



**COMBINED REPORT FORM FOR TRUSTS & ESTATES  
MULTNOMAH COUNTY BUSINESS INCOME TAX  
CITY OF PORTLAND BUSINESS LICENSE**

Taxable Year \_\_\_\_/\_\_\_\_/\_\_\_\_ to \_\_\_\_/\_\_\_\_/\_\_\_\_  
*DUE DATE: 15<sup>th</sup> day of the 4<sup>th</sup> month following the taxable year end  
(April 16 for calendar year filers)*



**FORM  
E-2006**

Name/Address: \_\_\_\_\_

Account #: \_\_\_\_\_

Amended Return?

Ceased Portland/Multnomah Business?  (attach explanation)

FEIN # \_\_\_\_\_

Federal Business Code \_\_\_\_\_

Please  if address change:

Please notify Bureau if your business location changes

**ESTATE AND TRUST**

- 1. Net Income or (Loss) before distribution \_\_\_\_\_
- 2. Multnomah County Business Income Tax add back \_\_\_\_\_
- 3. Total lines 1 and 2 \_\_\_\_\_
- 4. Other income and deductions \_\_\_\_\_
- 5. Subject Net Income (total lines 3 and 4) \_\_\_\_\_

**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 5 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 \_\_\_\_\_ Transfer to Portland \_\_\_\_\_

**City of Portland Business License Fee**

Average Sum of Portland Employees in 2006

- 18. Portland Gross Income = \_\_\_\_\_ = \_\_\_\_\_  
Total Gross Income
- 19. Portland Apportioned Net Income (line 5 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) \_\_\_\_\_
- b. Temporary Rate Increase (line 21 x .14% or .0014) \_\_\_\_\_
- 23. Prepayments (including Disconnected Youth Credit) (\_\_\_\_\_)
- 24. Penalty \_\_\_\_\_
- 25. Interest \_\_\_\_\_
- 26. Balance Due or (Overpayment) \_\_\_\_\_
- 27. Refund \_\_\_\_\_ Credit \_\_\_\_\_ Transfer to Multnomah \_\_\_\_\_

**Donation to "Work for Art" Program**

**28. Combined Amount Due with Report** (total lines 16 and 26) Check # \_\_\_\_\_

**Make check payable to City of Portland, 111 SW Columbia St, Suite #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. 02/06/07

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](http://www.portlandonline.com/licenses).

*Please use form SP-2006 for conservatorships, living trusts, and other revocable trusts that report income and expenses on an individual Form 1040.*

## INSTRUCTIONS FOR ESTATE OR TRUST RETURN - 2006

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

1. Enter the net business income from lines 3, 5 and 6 from the federal Form 1041.
2. Add back Multnomah County business income taxes, and other income taxes, deducted to arrive at net income (line 1).
4. Add (subtract) any applicable business income (loss) from lines 1, 2a, 4, 7 and 8 from federal Form 1041. Subtract business expenses directly related to the business income. Attach schedule.
5. Total lines 3 and 4 to determine subject net income.

### **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.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 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 additional 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](http://www.workforart.org) for additional information.

**ATTACH DETAILED SCHEDULES FOR NOL DEDUCTIONS OR OTHER DEDUCTIONS FROM INCOME**