

**COMBINED TAX RETURN
FOR PARTNERSHIPS**

FORM P-2020



Multnomah County
Business Income Tax
City of Portland
Business License Tax



**DUE DATE: 15th day of 4th
month after taxable year end**
(Calendar Year Filers: 4/15/2021)

TAX YEAR

From: _____ to _____

ACCOUNT #

FEIN

BZT-

FEDERAL EXTENSION

CEASED BUSINESS
(attach explanation)

AMENDED RETURN

OFFICIAL USE ONLY

NAME

NAICS

MAILING ADDRESS Check if changed

CITY

STATE/PROV

ZIP CODE

EXEMPTION

Exempt - Multnomah County Only Exempt - City of Portland Only Exempt - Both Jurisdictions

Total Gross Business Income: If over \$50,000 attach statement with explanation

PART I - BUSINESS INCOME

Attach Federal Form 1065 & Form 8825, if applicable.

For lines 1 through 5 below, the same number will generally be entered in both columns.

Multnomah County

City of Portland

1. Ordinary Income or (Loss)	1M	<input type="text"/>	1P	<input type="text"/>
2. Taxes Based On or Measured by Net Income Add-Back	2M	<input type="text"/>	2P	<input type="text"/>
3. Schedule K (lines 2-3, 5-13) and Oregon modifications on Form 65	3M	<input type="text"/>	3P	<input type="text"/>
4. Owner's Compensation Add-Back	4M	<input type="text"/>	4P	<input type="text"/>
(# GPs: _____, # LPs w/comp paid: _____, Total paid to LPs: _____)				
5. Adjusted Net Income (sum of lines 1 through 4)	5M	<input type="text"/>	5P	<input type="text"/>
6. Owner's Compensation Deduction (see instructions) <i>Enter as negative sum</i> →	6M	(<input type="text"/>)	6P	(<input type="text"/>)
7. Subject Net Income (line 5 minus line 6)	7M	<input type="text"/>	7P	<input type="text"/>

(Carry the amount from line 7P to the second page of the form.)

PART II - MULTNOMAH COUNTY BUSINESS INCOME TAX

8a. Multnomah County Gross Income	8a	<input type="text"/>
8b. Total Gross Income	8b	<input type="text"/>
8c. Apportionment Percentage (line 8a/8b, cannot be more than 1.0)	8c	<input type="text"/>
9. Multnomah County Apportioned Net Income (line 7M x line 8c)	9	<input type="text"/>
10. Net Operating Loss Deduction (max 75% of line 9) <i>Enter as negative sum</i> →	10	(<input type="text"/>)
11. Income Subject to Tax (line 9 minus line 10)	11	<input type="text"/>
12. Multnomah County Business Income Tax (line 11 x 2%) MINIMUM \$100	12	<input type="text"/>
13. Prepayments <i>Enter as negative sum</i> →	13	(<input type="text"/>)
13a. Business Retention Credit <i>Enter as negative sum</i> →	13a	(<input type="text"/>)
14. Penalty	14	<input type="text"/>
15. Interest	15	<input type="text"/>
16. Balance Due or (Overpayment)	16	<input type="text"/>
17. Reserved		

Enter the amount from line 7P on page 1 of the form here: 7P

PART III - CITY OF PORTLAND BUSINESS LICENSE TAX

Owners of residential property in Portland must attach Schedule R.

18a. Portland Gross Income.....	18a	<input type="text"/>	
18b. Total Gross Income	18b	<input type="text"/>	
18c. Apportionment Percentage (line 18a/18b, cannot be more than 1.0)	18c		<input type="text"/>
19. Portland Apportioned Net Income (line 7P x line 18c)	19		<input type="text"/>
20. Net Operating Loss Deduction (max 75% of line 19)	20	Enter as negative sum →	(<input type="text"/>)
21. Income Subject to Tax (line 19 minus line 20)	21		<input type="text"/>
22. City of Portland Business License Tax (line 21 x tax rate of 2.6%) MINIMUM \$100	22		<input type="text"/>
22a. Heavy Vehicle Use Tax (HVT) (see HVT Schedule)	22a		<input type="text"/>
22b. Reserved			
22c. Residential Rental Registration Fee (see Schedule R)	22c		<input type="text"/>
22d. Clean Energy Surcharge (reported separately on Form CES, see instructions)			
23. Prepayments	23	Enter as negative sum →	(<input type="text"/>)
23a. Business Retention Credit	23a	Enter as negative sum →	(<input type="text"/>)
24. Penalty	24		<input type="text"/>
25. Interest	25		<input type="text"/>
26. Balance Due or (Overpayment)	26		<input type="text"/>

PART IV - TAX DUE / REFUND

27. If the sum of line 16 and line 26 is negative, this is the amount you overpaid	27		(<input type="text"/>)
27a. Amount from line 27 you want refunded to you	27a	(<input type="text"/>)	
For direct deposit of your refund, file your tax return online at Pro.Portland.gov.			
27b. Amount from line 27 you want applied to tax year 2021	27b	(<input type="text"/>)	
28. If the sum of line 16 and line 26 is positive, this is the amount you owe	28		<input type="text"/>
Make check payable to City of Portland. Check # _____			

PART V - SIGNATURE

The undersigned declares that the information given on this report is true. The undersigned is authorized to act as a representative of the filer. Filers of incomplete returns may be subject to civil penalties of up to \$500.

Signature of Taxfiler _____ Date _____

Taxfiler Email _____ Taxfiler Phone Number () _____

Signature of Preparer _____ Date _____

Preparer's Name _____ Preparer Phone Number () _____

Mail completed tax return (with supporting tax pages and payment, if applicable) to:

Revenue Division
111 SW Columbia St. Suite 600
Portland, OR 97201-5840

Phone (503) 823-5157 FAX (503) 823-5192 TDD (503) 823-6868

P-2020 GENERAL INFORMATION (PARTNERSHIPS)

Reminder: Be sure to include the following federal tax pages (and statements), Oregon Form 65 (with statements, if any Oregon modifications are claimed) and Portland Schedules with your P-2020 Combined Tax Return (CTR):

- Federal Form 1065 (pages 1 through 5) with statements
- Form 8825 and statements (if filed)
- Form 4797 and statements (if filed)
- Oregon Form OR-65 with schedules, if any Oregon modifications are claimed on the P-2020
- HVT Schedule, if required (Portland form)
- Schedule R, if required (Portland form)

Tenant-in-Common (TIC) arrangements and other joint ventures are no longer allowable filing methods. Starting with tax year 2020, the business income from these activities will be required to be reported to the Revenue Division at the owner level only.

COMBINED TAX RETURN FILING INSTRUCTIONS

Note: In general, lines 1 through 7 should be the same for both columns (M and P).

Line 1M/1P. Ordinary Income or (Loss). Ordinary income is income before distribution to partners. Enter the amount from federal Form 1065, line 22.

Line 2M/2P. Taxes Based on or Measured by Net Income Add Back. Add back City of Portland Business License Tax, Multnomah County Business Income Tax, and other taxes based on or measured by net income that have been deducted to arrive at the net income reported on line 1M/1P. Both columns should include the total tax.

Line 3M/3P. Schedule K (lines 2-3, 5-13) and Oregon Modifications on Form 65. Enter the total of the amounts from Schedule K lines 2-3 and 5-13. Add or subtract any Oregon modifications related to business income. Subtract any other pass-through income (or add any loss) from entities already taxed by Portland and/or Multnomah County. **Attach a schedule for these modifications.**

No deduction is allowed for owner health insurance or IRC 743 adjustments (related to an IRC 754 election).

Line 4M/4P. Owner's Compensation Add-Back. Enter the total number of:

- General Partners (GPs),
- Limited Partners (LPs) paid compensation and/or interest, and
- The total amount of compensation and interest paid to these LPs.

Enter all compensation (guaranteed payments, interest, wages, and salary) paid to all partners (GPs and LPs).

Members of LLCs shall be deemed General or Limited Partners per *Business Tax Policy (BTP): Limited Liability Company and Limited Liability Partnership Owner's Compensation Deduction*.

Line 6M/6P. Owner's Compensation Deduction. A deduction of up to 75% of the adjusted net income (line 5M/5P) is allowed for GPs but can't exceed \$127,000 for the County and \$129,000 for Portland per GP listed on line 4.

GPs who are owners of capital in a Limited Partnership are allowed this deduction, regardless of direct compensation paid.

Deductions for LPs are limited to the lesser of:

- LP compensation included on line 4M/4P per partner,
- \$127,000 for the County and \$129,000 for the City (per LP), or
- 75% of the total income reported on line 5M/5P.

No deduction is allowed if line 5M/5P is a loss.

APPORTIONMENT

For each jurisdiction, gross income includes all business income including, but not limited to, gross receipts, service income, interest, dividends, income from contractual agreements, gross rents, and gains on sale of business property.

With a few exceptions, income earned in Portland is also earned in Multnomah County. Income may be apportioned only if there is regular business activity outside Portland and/or Multnomah County. Services performed outside Portland and/or Multnomah County may be apportioned based upon the percentage of performance outside the applicable jurisdiction. Sales of tangible personal property may be apportioned only if a business has payroll or property outside the jurisdictions.

MULTNOMAH COUNTY BUSINESS INCOME TAX

Line 8a. County Gross Income. Multnomah County gross income includes income from all business activity within Multnomah County (see Apportionment instructions above).

Line 8b. Total Gross Income. Total gross income includes income from all business activity everywhere, as reported on your federal Form 1065.

Line 8c. Apportionment Percentage. Round to 6 decimal places. This line can't be more than 1.0.

Line 10. Net Operating Loss Deduction. Enter your net operating loss (NOL) from previous years as a negative number here. NOLs are allowed only if reported on prior CTRs. This line can't be greater than 75% of line 9. Any unused NOL may only be carried forward for five years.

Line 13. Prepayments. Enter the total amount of prepayments as a negative number here. This includes all

quarterly payments, any extension payment made, and any credit carryforward from prior years.

Line 13a. Business Retention Credit. Enter the amount of Business Retention Credit being claimed on the tax return as a negative number here. Please attach Form BRC showing your calculations.

Line 14. Penalty. Enter all late and/or underpayment penalties that apply (see instructions below).

Line 15. Interest. Enter any interest due on taxes not paid by the original due date (see instructions below).

Line 16. Balance Due or (Overpayment). Add lines 12 through 15 to determine if a balance due or an overpayment exists for your Multnomah County Business Income Tax.

Line 17. Reserved.

CITY OF PORTLAND BUSINESS LICENSE TAX

Line 18a. Portland Gross Income. Portland gross income includes income from all business activity within Portland (see Apportionment instructions above).

Line 18b. Total Gross Income. Total gross income includes income from all business activity everywhere, as reported on your federal Form 1065.

Line 18c. Apportionment Percentage. Round to 6 decimal places. This line can't be more than 1.0.

Line 20. Net Operating Loss Deduction. Enter your NOL from previous years as a negative number here. NOLs are allowed only if reported on prior CTRs. This line can't be greater than 75% of line 19. Any unused NOL may only be carried forward for five years.

Line 22a. Heavy Vehicle Use Tax (HVT). If you are subject to Portland's Heavy Vehicle Use Tax, enter the amount from line 4 of the HVT Schedule here.

Line 22c. Residential Rental Registration Fee. If you are subject to Portland's Residential Registration Fee, enter the amount due from the Schedule R here.

Line 22d. Clean Energy Surcharge. If you are subject to Portland's Clean Energy Surcharge, please file Form CES.

Line 23. Prepayments. Enter the total amount of prepayments as a negative number here. This includes all quarterly payments, any extension payment made, and any credit carryforward from prior years.

Line 23a. Business Retention Credit. Enter the amount of Business Retention Credit being claimed on the tax return as a negative number here. Please attach Form BRC showing your calculations.

Line 24. Penalty. Enter all late and/or underpayment penalties that apply (see instructions below).

Line 25. Interest. Enter any interest due on taxes not paid by the original due date (see instructions below).

Line 26. Balance Due or (Overpayment). Add line 22, line 22a, line 22c, line 23, line 24, and line 25 to determine if a balance due or an overpayment exists for your City of Portland Business License Tax.

TAX DUE / REFUND

Line 27. Overpayment. If the sum of lines 16 and 26 is negative, this is the amount you have overpaid. If you have an overpayment, you may choose to have the balance:

- Refunded to you, or
- Credited forward to the next tax year.

If no election for the overpayment is made on the return, the overpayment will be refunded to you.

Line 27a. Refund. Enter the amount you would like refunded to you on this line.

Line 27b. Credit Carryforward. Enter the amount of any overpayment you would like applied to tax year 2021 in this box.

Line 28. Combined Amount Due With Report. If the sum of line 16 and line 26 is positive, a balance is due.

Make your check payable to 'City of Portland.'

PENALTY CALCULATION

A penalty of 10% (5% late filing penalty plus 5% underpayment penalty) of the tax must be added if the CTR and tax are filed and paid past the due date. An additional penalty of 20% of the tax must be added if the CTR is more than four months past due. Any CTR which is delinquent for three or more consecutive years accrues an additional penalty of 100% of the tax.

No late filing penalty is due if a timely extension is filed with the Revenue Division and a return is filed by the extended due date.

No underpayment penalty is due if timely prepayments are made which are either:

- at least 90% of the total tax due on line 12 (County) and line 22 (Portland); or
- 100% of the prior year's tax for each jurisdiction.

INTEREST CALCULATION

Interest is calculated at 10% per annum (.00833 multiplied by the number of months). Calculate your interest from the original due date to the 15th day of the month following the date of the payment.