COMBINED REPORT FORM FOR PARTNERSHIPS
MULTNOMAH COUNTY BUSINESS INCOME TAX
PORTLAND CITY BUSINESS LICENSE

Taxable Year ____/____/____ to ____/____/____

DUE DATE: 15th day of the 4th month following the taxable year end

Form P-2004

Name/Address: Account #:

FEIN # _____

Please ✔ if address change: ☐ Mailing ☐Location

Business Code _____ (see instructions)

Attach form 1065 and Schedule K

PARTNERSHIP ☐, LP ☐, LLC ☐, LLP ☐, OTHER ☐ (Check one)

1. Ordinary Income or (Loss) _____
2. Multnomah County Business Income Tax add back _____
3. Schedule K (lines 2-3, 5-13) and Oregon modifications _____
4. Owner's compensation (# of partners_____) _____
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

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%) _____
13. Prepayments (_____)
14. Penalty _____
15. Interest _____
16. Balance Due or (Overpayment) _____
17. Refund _____ Credit _____ To Portland Underpayment_____

City of Portland Business License Fee

18. Portland Gross Income = _____ =_____. _____
    Total Gross Income
19. Portland Apportioned Net Income (line 7 x line 18) _____
20. Net Operating Loss Deduction (max 75% of line 19) (_____)
21. Income subject to fee (line 19 minus line 20) _____
22. Fee (line 21 x rate of 2.2%) **MINIMUM $100** _____
    a. Application Year Adjustment Fee (see instructions) NO LONGER APPLICABLE
    b. Temporary rate increase (line 21 X .4%--no minimum) _____
23. Prepayments (_____)
24. Penalty _____
25. Interest _____
26. Balance Due or (Overpayment) _____
27. Refund _____ Credit _____ To Multnomah Underpayment_____

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

Make check payable to City of Portland, 111 SW Columbia St, 6th Floor, 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 ( )** _____

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

Rev. 3/15/05

The Bureau of Licenses 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, 6th Floor, Portland, OR 97201-5840 or access our Web site at www.pdxbl.org.

INSTRUCTIONS FOR PARTNERSHIP, LP, LLC, LLP, JOINT VENTURE OR TENANTS IN COMMON/ENTIRETY RETURN - 2004

Note: Please enter your business code below your FEIN. You may find this code in Section C of page 1 of federal form 1065.

1. Ordinary income is income before distribution to partners, on federal form 1065, line 22. If a joint venture or tenants in common elect to not file as partnership, please combine individual net incomes from the joint venture or rental activities on line 1.
2. Add back Multnomah County business income taxes, and other income taxes, deducted to arrive at net income (line 1).
3. Add (subtract) Schedule K lines 2-3 and 5-13. Also add (subtract) any Oregon modifications related to business and other pass-through income (loss) by entities already licensed/taxed by Portland/Multnomah County.
4. Add all compensation (guaranteed payments, interest, wages and salary) paid to partners. Enter number of general partners and limited partners paid compensation and/or interest. ***Members of LLCs shall be deemed general or limited partners by Bureau written policy (available by contacting the Audit Section of the Bureau of Licenses).***
6. A deduction of up to 75% of the total income (line 5) is allowed but cannot exceed $57,500 per partner listed on line 4. General partners who are owners of capital in a limited partnership are allowed this deduction regardless of direct compensation paid. However, deductions for limited partners cannot exceed limited partner compensation included on line 4. 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

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.xxxx% 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 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, 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 delinquent penalty of 5% of the fee/tax must be added if the report and fee/tax are filed past the due date. An additional penalty of 20% of the fee/tax must be added if the report and fee/tax is 4 months or more 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. 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 sum of the fees due on line 22 and 22b (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 percentage of Subject Net Income to apportion to 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.
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.

22b. An additional temporary rate of .4% (.004) for taxable year 2004 has been enacted to assist in the funding of schools. This fee is in addition to fees computed on lines 22 and 22a.

23. Enter all prepayments (quarterly, extension payments, payments with application and credit carried forward from prior years).
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 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.
26. Total lines 22, 22a, 22b, 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 DEDUCTIONS