment percentage from Schedule OR-21-AP, line 12. You must attach Schedule OR-21-AP to apportion income. If you don't apportion income, enter 100.0000	19	10.6730%
15. Oregon apportionable income, Line 18 multiplied by line 19	20	558,531
16. Oregon allocated income (see instructions)	21	
17. Total Oregon distributive proceeds, Line 20 plus line 21	22	558,531

---

---

---

---

---

---

---

---

---

---

---

---

56

Example 2

Worksheet OR-21-AP

Complete this worksheet to prepare to file Schedule OR-21-AP. To complete your filing, go to Revenue Online at [www.oregon.gov/dor](http://www.oregon.gov/dor). This worksheet is for informational purposes only. Do not file this worksheet.

Oregon sales

1. Shipped from outside Oregon	1	
2. Shipped from inside Oregon (but not to the U.S. government or purchasers where the PTE isn't taxable)	2	
3. Shipped from inside Oregon to the U.S. government	3	
4. Shipped from inside Oregon to purchasers where the PTE isn't taxable	4	
5. Partnership sales	5	842,762
6. Other business receipts	6	1,249,667
7. Direct premiums (insurance only)	7	
8. Annuity considerations (insurance only)	8	
9. Finance and service charges (insurance only)	9	
10. Total Oregon sales. Add lines 1 through 9	10	2,092,429

Sales everywhere

11. Total sales everywhere	11	19,604,881
----------------------------	----	------------

Oregon apportionment percentage

12. Oregon apportionment percentage. Line 10 divided by line 11. Round to four decimal places. Enter on Form OR-21, line 19	12	10.6730%
---	----	----------

---

---

---

---

---

---

---

---

---

---

---

---

57

Example 2  
OR-21 Worksheet Continued

Oregon apportionable income		
14. Enter the apportionment percentage from Schedule OR-21-AP, line 12. You must attach Schedule OR-21-AP to apportion income. If you don't apportion income, enter 100.0000.	19.	10.6730%
15. Oregon apportionable income, Line 18 multiplied by line 19.	20.	558,531
16. Oregon allocated income (see instructions).	21.	
17. Total Oregon distributive proceeds, Line 20 plus line 21.	22.	558,531
<b>Part D: Tax, payments, penalty, and interest</b>		
18. PTE elective tax (see instructions)	23.	53,045
19. Total PTE-E tax payments. Include all payments made prior to filing this return.	24.	50,000
20. Net tax. If line 23 is more than line 24, you have tax to pay. Line 23 minus line 24.	25.	3,045
21. Overpayment of tax. If line 23 is less than line 24, you overpaid. Line 24 minus line 23.	26.	
<b>Penalty and interest</b>		
22. Penalty and interest for paying late (see instructions).	27.	
23. Interest on underpayment of estimated tax (see instructions).	28.	
24. Total penalty and interest due. Line 27 plus line 28.	29.	
<b>Part E: Tax to pay or refund</b>		
25. Net tax including penalty and interest. Line 25 plus line 29. This is the amount you owe.	30.	3,045
26. Overpayment less penalty and interest. Line 26 minus line 29. This is your refund.	31.	

58

---

---

---

---

---

---

---

---

---

---

---

---

Example 2

**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](http://www.oregon.gov/dor). This worksheet is for informational purposes only. Do not file this worksheet.

<b>Part A—Member information (complete for each member)</b>		
1r. Distributive proceeds (Member #1)	1r.	279,266
1s. Addition for tax deducted at federal level	1s.	25,000
1t. Credit for PTE-E tax paid	1t.	26,523
2r. Distributive proceeds (Member #2)	2r.	197,555
2s. Addition for tax deducted at federal level	2s.	15,000
2t. Credit for PTE-E tax paid	2t.	15,914
<b>Part A—Member information (complete for each member)</b>		
1r. Distributive proceeds (Member #3)	1r.	55,853
1s. Addition for tax deducted at federal level	1s.	5,000
1t. Credit for PTE-E tax paid	1t.	5,305
2r. Distributive proceeds (Member #4)	2r.	55,583
2s. Addition for tax deducted at federal level	2s.	5,000
2t. Credit for PTE-E tax paid	2t.	5,304
<b>Part B—Total distributive proceeds, addition, and credit</b>		
3. Total distributive proceeds (column r)	3.	558,531
4. Total addition for tax deducted at federal level (column s)	4.	50,000
5. Total credit for PTE-E tax paid (column t)	5.	53,045

59

---

---

---

---

---

---

---

---

---

---

---

---

Example 2

**Worksheet OR-21-K-1 (Partnership A)**

Complete this worksheet to prepare Schedule OR-21-K-1. This worksheet is for informational purposes only. Do not file this worksheet or distribute it to members.

<b>Part C - Member's distributive share of proceeds, addition, and credit</b>		
1. Distributive proceeds	1.	68,729
2. Addition for tax deducted at federal level	2.	6,500
3. Credit for PTE-E tax paid	3.	6,186

60

---

---

---

---

---

---

---

---

---

---

---

---

**Example 2**

**Worksheet OR-21-MD-PT (Partnership A)**  
 Complete this worksheet to prepare to file Schedule OR-21-MD-PT. To complete your filing, go to Revenue Online at [www.oregon.gov/dor](http://www.oregon.gov/dor). This worksheet is for informational purposes only. The blue lines at the bottom of this worksheet, for recording the totals for all members, are provided for your convenience only and are not part of the schedule. Do not file this worksheet.

**Part B - Distributions share of proceeds, addition, and credit from electing lower tier entity**

2. Distributions proceeds from Schedule OR-21-K-1, line 1	2.	68,729
3. Addition for tax deducted at federal level from Schedule OR-21-K-1, line 2	3.	6,500
4. Credit for PTE-E tax paid from Schedule OR-21-K-1, Line 3	4.	6,186

**Part C - Member information (complete for each member)**

**Member 1:**

5i. Member's distributive proceeds from lower tier entity #1	5i.	34,365
5n. Member's addition for tax deducted at federal level by lower tier entity	5n.	3,250
6i. Member's credit for PTE-E tax paid by lower tier entity	6i.	3,093

**Member 2:**

6j. Member's distributive proceeds from lower tier entity #2	6j.	20,919
6m. Member's addition for tax deducted at federal level by lower tier entity	6m.	1,950
6n. Member's credit for PTE-E tax paid by lower tier entity	6n.	1,856

**Member 3:**

5i. Member's distributive proceeds from lower tier entity #3	5i.	6,873
5n. Member's addition for tax deducted at federal level by lower tier entity	5n.	650
6i. Member's credit for PTE-E tax paid by lower tier entity	6i.	619

**Member 4:**

6j. Member's distributive proceeds from lower tier entity #4	6j.	6,873
6m. Member's addition for tax deducted at federal level by lower tier entity	6m.	650
6n. Member's credit for PTE-E tax paid by lower tier entity	6n.	619

**For preparer use only - Total distributive proceeds, addition, and credit for all members**

Total distributive proceeds passed through (column i - must match line 2)	68,729
Total addition passed through (column n - must match line 3)	6,500
Total credit passed through (column n - must match line 4)	6,186

61

---

---

---

---

---

---

---

---

---

---

---

---

**Example 2**

**Worksheet OR-21-K-1 (Individual Member #1)**  
 Complete this worksheet to prepare Schedule OR-21-K-1. This worksheet is for informational purposes only. Do not file this worksheet or distribute it to members.

**Part C - Member's distributive share of proceeds, addition, and credit**

1. Distributive proceeds	1.	313,630
2. Addition for tax deducted at federal level	2.	28,250
3. Credit for PTE-E tax paid	3.	29,616

**Worksheet OR-21-K-1 (Individual Member #2)**  
 Complete this worksheet to prepare Schedule OR-21-K-1. This worksheet is for informational purposes only. Do not file this worksheet or distribute it to members.

**Part C - Member's distributive share of proceeds, addition, and credit**

1. Distributive proceeds	1.	188,178
2. Addition for tax deducted at federal level	2.	16,950
3. Credit for PTE-E tax paid	3.	17,749

62

---

---

---

---

---

---

---

---

---

---

---

---

**Example 2**

**Worksheet OR-21-K-1 (Individual Member #3)**  
 Complete this worksheet to prepare Schedule OR-21-K-1. This worksheet is for informational purposes only. Do not file this worksheet or distribute it to members.

**Part C - Member's distributive share of proceeds, addition, and credit**

1. Distributive proceeds	1.	62,726
2. Addition for tax deducted at federal level	2.	5,650
3. Credit for PTE-E tax paid	3.	5,923

**Worksheet OR-21-K-1 (Individual Member #4)**  
 Complete this worksheet to prepare Schedule OR-21-K-1. This worksheet is for informational purposes only. Do not file this worksheet or distribute it to members.

**Part C - Member's distributive share of proceeds, addition, and credit**

1. Distributive proceeds	1.	62,726
2. Addition for tax deducted at federal level	2.	5,650
3. Credit for PTE-E tax paid	3.	5,923

63

---

---

---

---

---

---

---

---

---

---

---

---

## Communicating with PTE-E Team

Questions can be sent to: [BusinessAlternative.IncomeTax@dor.oregon.gov](mailto:BusinessAlternative.IncomeTax@dor.oregon.gov)

External Webpage: [www.oregon.gov/dor/programs/businesses/Pages/Pass-Through-Entity-Selective-Tax.aspx](http://www.oregon.gov/dor/programs/businesses/Pages/Pass-Through-Entity-Selective-Tax.aspx)  
(From our main page, click the Businesses section and follow the link under Resources)

Subscribe to Pass-Through Entity Elective Tax Updates emails: [www.oregon.gov/dor](http://www.oregon.gov/dor)  
(Under Contact and Follow Us at the bottom of the page)

Revenue Online: [revenueonline.dor.oregon.gov](http://revenueonline.dor.oregon.gov)

64

64

---

---

---

---

---

---

---

---

## DOR Roundup

- Revenue Online Updates
- New Forms and Publications
- Update to name of *Income taxes paid to another state* credit (Code 802)
- Sunsetting credits
- New Governor/Legislators/2023 Legislative Session

65

65

---

---

---

---

---

---

---

---



### Do you have questions or need help?

[www.oregon.gov/dor](http://www.oregon.gov/dor)

503-378-4988 or 800-356-4222

[questions.dor@oregon.gov](mailto:questions.dor@oregon.gov)

Contact us for ADA accommodations or assistance in other languages.

66

66

---

---

---

---

---

---

---

---