COMBINED REPORT FORM FOR INDIVIDUALS

MULTNOMAH COUNTY BUSINESS INCOME TAX
PORTLAND CITY BUSINESS LICENSE

Taxable Year 01/01/05 to 12/31/05

DUE DATE: 15th day of the 4th month following the taxable year end
(April 17 for calendar year filers)

Form SP-2005

Name/Mailing Address: _____ Account #: _____

Reset Form

Amended return? ☐
Final Return? ☐

Please ✔ if address change: ☐
Please notify Bureau if your business location changes

FEIN # _____
Business Code _____ see instructions)

SOLE PROPRIETORSHIP ☐ **1 MEMBER LLC** ☐ **(Check one)**

1. Net Income or (Loss) from Federal Schedule C $0 **(attach copy of Schedule C)**
2. Multnomah County Business Income Tax add back $0
3. Business Incomes from Schedule E, D, etc. (see instructions) $0 **(attach copy of Schedule(s))**
4. Total ½ SE tax and Oregon modifications ($0) 1
5. Adjusted Net Income (total lines 1,2,3 and 4) $0
6. Compensation allowance deduction (see instructions) ($0)
7. Subject Net Income (line 5 minus line 6) $0

Multnomah County Business Income Tax

8. County Gross Income = $1 = 100.0000%
   Total Gross Income $1
9. County Apportioned Net Income (line 7 x line 8) $0
10. Net Operating Loss Deduction (max 75% of line 9) ($0) *Enter as negative number*
11. Income subject to tax (line 9 minus line 10) $0
12. Tax (line 11 x tax rate of 1.45%) $0
13. Prepayments ($0) *Enter as negative number*
14. Penalty $0
15. Interest $0
16. Balance Due or (Overpayment) $0
17. Refund $0 Credit $0 To Portland Underpayment $0

City of Portland Business License Fee

18. Portland Gross Income = $1 = 100.0000%
    Total Gross Income $1
19. Portland Apportioned Net Income (line 7 x line 18) $0
20. Net Operating Loss Deduction (max 75% of line 19) ($0) *Enter as negative number*
21. Income subject to fee (line 19 minus line 20) $0
22. Fee (line 21 x rate of 2.2%) **MINIMUM $100** $100 Note: For 2005, temporary increase = 0%
    a. Application Year Adjustment Fee (see instructions) NO LONGER APPLICABLE
23. Prepayments (including Disconnected Youth Credit) ($0) *Enter as negative number*
24. Penalty $0
25. Interest $0
26. Balance Due or (Overpayment) $100
27. Refund $0 Credit $0 To Multnomah Underpayment $0

If you are not liable for a Portland License please push "Not Liable" button: Not Liable

28. **Combined amount due with report** (total lines 16 and 26) Check # _____ $100

Make check payable to City of Portland, 111 SW Columbia St. #600, Portland, OR 97201-5840.

The undersigned declares that the information given on this report is true. The undersigned is authorized to act as a representative of the filer.

Signature of Filer _____ **Filer's Daytime Telephone** _____

Signature of Preparer _____ **Date** _____

Preparer's Name/Address _____ **Telephone** _____

Revenue Bureau (503) 823-5157 **FAX (503) 823-5192** **TDD (503) 823-6868**

Rev. 12/13/05

The Revenue Bureau administers both the Portland City 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 St., Suite 600, Portland, OR 97201-5840 or access our Web site at http://www.portlandonline.com/licenses.

INSTRUCTIONS FOR SOLE PROPRIETORSHIP OR 1 MEMBER LLC RETURN - 2005

Note: Please enter your business code below your FEIN. You may find this code in Section B of your Schedule C. (Residential lessors limited to Schedule E and D enter a business code of 53111. Commercial lessors enter a business code of 53112.)

1. Net Income is income after deductions for business expenses. Enter the sum of net income amounts from the federal 1040 Schedule C line 31 or Schedule C-EZ line 3.
2. Add back Multnomah County business income taxes, and other income taxes, deducted to arrive at net income.
3. Enter the total income or (loss) from federal Schedule E line 26 (rental and royalty income). Gain and losses from sales of business assets (Schedule D), interest earned on installment contracts (Schedule B), and miscellaneous business incomes (from non-compete contracts, director fees, etc.) should also be included on this line.
4. Adjust for the following business expenses: Subtract ½ self-employment tax, qualified retirement plan payments and health care premium deductions (Form 1040 lines 27, 28 and 29) and add (or subtract) any Oregon modifications directly related to business activities.
6. A deduction of up to 75% of the total income (line 5) is allowed but cannot exceed $60,000 per owner. You may have two owners if both husband and wife materially participate in the business or if they jointly own rental property. 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. Round apportionment percentages to six places (xx.xxxx% or .xxxxxx).

MULTNOMAH COUNTY BUSINESS INCOME TAX

8. County gross income includes income from all activity within the County (see apportionment instructions above). Enter the total gross income within the County as the numerator of the fraction and total gross income everywhere as the denominator of the fraction. Divide to determine the percentage of Subject Net Income to apportion to Multnomah County.
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 15 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 through 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 delinquent penalty of 5% of the tax/fee is due if the report and tax/fee are filed or paid past the due date. An additional penalty of 20% of the tax/fee must be added if the report and tax/fee is 4 months or more past due. Any report and tax/fee, which is delinquent three or more consecutive years, accrues an additional 100% of the tax/fee as penalty. Underpayment penalties may also be due. No underpayment penalties are due if a timely prepayment is made which is at least 90% of the total tax due on line 12 (County) and at least 90% of the fee due on line 22 (City), or 100% of the prior year's tax and fee.

CITY OF PORTLAND BUSINESS LICENSE FEE

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 amount of business activity apportionable to City of Portland.
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.
22. The minimum fee ($100) is not refundable once a license has been issued.

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. Please note that no "temporary increase" is due for tax year 2005.

23. Enter all prepayments (quarterly, extension payments, payments with application, credit carried forward from prior years and Disconnected Youth Credit).
24. Enter all late and/or underpayment penaltie s that apply (see penalty calculation instructions above).
25. Interest on fees not paid by the original due date (April 17 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, 23, 24 and 25 to determine balance due or (overpayment) for City of Portland Business License.
27. Identify overpayment for refund. Overpayments may offset underpayments between programs. Overpayments may also be credited forward.
28. **If payment is due, make check payable to City of Portland.**

ATTACH DETAIL SCHEDULES FOR NOL OR OTHER DEDUCTIONS