

## COMBINED REPORT FORM FOR CORPORATIONS MULTNOMAH COUNTY BUSINESS INCOME TAX

# CITY OF PORTLAND BUSINESS LICENSE



**FORM** C-2006

Taxable Year \_\_\_/\_\_\_ to \_\_\_\_/\_\_\_ to \_\_\_\_/\_\_\_ DUE DATE:  $15^{th}$  day of the  $4^{th}$  month following the taxable year end (April 16 for calendar year filers)

Name/Address:	Account #:
	Amended Return?  Ceased Portland/Multnomah Business? (attach explanation) FEIN #
Please if address change:	Federal Business Code
Please notify Bureau if your business location changes	Attach Oregon Form 20
CORPORATION	
<ol> <li>Net Income or (Loss)</li> <li>Multnomah County Business Income Tax add back</li> </ol>	<del></del>
<ol> <li>Multnomah County Business Income Tax add back</li> <li>Compensation (# of controlling shareholders)</li> </ol>	<del></del>
4. Other additions or subtractions	
5. Adjusted Net Income (total lines 1, 2, 3 and 4)	
6. Compensation Allowance Deduction (see instructions)	(
7. Subject Net Income (line 5 minus line 6)	\
Multnomah County Business Income Tax	Average Sum of Multnomah Employees in 2006
8. County Gross Income =	_=
Total Gross Income	
9. County Apportioned Net Income (line 7 x line 8)	
10. Net Operating Loss Deduction (max 75% of line 9)	()
11. Income Subject to Tax (line 9 minus line 10)	
12. Tax (line 11 x tax rate of 1.45%)	<del></del>
13. Prepayments	()
14. Penalty	<del></del>
<ul><li>15. Interest</li><li>16. Balance Due or (Overpayment)</li></ul>	
TO DATABLE DUE OF COMEDAVIDEUD	
17. Refund Credit Transi	Fer to Portland
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17. Refund Credit Transf  City of Portland Business License Fee	Per to Portland  Average Sum of Portland Employees in 2006
17. Refund Credit Transf  City of Portland Business License Fee  18. Portland Gross Income =	
17. Refund Credit Transf  City of Portland Business License Fee  18. Portland Gross Income = Total Gross Income	
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The Revenue Bureau administers both the City of Portland Business License Program and the Multnomah County Business Income Tax Program. Request further information or forms as needed from the Bureau at 111 SW Columbia, Suite #600, Portland, OR 97201-5840 or go to www.portlandonline.com/licenses.

#### INSTRUCTIONS FOR CORPORATION RETURN - 2006 (S-CORPORATIONS SHOULD FILE FORM SC-2006)

Note: Please enter your business code below your FEIN. This code is on line 2a of Schedule K from page 3 of federal Form 1120.

- 1. Net Income is income reported to the State of Oregon before allocations and apportionment. Enter the figure from line 13 of the Oregon Form 20 (Excise Tax) or line 15 of the Oregon Form 20-I (Income Tax).
- 2. Add back Multnomah County business income taxes, and other income taxes, deducted to arrive at net income (line 1).
- 3. Add any compensation paid to controlling shareholders (individuals or families who together hold more than 5% of the stock). This includes wages, commissions, salaries (current and deferred), and interest. Enter the number of controlling shareholders.
- 4. Other additions or subtractions to net income may include partnership pass-throughs from partnerships already licensed by Portland or taxed by Multnomah County. A subtraction is allowed FOR COUNTY PURPOSES ONLY for Federal obligation interest taxed in Oregon. A schedule must be attached.
- 6. A deduction for compensation is allowed but cannot exceed the lesser of compensation paid (line 3), 75% of income (line 5), or \$61,500 per controlling shareholder. No deduction is allowed if line 5 is a loss.

#### Apportionment (line 8 and line 18) Multiple factor apportionment methods are not allowed.

Gross income includes all income (gross receipts, service income, interest, dividends, income from contractual agreements, gross rentals and gains on sale of business property) from activity within the City or County. With few exceptions, income in the City is also in Multnomah County. Income may be apportioned only if there is regular business activity outside the City/County. Services performed outside the City/County may be apportioned based upon cost of performance outside the applicable jurisdiction. Sales of tangible personal property may be apportioned only if a business has payroll or property outside the jurisdiction.

#### MULTNOMAH COUNTY BUSINESS INCOME TAX

Multnomah Employees: Enter average sum of full-time and part-time employees working in Multnomah County during tax year.

- 8. County gross income includes income from all activity within the County (see apportionment instructions above). Enter the gross income within the County as the numerator of the fraction and gross income everywhere as the denominator of the fraction. Divide to determine the percentage of Subject Net Income to apportion to Multnomah County. Round apportionment percentages to six places (xx.xxxxx% or .xxxxxx).
- 10. Net Operating Losses (as previously reported on line 9 of prior Combined Report Forms) are allowed a maximum carryforward of five (5) years. The annual deduction cannot exceed 75% of the apportioned income for the current year.
- 13. Enter all prepayments (quarterly, extension payments and credit carried forward from prior years).
- 14. Enter all late and/or underpayment penalties that apply (see penalty calculation instructions below).
- 15. Interest on taxes not paid by the original due date (April 16 for calendar year taxpayers) is calculated at 10% per annum (.00833 x no. of months). Calculate interest from original due date to the 15th day of the month following the date of payment.
- 16. Total lines 12, 13, 14 and 15 to determine balance due or (overpayment) for Multnomah County Business Income Tax.
- 17. Identify overpayment for refund. Overpayments may offset underpayments between programs. Overpayments may also be credited forward.

#### **Penalty calculation** (line 14 and line 24)

A penalty of 10% (5% late penalty plus 5% underpayment penalty) of the fee/tax must be added if the report and fee/tax are filed and paid past the due date. An additional penalty of 20% of the fee/tax must be added if the report and fee/tax is more than four months past due. Any report and fee/tax which is delinquent three or more consecutive years accrues an additional 100% of the fee/tax as penalty. No late penalty is due if a timely extension is filed with the Bureau and a return is filed by the extended due date. No underpayment penalty is due if a timely prepayment is made which is at least 90% of the total tax on line 12 (County) and at least 90% of the fee on line 22 (City), or 100% of the prior year's tax or fee.

### CITY OF PORTLAND BUSINESS LICENSE FEE

Portland Employees: Enter average sum of full-time and part-time employees working in Portland during tax year.

- 18. Portland gross income includes income from all activity within Portland (see apportionment instructions above). Enter the gross income in Portland as the numerator of the fraction and gross income everywhere as the denominator of the fraction. Divide to determine the percentage of Subject Net Income to apportion to City of Portland. Round apportionment percentages to six places (xx.xxxx% or .xxxxxx).
- 20. Net Operating Losses (as previously reported on line 19 of prior Combined Report Forms) are allowed a maximum carryforward of five (5) years. The annual deduction cannot exceed 75% of the apportioned income for the current year.
- 22a. The fee paid with the original license application is an estimated fee which must be adjusted based upon the taxable income of the first license year. If you have not previously made application for a business license, please attach one. Line 22a is only computed for your first year of business or if you are reinstating your business license after a lapsed period. Enter the fee as calculated on line 22, minimum \$100.
- 22b. An additional temporary rate of .14% (.0014) for taxable year 2006 has been enacted to assist in the funding of schools. This fee is in addition to fees computed on line 22 and 22a.
- 23. Enter all prepayments (quarterly, extension payments, payments with application and credits from prior years and Disconnected Youth Credit).
- 24. Enter all late and/or underpayment penalties that apply (see penalty calculation instructions above).
- 25. Interest on fees not paid by the original due date (April 16 for calendar year taxpayers) is calculated at 10% per annum (.00833 x no. of months). Calculate interest from original due date to the 15th day of the month following the date of payment.
- 26. Total lines 22, 22a, 22b, 23, 24 and 25 to determine balance due or (overpayment) for the City of Portland Business License.
- 27. Overpayments may be refunded, credited forward or transferred between programs. You may also apply a portion or all of your overpayment as a donation to the "Work for Art" program.\* Transfers between programs occur as of the postmark date of request.
- **28. If payment is due, make check payable to City of Portland.** Also include <u>additional</u> Work for Art donations on this line. \*A donation to "Work for Art," a program of the Regional Arts & Culture Council, may be made by reducing your refund due or by paying an amount in addition to the combined amount due. Any designated donation is final. Go to www.workforart.org for additional information.