

# OREGON COMPOSITE RETURN

## Form OC and Instructions for Pass-through Entities

This publication is a guide, not a complete statement, of Oregon Revised Statutes (ORS) or Oregon Department of Revenue Administrative Rules (OAR). For more information, refer to the laws and rules on our website, [www.oregon.gov/DOR](http://www.oregon.gov/DOR).

### Introduction

#### Purpose of form

For tax years beginning on or after January 1, 2006, pass-through entities (PTEs) with distributive income attributable to Oregon sources may file a composite return on behalf of its nonresident owners who elect to participate in the composite filing. The PTE reports the nonresident owners' share of Oregon-source distributive income on one tax return, Form OC, *Oregon Composite Return*.

#### Important information

For tax years beginning before January 1, 2006, PTEs could file a multiple nonresident return for nonresident individual owners who had no Oregon-source income other than the distributive income from the PTE. Contact us if you need to file a tax return for 2005 or earlier.

#### Definitions

Throughout these instructions, the following terms are used:

**"FEIN"** is federal employer identification number.

**"BIN"** is Oregon business identification number. If you do not know your Oregon BIN, leave the space on the form blank when asked for this number.

**"Owner"** is a partner of a partnership or limited liability partnership (LLP), shareholder of an S corporation, member of a limited liability company (LLC), or beneficiary of a trust.

**"Pass-through entity (PTE)"** is a partnership, S corporation, LLP, LLC, or certain trusts.

**"Electing owner"** is an owner who chooses to join in the filing of a composite return.

**"Non-electing owner"** is an owner who chooses not to join in the filing of a composite return and is subject to withholding on their distributive share of the income from the PTE.

### General information

Individual owners of a partnership, S corporation, LLP, LLC, or trust having gross income above the threshold amount from Oregon sources are required to file an individual income tax return (see page 13 of Form 40N, *Oregon Individual Income Tax Return for Nonresidents*). Corporate owners of a PTE with any income from Oregon sources are required to file a corporate excise or income tax return. ORS

314.778 allows nonresident owners (including individuals, corporations, trusts, and estates) of the entities listed above that derive income from or do business in Oregon to elect to file a composite return on behalf of the owners. A PTE that files a composite return is still required to file the PTE's information return (such as partnership, Form 65).

#### Filing requirements

Owners of PTEs must decide each year whether to join in the filing of a composite return. The election to join in the filing of a composite return is considered made when the return is filed. However, the electing owner should notify the PTE as soon as the owner realizes the owner wishes to be part of the composite filing. It is important to notify the PTE so the PTE knows how to make tax payments. To be included in the composite return, the owner must be an individual full-year nonresident of Oregon, a C corporation with no commercial domicile in Oregon, an estate, or a trust that is not a resident trust, or a qualified funeral trust under ORS 316.282.

#### Due dates

The due date for the Oregon composite return is the same as the due date for the majority of the electing owners' tax returns. If the majority of owners file calendar year returns, the composite return will also be a calendar year return. The fiscal year end of the PTE does not affect the due date.

**Example.** A PTE uses a March 31, 2007 fiscal year end and distributes income to its owners during 2007. The majority of the owners are calendar year taxpayers. Because the owners' distributive share of income was received during calendar year 2007, the Form OC, *Oregon Composite Return* must be filed using the calendar year and is due April 15, 2008.

#### Extensions

If the PTE is granted a federal extension to file its information return, the same additional length of time is allowed for filing the Oregon composite return in accordance with the "Due date" section. If the PTE only needs an extension to file the Oregon return:

- Use Form 40-EXT, *Automatic Extension for Individuals and Payment Voucher*, for individual owners;
- Use Form 20-V, *Oregon Corporation Tax Payment Voucher*, for C corporation owners. Also complete the federal extension. Write "Oregon only" on it and keep it in your records; or
- Use Form 41-V, *Oregon Fiduciary Tax Payment Voucher*, for trusts and estates.

Check the “extension” box and the “Composite Return” box on the vouchers. Mail the completed payment voucher(s) with your payment. When Form OC is filed, check the “extension” box. Attach a copy of the extension form to the composite return when it is filed and keep a copy for your records. **Remember:** An extension allows for more time to file, not more time to pay.

## Withholding requirements

If an owner does not join in the filing of a composite return, the PTE is required to withhold tax and remit the tax to the department on behalf of the non-electing owner unless the non-electing owner:

- Has Oregon-source distributive income from the PTE that is less than \$1,000;
- Has made estimated tax payments the prior tax year based on the owner’s share of Oregon-source distributive income from the PTE and continues to make estimated tax payments for the current tax year; or
- Files a signed *Oregon Affidavit for a Nonresident Owner in a Pass-through Entity*, (see page 8).

Note for tiered entities: Withholding is not required if the owner is another PTE such as an LLC, LLP, partnership, S corporation, estate, or certain trusts (not including grantor trusts). If the owner is a PTE, that PTE is required to withhold on its individual and C corporation owners.

See the publication, *Pass-Through Entity Withholding*.

## Instructions for electing owners

### Apportionable income

If the PTE has income that is part of a multi-state business operation, the nonresident owner will compute their share of Oregon net taxable income or loss from the PTE by multiplying the PTE’s total apportioned Oregon taxable income or loss by the owner’s ownership percentage. See ORS 314.280 or 314.650 through 314.690 and the related rules.

**Example:** A partnership will multiply the Oregon apportioned income by each partner’s distributive share of partnership income. An S corporation will multiply the Oregon apportioned income by each shareholder’s distributive share of the S corporation’s income.

### Guaranteed payments

Guaranteed payments are treated as a business income component of the PTE’s distributive income and attributed directly to the owner receiving the payment. See OAR 150-316.124(2).

## Deductions

### Individual tax deduction

Deductions normally allowed to individuals (itemized deductions or the standard deduction) are not allowed on

composite returns. Oregon net taxable income of the PTE is the federal net income of the PTE as defined by the laws of the United States modified by ORS Chapter 316. See ORS Chapter 316 for those items that directly relate to the non-resident owners’ share of the PTE’s net income. Examples of the modifications allowed in ORS Chapter 316 that relate to the PTE’s income include adjustments for depreciation, depletion, gain or loss difference on the sale of depreciable property, U.S. government interest, and any modification for federal targeted jobs tax credit.

### Self-employment tax deduction

Each PTE must calculate the self-employment tax deduction for each electing member that is subject to self-employment tax. The self-employment tax deduction that is attributable to the Oregon-source distributive income is subtracted from the Oregon-source distributive income and the net result is entered on Schedule OC1, column (d).

## Credits

Credits normally allowed on owners’ tax returns, such as the exemption credit, are not allowed on the composite return. For personal income taxpayers, the only credit allowed on the composite return is the credit for income taxes paid to another state. See Form 40N, *Individual Income Tax Return for Nonresidents*, page 31 for instructions. Residents of California claim the credit for income taxes paid to another state on the California resident return. Residents of Virginia, Indiana, or Arizona may claim the credit on the *Oregon Composite Return*. For corporate excise or income taxpayers, the only credit allowed on the composite return is the Oregon one-time small sales credit.

To qualify for the one-time small sales credit, the entity joining in the composite filing must be a C corporation with “Oregon sales” of less than \$5 million for the tax year. The amount of the credit is 67 percent of the tax. Non-apportioning taxpayers calculate “Oregon sales” by adding the following:

- Gross receipts from sales of inventory (less returns and allowances), equipment, and other assets;
- Gross receipts from the sale or lease of intangible property if it is part of the corporation’s primary business;
- Gross rent and lease payments received;
- Gross receipts from the performance of services; and
- Net gains from the sale of intangible property if it is not a part of the corporation’s primary business.

See line instructions for Schedule OC2.

## Tax payment instructions

The PTE is required to make quarterly tax payments in the PTE’s name on behalf of all owners who elect to join in the composite filing. Calculate the amount of tax required to be paid as follows:

For **individual** electing owners: multiply the electing owner’s share of Oregon-source distributive income by the

**Tax rate  
charts  
for  
computing  
2008  
Oregon  
estimated tax**

**Tax rate chart S:**

**For persons filing Single, or Married filing separately**

<b>If your taxable income is:</b>	<b>Your tax is:</b>
Not over \$2,900.....	5% of taxable income
Over \$2,900 but not over \$7,300.....	\$145 plus 7% of excess over \$2,900
Over \$7,300.....	\$453 plus 9% of excess over \$7,300

**Tax rate chart J:**

**For persons filing Jointly, Head of household,  
or Qualifying widow(er) with dependent child**

<b>If your taxable income is:</b>	<b>Your tax is:</b>
Not over \$5,800.....	5% of taxable income
Over \$5,800 but not over \$14,600.....	\$290 plus 7% of excess over \$5,800
Over \$14,600.....	\$906 plus 9% of excess over \$14,600

**Caution:** The tax rates change because of inflation. Use this rate chart for figuring your 2008 estimated tax. Don't use a 2007 rate chart.

tax rate for the electing owner's filing status. See page 3 for the 2008 estimated tax rate charts for individuals. Use Form 40-ESV, *Oregon Estimated Income Tax Payment Voucher*, in the PTE's name to make the tax payment.

For **C corporation** electing owners: multiply the electing owner's share of Oregon-source distributive income by 6.6 percent. Use Form 20-V, *Oregon Corporation Tax Payment Voucher*, to make the tax payment.

For **estate** electing owners, tax payments aren't required. If you choose to make payments, multiply the electing owner's share of Oregon-source distributive income by the tax rate for married filing separately. See the 2008 estimated tax rate charts above. Use Form 41-V, *Oregon Fiduciary Payment Voucher*, to make the tax payment.

For **trust** electing owners, tax payments aren't required. If you choose to make payments, multiply the electing owner's share of Oregon-source distributive income by the tax rate for married filing separately. See the 2008 estimated tax rate charts above. Use Form 41-V, *Oregon Fiduciary Payment Voucher*, to make the tax payment.

### Tiered entities

A pass-through entity that owns an interest in another pass-through entity (upper-tier entity) is not allowed to join in the composite filing. Thus, tax payments are not required if the owner of the PTE is another PTE such as an LLC, LLP, partnership, S Corporation, or trust. If the owner is another PTE, the upper-tiered PTE is required to make tax payments on behalf of its individual and C corporation owners.

Example: The owners of Partnership A are: Partnership B, one LLC, one S corporation, three individuals, and two C corporations. Partnership A (the lower-tiered entity) is required to make tax payments for the three individuals and two C corporations only. Partnership A is not required to make tax payments on behalf of the upper-tiered entities (Partnership B, the LLC, or the S corporation). Each

of these upper-tiered PTEs is required to have its owners elect to join in a composite filing or the upper-tiered entity is required to withhold and remit based on the ownership of that tier.

### Remitting instructions

Use only **one** Form 40-ESV (for individual electing owners), **one** Form 20-V (for corporate electing owners), or one Form 41-V each (for estates and trusts) to report estimated payments. Do not file a separate voucher for each electing owner. Instead, file one voucher in the PTE's name for each tax type. Enter the name, address, FEIN, and BIN of the PTE on the voucher, not the electing owner's identifying information. **Be sure to check the "Composite Return" box on each voucher you file.**

Mail completed vouchers and payment to:

Oregon Department of Revenue  
PO Box 14950  
Salem OR 97301-0980

### Due dates for estimated tax payments

The due dates for estimated tax payments follow the due dates required for the majority of the electing owners.

- If the majority of electing owners are **calendar year filers**, the due dates for the estimated tax payments are: 1st quarter, April 15, 2008; 2nd quarter, June 16, 2008; 3rd quarter, September 15, 2008; and 4th quarter, January 15, 2009 (or December 15, 2008 for corporate calendar year filers).
- If the majority of the electing owners are **fiscal year filers**, the estimated tax due dates are the 15th day of the fourth, sixth, ninth, and twelfth months following the beginning of the fiscal year.

Note: If the due date falls on a Saturday, Sunday, or legal holiday, use the next regular business day.

## Instructions for Schedule OC1— Individual owners

Fill in the PTE's name, year-end date, FEIN, BIN, and the name and telephone number of the person preparing the schedule.

**Lines 1 through 20.** For each electing individual owner, complete one line. If more than 20 lines are needed, use additional copies of Schedule OC1. Enter the following information:

**Column (a).** Enter the individual's filing status. Use "J" for married filing jointly or qualifying widow(er); "S" for single filers; "H" for head of household; or "M" for married filing separately.

**Column (b).** Enter the electing owner's ownership percentage in the PTE.

**Column (c).** Enter the electing owner's total share of distributive income from the PTE (this is the amount that is to be reported on the electing owner's federal tax return).

**Column (d).** Enter the electing owner's distributive income from Oregon sources only, less the deduction for one-half self-employment tax attributable to Oregon sources.

**Column (e).** Use the 2007 tax rate charts on page 4 to calculate Oregon income tax based on filing status.

**Column (f).** Calculate the credit for income taxes paid to another state (Virginia, Indiana, and Arizona only). See page 28 of Form 40N for instructions.

**Column (g).** Subtract the amount in column (f) from the amount in column (e) and enter the result.

**Column (h).** Enter the estimated tax payments made by the PTE on the electing owner's behalf.

**Column (i).** Calculate interest on underpayment of estimated taxes. Interest on the underpayment of estimated tax is due when an individual electing owner has a tax liability in excess of \$1,000 after credits. Calculate the interest for each owner separately using Form 10, *Underpayment of Oregon Estimated Tax*.

**Line 21(g).** Total the amounts shown on all lines of column (g) and enter the result here and on Form OC, line 1(a).

**Line 21(h).** Total the amounts shown on all lines of column (h) and enter the result here and on Form OC, line 2(a).

**Line 21(i).** Total the amounts shown on all lines of column (i) and enter the result here and on Form OC, line 6(a).

Note: If you use more than one Schedule OC1, total all pages on the first page and carry that amount to Form OC.

### Estates or trusts

If the electing owner is an estate or trust, adapt and complete Schedule OC1 as it pertains to the estate or trust.

Refer to the basic instructions for Schedule OC1, on page 3. In column (e), use the married filing separately tax rate. See the 2007 tax rate charts below. Do not complete column (i), interest on underpayment of estimated tax—this does not apply to estates or trusts. Enter the total of column (g) on line 21 and on Form OC, page 2, line 1. Page two of Form OC is designed for estates (lines 1c – 10c) and trusts (lines 1d – 10d).

**Grantor trusts** may join in a composite filing. Use the grantor's Social Security number from Schedule OC1 as long as the grantor is still living. Enter the grantor's information in the "Individual" column of Form OC. Once the grantor trust becomes an irrevocable trust, use the trust's tax identification number on Schedule OC1. Enter the irrevocable trust's information in the "Trust" column on Form OC.

**Simple or complex trusts** may join in the composite filing using the appropriate tax identification number on Schedule OC1. Enter the trust's information in the "Trust" column of Form OC.

## Instructions for Schedule OC2— C corporation owners

Fill in the PTE's name, year-end date, FEIN, BIN and the name and telephone number of the person preparing the schedule.

**Lines 1 through 20.** For each electing corporate owner, complete one line. If more than 20 lines are needed, use additional copies of Schedule OC2. Enter the following information:

2007 Tax Rate Charts			
<b>S Tax Rate Chart</b>		<b>J Tax Rate Chart</b>	
For persons filing		For persons filing	
<b>Single or married filing separately</b>		<b>Jointly, head of household, or qualifying widow(er) with dependent child</b>	
<b>If your taxable income is:</b>	<b>Your tax is:</b>	<b>If your taxable income is:</b>	<b>Your tax is:</b>
Not over \$2,850.....	5% of taxable income	Not over \$5,700.....	5% of taxable income
Over \$2,850 but ..... not over \$7,150	\$143 plus 7% of the excess over \$2,850	Over \$5,700 but ..... not over \$14,300	\$285 plus 7% of the excess over \$5,700
Over \$7,150.....	\$444 plus 9% of the excess over \$7,150	Over \$14,300.....	\$887 plus 9% of the excess over \$14,300

**Column (a).** Enter the type of tax the corporate owner is subject to. Enter "E" for corporate excise tax or "I" for corporate income tax. Contact us if you don't know which tax you are subject to. See page 14.

**Column (b).** Enter the electing owner's ownership percentage in the PTE.

**Column (c).** Enter the electing owner's total share of distributive income from the PTE (this is the amount that is to be reported on the electing owner's federal tax return).

**Column (d).** Enter the electing owner's distributive income from Oregon sources only.

**Column (e).** Multiply the amount reported in column (d) by 6.6 percent. If there is an "E" in column (a) and the result is less than \$10, enter \$10 for that owner.

**Column (f).** A C corporation with Oregon sales of less than \$5 million for the tax year may claim a credit equal to 67 percent of the tax shown in column (e). See page 2 for instructions on computing "Oregon sales."

**Column (g).** Subtract the amount in column (f) from the amount in column (e) and enter result.

**Column (h).** Enter the estimated tax payments made by the PTE on the electing owner's behalf.

**Column (i).** Calculate interest on underpayment of estimated taxes. Interest on underpayment of estimated tax is due when a corporate electing owner has a tax liability in excess of \$500 after credits. Calculate the interest for each owner separately using Form 37, *Underpayment of Oregon Corporation Estimated Tax*.

**Line 21(g).** Total the amounts shown on all lines of column (g) and enter the result here and on Form OC, line 1(b).

**Line 21(h).** Total the amounts shown on all lines of column (h) and enter the result here and on Form OC, line 2(b).

**Line 21(i).** Total the amounts shown on all lines of column (i) and enter the result here and on Form OC, line 6(b).

Note: If you use more than one Schedule OC2, total all pages on the first page and carry that amount to the Form OC.

Schedules OC1 and OC2 or equivalent must be filed with the composite return. Schedules OC1 and OC2 report each nonresident owner's Oregon tax liability. A computer-created schedule is acceptable in lieu of the schedule if it contains the information for each owner who elects to participate in the filing of the composite return that is required on Schedule OC1 or OC2.

## Line instructions for Form OC

PTEs must file Form OC, *Oregon Composite Return* on behalf of electing nonresident owners. As the designated agent, the PTE is liable for any tax, penalty, and interest due, including interest on underpayment of estimated tax.

When completing the header section of Form OC, be sure to include the number of each type of electing owner of the PTE. For example, if the PTE is owned by eight S corporations and

15 individuals, include only the 15 individual owners who have elected to join in the composite filing.

The following instructions are for lines that are not fully explained on the form.

**5. Penalty and interest.** Include a penalty payment if you:

- Pay your tax due after the original due date (even if you have an extension).
- File the composite return showing tax due after the due date, including any extension.

Penalty is 5 percent of the unpaid balance of your tax as of the due date, not including extensions (generally April 15). If you file more than three months after the due date or extension due date, add an additional 20 percent penalty, for a total of 25 percent of the unpaid tax.

If you don't pay the tax due by the due date, interest is due on the unpaid tax. The current interest rate is 9 percent per year or 0.75 percent per month. Interest is figured daily (0.0247 percent per day) for periods of less than a month. A month, for example, is May 16 to June 15. Here's how to figure daily interest:

$\text{Tax} \times 0.000247 \times \text{Number of days past the due date of the return}$

If the tax is not paid within 60 days of the original billing notice, the interest rate increases to 13 percent per year.

**6. Interest on estimated tax underpayment.** You must pay interest on underpayment of estimated tax if the amount on line 4 is \$1,000 or more for individuals, or \$500 or more for corporations. To determine if there is an underpayment, individuals use Form 10, *Underpayment of Oregon Estimated Tax*. Corporations use Form 37, *Underpayment of Oregon Corporation Estimated Tax*. See instructions for Schedule OC1 or OC2.

**8. Balance due.** Payment of the amount due must accompany the Oregon composite return. The PTE must pay the total amount due on behalf of the nonresident owners. The balance due must include the tax shown plus any penalty or interest as required by Oregon law.

**Remitting payment.** Where an overpayment exists for either column a, b, c, or d, and a tax due exists in any one of the other columns, the tax due cannot be offset by an overpayment shown in another column. You must remit payment for amounts in column (a) with Form 40-V, *Oregon Income Tax Payment Voucher* for individual owners. Remit payment for amounts in column (b) with Form 20-V, *Oregon Corporation Tax Payment Voucher* for corporate owners. Remit payments for amounts in column (c) or (d) with Form 41-V, *Oregon Fiduciary Payment Voucher*. Please remit the exact amount reported in columns (a), (b), (c), or (d). Rounding is required and the payment must match the amount shown on the return.

If a refund is shown in any of those columns, the department will issue a separate check for the amount shown in each column.

**Filing Form OC.** Mail the completed Form OC to the Oregon Department of Revenue. If all columns of Form OC show a refund is due, mail to:

Oregon Department of Revenue  
PO Box 14700  
Salem OR 97309-0930

If **one** or more columns shows a tax-to-pay amount, mail the return to:

Oregon Department of Revenue  
PO Box 14555  
Salem OR 97309-0940

## Revoking election to join in the filing of a composite return

An electing owner may revoke their election to join in the filing of the composite return. To revoke an election, report the Oregon-source distributive income from the PTE on:

- An Oregon individual income tax return; or
- An Oregon corporate excise or income tax return.

If the PTE has made estimated payments in the PTEs name, the PTE must request the department to transfer the payment from the PTE to the revoking owner at the revoking owner's request. The decision to revoke a previous election by one or more owners has no effect on the election of the remaining owners. Transferring payments from one account to another may delay the processing of the revoking owner's return.

## Requesting transfer of payment

### **PTE instructions**

The PTE is required to file a statement requesting that payments made on behalf of a revoking owner be transferred from the PTE's name to the revoking owner's name. See page 13. File this statement with the department as soon as the owner revokes the election to join in the composite filing and provide a copy of the request to the revoking owner. This statement must be filed before either the composite return or the revoking owner's return is filed. Send to: Oregon Department of Revenue, PO Box 14999, Salem OR 97309.

### **Revoking owner instructions**

The revoking owner must attach a copy of the transfer request to the revoking owner's tax return. A separate return filed by a revoking owner is treated as an original return and the tax liability shown on the return, if any, will be subject to penalty and interest. If the revoking owner does not have adequate estimated tax payments on account, the revoking owner will be subject to interest on underpayment of estimated tax.

## Amending the composite return

The PTE may file an amended return to adjust any item reported on the original composite filing or to carry back Oregon net operating losses. File Form OC for the year

that is being adjusted or the year to which the loss is being carried and check the "Amending" box in the header. File a schedule with the amended return that reconciles prior payments and refunds to the corrected tax. For corporate excise and income tax purposes, net operating losses may only be carried forward.

**Net operating loss carryback for individual income tax purposes only.** Attach a schedule to the amended return naming the owners and showing the year and calculation of the net operating loss.

When you file the amended return, you must remit payment along with a Form 40-V, *Oregon Income Tax Payment Voucher* for individual owners, Form 20-V, *Oregon Corporation Tax Payment Voucher* for corporate owners, or Form 41-V, *Oregon Fiduciary Payment Voucher* for estates and trusts, for each amount shown in each column; a, b, c, or d separately.

Any refund will be paid to the PTE regardless of any ownership changes or changes in the identity of the owners participating in the composite filing.

**Note:** A PTE may receive more than one refund check from one composite filing depending on whether the owners are corporate, individual, estates, or trusts.

## Instructions for electing owners who have other Oregon-source income

Electing owners who have additional income from Oregon sources or who are doing business in Oregon are required to file their own tax return in addition to the composite return. Nonresident individual owners will file on Form 40N, *Oregon Individual Income Tax Return for Nonresidents*. Corporate owners will file on Form 20, *Oregon Corporation Excise Tax Return* or Form 20-I, *Oregon Corporation Income Tax Return*. Estate and trust owners will file on Form 41, *Oregon Fiduciary Income Tax Return*. Download these forms from our website, [www.oregon.gov/DOR](http://www.oregon.gov/DOR). Or, contact us to order them. See page 14.

An adjustment will need to be made on the electing owner's tax return to reflect the tax paid on the owner's share of Oregon-source distributive income with the *Oregon Composite Return*.

**For personal income taxpayers,** include the total distributive income (from the K-1 received from the PTE) in the federal column of Form 40N, line 18F. Include the total Oregon-source distributive income [from Schedule OC1, column (d)] in the Oregon column of Form 40N, line 18S. Subtract the amounts related to the PTE that are shown on Form 40N, lines 18F and 18S from both the federal and Oregon columns of Form 40N, lines 37F and 37S. Identify the subtraction using numeric code 341.

**For corporate taxpayers,** enter the "net tax" amount from Schedule OC2, column (g) of the electing owner's line on Form 20, line 17 or Form 20-I, line 18 for the adjustment related to the tax paid on the income from the PTE.

## **Instructions for Oregon Affidavit**

If the owner of the PTE chooses not to join in the filing of a composite return, the PTE must withhold tax from the non-electing owner's Oregon-source distributive income if the non-electing owner does not meet an exception or file an Oregon Affidavit. To be exempt from the withholding requirement, the non-electing owner must file an Oregon Affidavit with the department as soon as it is known that the owner will receive Oregon-source distributive income from the PTE. The non-electing owner must provide a copy of a completed Oregon Affidavit to the PTE so the PTE will not withhold tax on the Oregon-source distributive income. See page 8.

The non-electing owner must file the affidavit before receiving any distribution from the PTE to the non-electing owner. The affidavit is valid until it is replaced by a subsequent filing due to changes in the ownership of the PTE, or any change of information relating to the non-electing owner. A new affidavit must be filed each time there is such a change.

### **Revoking an affidavit**

To revoke a previously filed affidavit, send a copy of the original affidavit with the revocation section completed to the department and the PTE. See page 8.

Form 150-101-175, *Oregon Affidavit for a Nonresident Owner in a Pass-Through Entity*,

is available for download on our website, [www.oregon.gov/DOR](http://www.oregon.gov/DOR).

Click on "Tax Forms," and then "Personal Income."



Oregon Department of Revenue  
**Composite Return Tax Calculation For Individual Owners**

**Schedule OC1**

Name of Pass-Through Entity (PTE)		Federal Employer Identification Number (FEIN)
Name and Telephone Number of Person Preparing This Schedule	Entity Year End	Oregon Business Identification Number (BIN)

**Total number of owners included in this group return: \_\_\_\_\_**

**Electing Nonresident Member Information**

Nonresident Member Name	Social Security Number	(a) Filing Status	(b) Ownership Percentage	(c) Share of Federal Income	(d) Share of Oregon-source Distributive Income	(e) Oregon Income Tax	(f) Credit for Income Taxes Paid to VA, IN, AZ	(g) Net Oregon Income Tax	(h) Share of Estimated Tax Paid	(i) Interest on Underpayment of Tax
1.										
2.										
3.										
4.										
5.										
6.										
7.										
8.										
9.										
10.										
11.										
12.										
13.										
14.										
15.										
16.										
17.										
18.										
19.										
20.										

21. Total for each column (g), (h), and (i)

**Attach this schedule to your Form OC, Oregon Composite Return.**  
*Make copies of this page for additional nonresident owners electing to join the composite filing.*  
*If using more than one page, total all pages on line 21 of the first page.*

Oregon Department of Revenue  
**Composite Return Tax Calculation for Owners that are C Corporations**

**Schedule OC2**

Name of Pass-Through Entity (PTE)		Federal Employer Identification Number (FEIN)		
Name and Telephone Number of Person Preparing This Schedule	Entity Year End	Oregon Business Identification Number (BIN)		

Electing Nonresident Member Information

Corporation Name	FEIN	(a) Tax Type (E or I)	(b) Ownership Percentage	(c) Share of Federal Income	(d) Share of Oregon-source Distributive Income	(e) Oregon Excise or Income Tax	(f) One-time Small Sales Credit 67%	(g) Net Tax	(h) Share of Estimated Tax Paid	(i) Interest on Underpayment of Tax
1.										
2.										
3.										
4.										
5.										
6.										
7.										
8.										
9.										
10.										
11.										
12.										
13.										
14.										
15.										
16.										
17.										
18.										
19.										
20.										

21. Total for each column (g), (h), and (i)

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**Attach this schedule to your Form OC, Oregon Composite Return.**

*Make copies of this page for additional nonresident owners electing to join the composite filing.*

*If using more than one page, total all pages on line 21 of the first page.*

**OREGON COMPOSITE**  
**RETURN 2007**

For office use only			
F	B	E	T

Use this form for qualified electing nonresident individuals and corporate owners who are subject to personal income or corporate income or excise tax. For owners of the pass-through entity who are estates or trusts, complete page 2. Complete this return in blue or black ink only.

Name of Pass-Through Entity		Oregon Business Identification Number (BIN)	
Number and Street	PO Box	Federal Employer Identification Number (FEIN)	
City or Town	State	Zip Code	
Type of PTE Filing This Return (Check Box): <input type="checkbox"/> S Corporation <input type="checkbox"/> Partnership <input type="checkbox"/> LLC <input type="checkbox"/> Trust <input type="checkbox"/> LLP		If Amending, Check Here <input checked="" type="checkbox"/> <input type="checkbox"/>	If Extension Was Filed, Check Here <input checked="" type="checkbox"/> <input type="checkbox"/>
Number of Owners Included in This Composite Return That Are: Individuals _____ C Corporations _____ Estates _____ Trusts _____			Fiscal Year End:

	Individual Income Tax	Corporate Income or Excise Tax
1. Net tax [from Schedule OC1 or OC2, column 21 (g)]..... • 1a	1a	1b
2. Estimated tax paid [from Schedule OC1 or OC2, column 21(h)] or amount paid with extension (if any)..... • 2a	2a	2b
3. Overpayment. Is line 1 less than line 2? If so, line 2 minus line 1 ..... • 3a	3a	3b
4. Tax to Pay. Is line 1 more than line 2? If so, line 1 minus line 2 ..... • 4a	4a	4b
5. Penalty and interest. (See instructions, page 5) ..... 5a	5a	5b
6. Interest on underpayment of estimated tax [Schedule OC1 or OC2, column 21(i)] ..... • 6a	6a	6b
7. Amount you owe. Add lines 4 through 6. This is the amount you owe ..... 7a	7a	7b
8. Balance due. Is line 7 more than line 3? If so, line 7 minus line 3 ..... 8a	8a	8b
9. Refund. Is line 3 more than line 7? If so, line 3 minus line 7 ..... 9a	9a	9b
10. Fill in the part of line 9 you want applied to your 2008 estimated tax ..... • 10a	10a	10b
11. Net refund. Line 9 minus line 10. This is your net refund ..... 11a	11a	11b

Under penalty of false swearing, I declare that the information in this return and any attachments is true, correct, and complete.		
<b>SIGN HERE</b> Keep a copy of this return for your tax records	Signature of General Partner, LLC Member, or Officer  X Title	Date
	Paid Preparer's Signature  X	Telephone (     )
	Preparer's Name and Address	Date
		Preparer License Number ●

**Make check or money order payable to:** Oregon Department of Revenue

Write the pass-through entity's FEIN or BIN and "2007 Oregon Form OC" on your payment.

**Mail to: Refund or No Tax Due**  
**Oregon Department of Revenue**  
**PO Box 14700**  
**Salem OR 97309-0930**

**Tax to Pay**  
**Oregon Department of Revenue**  
**PO Box 14555**  
**Salem OR 97309-0940**

# OREGON COMPOSITE RETURN 2007

Name of Pass-Through Entity	Oregon Business Identification Number (BIN)
-----------------------------	---------------------------------------------

	Estates	Trusts
1. Net tax [from Schedule OC1, column 21 (g)] ..... 1c		1d
2. Estimated tax paid [from Schedule OC1, column 21(h)] and amount paid with extension (if any).....2c		2d
3. <b>Overpayment.</b> Is line 1 <b>less</b> than line 2? If so, line 2 minus line 1 .....3c		3d
4. <b>Tax to Pay.</b> Is line 1 <b>more</b> than line 2? If so, line 1 minus line 2 .....4c		4d
5. Penalty and interest. (See instructions, page 4).....5c		5d
6. <b>Amount you owe.</b> Add lines 4 and 5. This is the amount you owe .....6c		6d
7. <b>Balance due.</b> Is line 6 <b>more</b> than line 3? If so, line 6 minus line 3.....7c		7d
8. <b>Refund.</b> Is line 3 <b>more</b> than line 6? If so, line 3 minus line 6.....8c		8d
9. Fill in the part of line 8 you want applied to your <b>2008</b> estimated tax .....9c		9d
10. <b>Net refund.</b> Line 8 minus line 9. This is your net refund..... 10c		10d

Note: You do not need to file page 2 of Form OC if there are no electing owners that are estates or trusts. Remember, Grantor Trusts are entered in the individual column on page one of Form OC.

Tax Year

## Oregon Composite Return Payment Transfer Request for Transfers from Pass-Through Entity to Non-electing Owner

For Office Use Only
Date Received

Use this form for nonresident owners when tax payments need to be transferred from the entity to the owners because the owners are not joining in the composite filing and estimated taxes have already been paid in the pass-through entity's name.

Name of Pass-through Entity			Federal Employer Identification Number (FEIN)
Number and Street	PO Box		Oregon Business Identification Number (BIN)
City or Town	State	ZIP Code	Office Use Only

Note: It takes 8-12 weeks to process your request to move tax payments from one account to another.

Individual Name (Last, First)	SSN/FEIN or BIN	Address, City, State, ZIP Code	Total Estimated Payments to Transfer
1.			\$
2.			\$
3.			\$
4.			\$
5.			\$
6.			\$
7.			\$
8.			\$
9.			\$
10.			\$
11.			\$
12.			\$
13.			\$
14.			\$
15.			\$
16.			\$
17.			\$
18.			\$
19.			\$
20.			\$
21.			\$
22.			\$
23.			\$
24.			\$
25.			\$

Under penalties for false swearing, I certify that I am authorized to request transfer of estimated tax payments from the above-named pass-through entity's tax account to the tax accounts listed above.

**SIGN  
 HERE**  
 Keep a copy  
 of this return  
 for your tax  
 records

Signature of General Partner, LLC Member, or Officer <b>X</b>	Date
Title	Telephone (      )
Paid Preparer's Signature <b>X</b>	Date
Preparer's Name and Address	Preparer License Number

# Taxpayer assistance

## Printed information (free)

Income tax booklets are available at many post offices, banks, and libraries. For booklets and other forms and publications, you can also access our website, order by telephone, or return the form below.



Check individual boxes to order. Complete name and address section. Clip on the dotted line, then mail the entire list to the address below.

### Forms and instructions

- Forms 40P & 40N, *Part-Year & Nonresident* ..... 150-101-045
- Form 40-EXT, *Oregon Automatic Extension and Payment Voucher* ..... 150-101-165
- Form 40-V, *Oregon Income Tax Payment Voucher* ..... 150-101-172
- Form 41-V, *Oregon Fiduciary Tax Payment Voucher* ..... 150-101-173
- Form 41-ESV, *Oregon Individual Estimated Tax Payment Voucher* ..... 150-101-026
- Form 20, *Corporation Excise Tax* ..... 150-102-020
- Form 20-I, *Corporation Income Tax* ..... 150-102-021
- Form 20-V, *Oregon Corporation Tax Payment Voucher* ..... 150-102-172
- Estimated Income Tax Payment Instructions and Vouchers* ..... 150-101-026/-2
- Form 10, *Underpayment of Oregon Estimated Tax* ..... 150-101-031
- Form 37, *Underpayment of Corporation Estimated Tax* ..... 150-102-037
- Form 65, *Partnership Return of Income* ..... 150-101-065

### Publications

- 2-D Barcode Filing for Oregon* ..... 150-101-631
- Audits: What To Do if You Are Audited* ..... 150-101-607
- Computing Interest on Tax You Owe* ..... 150-800-691
- Credit for Income Taxes Paid to Another State* ..... 150-101-646
- Divorce and Taxes* ..... 150-101-629
- Electronic Filing for Oregon* ..... 150-101-630
- Estimated Income Tax* ..... 150-101-648
- Income Tax Filing Extension* ..... 150-101-660
- Record-Keeping Requirements* ..... 150-101-608
- Your Rights as an Oregon Taxpayer* ..... 150-800-406
- List of other printed information:  
*Form and Publication Order* ..... 150-800-390

**Send to: Forms, Oregon Department of Revenue  
PO Box 14999, Salem OR 97309-0990**

### Please print

Name \_\_\_\_\_  
Address \_\_\_\_\_  
City \_\_\_\_\_  
State \_\_\_\_\_ ZIP Code \_\_\_\_\_

## Internet

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

### Check your refund at [www.oregonrefund.com](http://www.oregonrefund.com)



- Download forms and publications
- Get up-to-date tax information
- E-mail: [questions.dor@state.or.us](mailto:questions.dor@state.or.us)

*This e-mail address is not secure. Do not send any personal information. General questions only.*

## Questions?

### Write

Oregon Department of Revenue,  
955 Center St NE, Salem OR 97301-2555.  
Include your Social Security number and a daytime telephone number for faster service.



### Telephone

**Salem area or outside Oregon** ..... 503-378-4988  
**Toll-free from an Oregon prefix** ..... 1-800-356-4222

Call one of the numbers above to:

- Check on the status of your 2007 personal income tax refund.
- Order tax forms.
- Hear recorded tax information.
- Speak with a representative.



Monday through Friday ..... 7:30 a.m.–5:00 p.m.  
*Closed Thursdays from 9:00 a.m.–11:00 a.m. Closed on holidays.*

*Extended hours during tax season (wait times may vary):*

April 1–April 15, Monday–Friday ..... 7:00 a.m.–7:00 p.m.  
Saturday, April 12 ..... 9:00 a.m.–3:00 p.m.

### Asistencia en español:

En Salem o fuera de Oregon ..... 503-378-4988  
Gratis de prefijo de Oregon ..... 1-800-356-4222

### TTY (hearing or speech impaired; machine only):

Salem area or outside Oregon ..... 503-945-8617  
Toll-free from an Oregon prefix ..... 1-800-886-7204

**Americans with Disabilities Act (ADA):** Call one of the help numbers for information in alternative formats.

## Field offices

Visit a field office to get forms and assistance. **Do not send your return to these addresses.**

- Bend** 951 SW Simpson Avenue, Suite 100
- Eugene** 1600 Valley River Drive, Suite 310
- Gresham** 1550 NW Eastman Parkway, Suite 220
- Lake Oswego** 6405 SW Rosewood Street, Suite A
- Medford** 3613 Aviation Way, #102
- Newport** 119 NE 4th Street, Suite 4
- North Bend** 3030 Broadway
- Pendleton** 700 SE Emigrant, Suite 310
- Portland** 800 NE Oregon Street, Suite 505
- Salem** Revenue Building, 955 Center Street NE, Room 135
- Salem** 4275 Commercial Street SE, Suite 180