

**KEEP AND USE WHEN FILING
YOUR STATE AND FEDERAL TAXES**

2005



Multnomah County Personal Income Tax Return

Form MC TR 2005 and Instructions

Forms and instructions for residents (including part-year residents) of Multnomah County who are required to file a Multnomah County Personal Income Tax Return.

The filing deadline for this return is Monday, April 17, 2006.

Quick Instructions are on the back of Form MC TR (insert).



**MULTNOMAH
COUNTY**

P.O. Box 279
Portland, OR 97207-0279

111 SW Columbia, Suite 600
Portland OR 97201

(503) 988-ITAX (4829)
TDD: (503) 823-6868
www.multcotax.org

How to ensure your return is processed correctly:

- Type or clearly print your name, address, telephone number, and Social Security number on the return.
- Double-check your math calculations and other figures, including your Social Security number.
- Sign your return (both spouses must sign a joint return).
- Attach Form(s) W-2 to the front of the return if Multnomah County Personal Income Tax was withheld. Do not attach W-2s if no Multnomah County Personal Income Tax was withheld.
- Attach Form 1099-R if you are claiming a PERS or federal retirement exemption.
- Mail your return and any payments in a stamped envelope to:

Multnomah County – ITAX
PO Box 279
Portland, OR 97207-0279

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IMPORTANT INFORMATION — PLEASE READ BEFORE FILING

➤ **Separate Multnomah County Income Tax Return is Required**

The Multnomah County Personal Income Tax requires you to prepare and file a separate tax return in addition to your federal and state tax return. No statement or billing will be sent to you unless you fail to file this required return. If you fail to file this return, you may be subject to penalties and interest in addition to the tax.

➤ **State of Oregon Tax Return**

You will need to complete your State of Oregon individual income tax return before completing the Form MC TR 2005 for Multnomah County. These are two separate tax returns. If you have an Oregon income tax refund it will not offset what you owe for Multnomah County.

➤ **Forms Available on Website**

The Multnomah County Personal Income Tax Return, Form MC TR 2005, is also available to be completed online at www.multcotax.org. You may fill out the tax return online and then print it out for filing. If you do not have Web access, use the Form inserted into this packet.

Direct Online Filing Option

- A direct filing option is available through our Website for the 2005 filing season. You may file your MC TR 2005 and pay your 2005 tax electronically using your savings or checking bank accounts.

Withholding

- The Multnomah County Personal Income Tax is not automatically withheld from your wages unless your employer has offered and you have authorized withholding.

Reduce your Federal and State Taxes

- The Multnomah County Personal Income Tax qualifies as an itemized deduction and will reduce your federal and state taxable income if you itemize. If you pay the County tax by December 31, 2005, it will reduce your 2005 federal and state taxable income. You may use Form MC ES to make an early payment. The MC ES is attached as an insert and is also available to be completed online or you may make an electronic payment using our Website. If you pay the tax in 2006, it will reduce your 2006 taxable income. If your payment is postmarked on or before December 31, 2005, it will count as a 2005 payment for purposes of reducing your 2005 federal and state taxable income.

Part-Year Resident

- You must file Form MC TR 2005 if you were a resident of Multnomah County for any part of 2005.

Payment

- If tax is due with your tax return, the payment may be made by check or money order or paid electronically through our Website using either your checking or savings account.

Refunds

- If you have overpaid, your refund will be mailed to you within 6-8 weeks after you have filed.

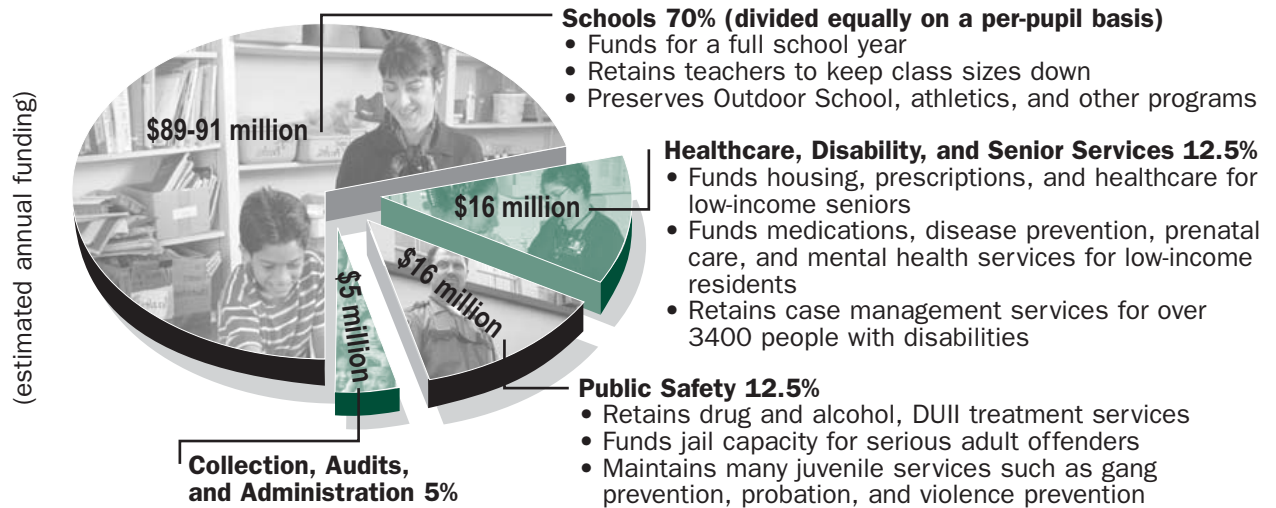
Delinquent Tax Payments or Evasion

- Multnomah County has the same authority and has adopted the same tax enforcement rules as the State of Oregon Department of Revenue. If you fail to file this return, you may be subject to penalties and interest in addition to the tax.

Telephone Helpline

- The telephone Helpline number for your questions is (503) 988-ITAX (4829).

MULTNOMAH COUNTY INCOME TAX – WHERE THE MONEY GOES



- The School Efficiency and Quality Advisory Council oversees and reports on the use of the money in each school district. To see the full report, visit www.seacinfo.org.
- The County has also issued reports and audits. Visit www.multcotax.org for more information.
- Multnomah County residents pay 1.25 percent of their Oregon taxable income after a deduction, and must file by April 17, 2006.

Call **(503) 988-ITAX (4829)** or visit www.multcotax.org for more information, detailed reports and audits, forms and instructions.

- Tax Year 2005 is the last year of the three-year Multnomah County Personal Income Tax. The County is preparing for the sunset of this tax. For more information on the county's budgeting process, visit www.co.multnomah.or.us/priorities.



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GENERAL INFORMATION

What is the Multnomah County Personal Income Tax?

In 2003, Multnomah County residents passed a three-year temporary personal income tax on County residents to fund public schools, healthcare, senior services and public safety. The tax became effective January 1, 2003 and expires December 31, 2005. The tax is 1.25% of Oregon taxable income after deducting an exemption (either \$2,500 or \$5,000, depending on filing status).

Who Must File

Residents of Multnomah County (including individuals who were residents of Multnomah County for only a portion of 2005) who are required to file an Oregon Individual Income Tax Return for 2005 must file the Form MC TR for 2005. Residents of Multnomah County must file regardless of where their income was earned. For example, if a Multnomah

County resident works in Vancouver, Washington, they are required to file this return. If a full-year Vancouver, Washington resident works in Multnomah County, they do not need to file this return.

Due Date of Return

Returns reporting income for the tax year ending December 31, 2005, are due April 17, 2006. Filings will be considered timely if they are postmarked on or before the due date. See **Extensions of Time to File** on page 9 if you need an extension of time to file. *An extension of time to file is not an extension of time to pay.*

Where to File

Mail all returns and any payments to: Multnomah County – ITAX
P.O. Box 279
Portland, OR 97207-0279

Physical Address

Our physical address is: 111 S.W. Columbia, Suite 600
Portland, OR 97201

Taxpayer Assistance

If you have questions, need assistance or otherwise need to contact someone regarding the Multnomah County Personal Income Tax, please call (503) 988-ITAX (4829), or go to our Website at www.multcotax.org.

Payment Information

Make your check payable to "Multnomah County ITAX" and enclose it with your return. Write your Social Security number and "2005 ITAX" on your check or you may file and pay electronically on our Website, www.multcotax.org.

Overpayment and Refund Information

All overpayments will be refunded to the mailing address indicated on your return.

Rounding

Dollar amounts should be rounded to the nearest whole dollar. The residency fraction on line 4, if applicable, should be rounded to two decimal places. To round, drop amounts under 50 cents and increase amounts from 50 to 99 cents to the next dollar. For example, \$1.39 becomes \$1 and \$2.50 becomes \$3.

Attachments to Return

You do not need to attach any Federal or Oregon tax return pages to your Form MC TR 2005. You need to attach a copy of your W-2 **only** if Multnomah County Personal Income Tax was withheld from your wages and reported in box 19. If you are exempting any PERS retirement benefits or federal retirement benefits on line 2, you need to attach a copy of Form 1099-R.

Part-year Multnomah County Residents

See instructions for **Line 4, Residency fraction** on page 8. If you permanently moved out of Multnomah County during 2005, please print "**FINAL**" clearly across the top of your Form MC TR 2005.

Request for Social Security Number (SSN)

The request for your SSN is authorized by Section 405, Title 42, of the United States Code. You must provide this information. It will be used to establish your identity for tax purposes only.

Line by Line Instructions for Form MC TR 2005

Your 2005 Oregon Individual Income Tax Return (Form 40, 40S, 40P, or 40N) should be completed before preparing the MC TR 2005.

Line 1, Oregon taxable income

Enter the amount from the following line of your 2005 Oregon Individual Income Tax Return on **line 1**:

- ⇒ If you file **Form 40**, enter the amount from **line 28** of your Form 40.
- ⇒ If you file **Form 40S**, enter the amount from **line 12** of your Form 40S.
- ⇒ If you file **Form 40P**, enter the amount from **line 49** of your Form 40P.
- ⇒ If you file **Form 40N**, enter the amount from **line 50** of your Form 40N.

Line 2, Income exemption and PERS/Federal pension exemption

If you file **Form 40, 40S or 40P**, enter the following amount on **line 2**:

- ⇒ If your filing status with Oregon is **Single or Married Filing Separately**, enter **\$2,500** on **line 2**.
- ⇒ If your filing status with Oregon is **Married Filing Jointly** enter **\$5,000** on **line 2**.
- ⇒ If your filing status with Oregon is **Head of Household or Qualifying Widow(er) with Dependent Child**, enter **\$5,000** on **line 2**.
- ⇒ If you file **Form 40N**, see **Multnomah County Residents Who File Oregon Form 40N** on page 12.

Important: Oregon PERS and federal retirement benefits are exempt from County income tax by Oregon and federal law. If you had Oregon taxable benefits from PERS or a federal retirement please enter this sum in the box provided, and include the exempt benefits on **line 2. This exemption is in addition to the income exemption of \$2,500 or \$5,000.** For more information, please see page 14.

If you are exempting your federal benefits, you may only exempt those benefits **taxed** by Oregon. The correct entry for federal retirement benefits would be the sum of your 1099-R **less** any amount already exempted on line 16b of your federal 1040 or line 17 of your Oregon Form 40 (or line 38 if filing Form 40P or Form 40N). **Please attach a copy of your PERS or federal pension Form 1099-R. Failure to attach your Form 1099-R for PERS or federal pension benefits may result in denial of income exemption for such benefits.**

Line 3, Multnomah adjusted income

Subtract **line 2** from **line 1**. If the calculated amount is less than zero, enter zero on **line 3**.

Line 4, Residency fraction

For married and single taxpayers who are residents of Multnomah County for all of 2005, enter **1.00** (one) on **line 4**. Enter the amount from **line 3** onto **line 5** and proceed to the instructions for **line 5**.

If a taxpayer is a resident of Multnomah County for less than the full calendar year, use the following formula:

- ⇒ Calculate the number of days (out of 365) in 2005 that you were a resident of Multnomah County and divide this number by 365. Enter the calculated amount on **line 4**. The residency fraction on line 4 should be rounded to two decimal places (.08333 should be rounded to .08).

Example: A single taxpayer moves from Bend, Oregon to Multnomah County on November 1, 2005. A residency fraction of **.17** (61 days divided by 365 days) would be entered on **line 4**.

Example: Married taxpayers move together from Multnomah County to Bend, Oregon on April 1, 2005. A residency fraction of **.25** (90 days divided by 365 days) would be entered on **line 4**.

Note: The online fillable form located on our Website at www.multcotax.org will calculate the residency fraction for you if you enter the date moved into or out of Multnomah County in the calculator provided on **line 4**. Push the "Residency Fraction" button to the right of **line 4** of the online form to access the calculator.

- ⇒ If you are married filing jointly and you and your spouse have different periods of residency in Multnomah County during 2005, see **Joint Filers (Married Couples) with Unequal Multnomah County Residency** on page 12.
- ⇒ If you filed a Form 40N, see **Multnomah County Residents Who File Oregon Form 40N** on page 12.

Line 5, Multnomah taxable income

For taxpayers who are residents of Multnomah County for all of 2005, **line 5** will be the same number reported on **line 3**. Otherwise, multiply line 3 by the residency fraction on **line 4**.

Line 6, TAX RATE

No entry is necessary on **line 6**. The tax rate for the 2005 tax year is .0125 (1.25%).

Line 7, Tax

Multiply the amount on **line 5** by **line 6** (.0125) and enter the calculated amount on **line 7**. In other words, enter 1.25% of **line 5**.

Line 8, Amounts withheld

Include all Multnomah County Personal Income Tax amounts withheld by employers. These amounts should be reported in Box 19 (Local income tax) of your W-2(s). Please make sure that your employer withheld Multnomah County income tax during the year. There should be a "Multco" (or other derivative of "Multnomah County") entry in Box 20 of your W-2 indicating that Box 19 is for the County income tax.

Line 9, Other prepayments

Include all prepayments including check payments with Form MC ES 2005 or electronic payments made for the 2005 tax year other than amounts reported on ***line 8***. Include payments made during 2006 that relate to the 2005 tax return.

Line 10, Penalty

If this return is filed on or before April 17, 2006, ***line 10*** will be zero. If you are filing after April 17, 2006, see ***Penalties*** on page 13.

Line 11, Interest

If this return is filed on or before April 17, 2006, ***line 11*** will be zero. If you are filing after April 17, 2006, see ***Interest*** on page 13.

Line 12, BALANCE DUE or (REFUND)

Add ***lines 7, 10, and 11***. Then subtract ***lines 8 and 9*** from this total. If the calculated amount is greater than zero, you have a balance due. See ***Payment Information*** on page 6.

If the calculated amount is less than or equal to zero, no balance is due. File your return and any overpayment will be refunded. See ***Overpayment and Refund Information*** on page 6.

Signature(s)

Be sure to sign and date your return. If you are filing a joint return, both spouses must sign.

ADDITIONAL INFORMATION

Extensions of Time to File

Extensions are automatically granted for up to six months (to October 16, 2006). An extension can be filed directly with Multnomah County by using Form MC ES 2005. Any payment due with the extension request should be remitted with Form MC ES 2005. You may also extend your return electronically at www.multcotax.org.

Extensions filed directly with the IRS and the Oregon Department of Revenue will also be accepted as valid extensions for Multnomah County purposes. Please be aware that tax paid after the due date of April 17, 2006 may be subject to penalty and interest. *Extensions are extensions to file, not extensions to pay.* You do not need to attach a copy of the extension when you file the return. Just check the box that indicates that your return was extended.

Payment Plans

The County offered a payment plan for the initial 2003 tax year for those taxpayers who were unable to fully pay off their 2003 tax obligation. Payment plans are expensive to administer, reducing money and resources available for County schools and vital services that voters supported. Generally, a payment plan is not offered for the 2005 tax year and you will need to pay your tax on or before April 17, 2006 to avoid penalties and interest.

If you have a special situation of extreme hardship, you should contact the ITAX help desk at (503) 988-4829 prior to April 17, 2006. You should be prepared to discuss your current financial situation in detail.

The penalty for failure to file a Multnomah County income tax return can be 25% of the tax. The penalty for filing on time but failing to pay is initially 5% of the unpaid tax. This penalty will increase to 25% of the unpaid tax if not paid by October 16, 2006. Interest will also be charged at the rate of 6% on your unpaid tax balance.

Amended Returns

To file a 2005 amended return, prepare the return (using Form MC TR 2005) reporting the amended figures. To file a 2004 or 2003 amended return, prepare the return (using Form MC TR 2004 or 2003) reporting the amended figures. Check Box C on the return to identify the return as an amended return. Include all amounts paid up to the time of the filing of the amended return on lines 8 and 9. Please include a statement explaining the reason the return is being amended and any relevant supporting schedules and documents.

File your amended return and pay any tax and interest due. Interest should be calculated from the day after the due date of the original return to the date the tax is paid. If you have a refund, any interest due will be calculated for you and will be included with your refund.

Filing Status

You must report the same filing status on your Multnomah County Personal Income Tax Return that you reported on your Oregon Individual Income Tax Return.

Definition of "Resident"

The residency definition for the Multnomah County Personal Income Tax mirrors the residency definition that the State of Oregon uses for individual income taxes.

You are a full-year Multnomah County resident, even if you live outside Multnomah County, if all of the following are true:

- You think of Multnomah County as your permanent home; and
- Multnomah County is the center of your financial, social, and family life; and
- Multnomah County is the place you intend to come back to when you are away.

You are still a full-year resident if:

- You temporarily moved out of Multnomah County, or
- You moved back to Multnomah County after a temporary absence.

You may also be considered a full-year resident if you spend more than 200 days in Multnomah County during the tax year.

Residency Example 1: Marsha, a resident of Multnomah County, takes a vacation for an entire month during 2005. She also has a temporary work assignment in California during 2005 that lasts two months. She should **not** use these temporary absences to reduce her Residency fraction on **line 4**.

Residency Example 2: Tory maintains a home in Multnomah County and works in Multnomah County. He purchased a summer home in Palm Springs, California and each year thereafter spent about three or four months in that state. He continued to spend six or seven months of each year in Multnomah County. He continued to maintain his home and his social, club and business connections in Multnomah County, but established his bank account in California. The months not spent in California or Multnomah County he spent traveling in other states or countries. Tory is domiciled in Multnomah County and is taxed as a resident of Multnomah County because he has not demonstrated intent to abandon his Multnomah County domicile nor has he shown intent to make California his permanent home. No proration of Multnomah Adjusted Income is allowed.

Residency Example 3: Doug changed his permanent residence to a location outside of Multnomah County on April 1, 2005. With his original move, he had no intention of moving back to Multnomah County, however, on December 1, 2005 he changed residency by moving back into Multnomah County. The sum of days of residency in Multnomah County during the year was 121. If Doug would have paid tax of \$600.00 on a full year basis, proration results in a tax of \$198.00 ($121/365 = .33$; $\$600 \times .33 = \198).

Residency Example 4: Craig is a full-time student attending college in California. He pays out-of-state tuition and returns to his parents' home in Multnomah County every summer where he works a summer job. He also works a part-time job in California. Craig's stay in California is for a temporary or transitory purpose, therefore, Craig is a resident of Multnomah County and no proration of Multnomah Adjusted Income is allowed.

Residency Example 5: Kim is a full-time student attending college in Multnomah County. Her parents live in Eugene where Kim graduated from high school. Kim stays in Multnomah County throughout the year, attending summer classes and working at a part-time job in Multnomah County. She regularly visits her parents and intends to return to Eugene upon graduation. Kim is not a resident of Multnomah County as her stay in Multnomah County is for a temporary or transitory purpose. Since Kim is not a resident, no Multnomah County ITAX return is due.

Residency Example 6: Vanessa is a full-time student attending Portland State University in Multnomah County on a F1 visa. Her parents live in Stockholm, Sweden where Vanessa graduated from high school. Vanessa stays in Multnomah County throughout the year, attending summer classes and working at a part-time job in Multnomah County. Vanessa returns home to Stockholm at least once a

year to visit and stays with her parents and intends to return to Sweden upon graduation. She pays nonresident tuition to PSU and files an Oregon Form 40N Nonresident income tax return. Vanessa is not a resident of Multnomah County as her stay in Multnomah County is for a temporary or transitory purpose. Since Vanessa is not a resident, no County income tax return is due.

Residency Example 7: Allen and Mary are married filing a joint Oregon return. They have a residence in Benton County. On July 2, 2005 Allen moved to Multnomah County because of a permanent job offer. Both spouses visit each other on weekends but each spouse considers their separate residence to be their permanent residence. Allen's sum of days of residency in Multnomah County during the year was 183. If Allen and Mary would have paid tax of \$1,000.00 on a full year basis, proration results in a tax of \$250.00 ($183/730 = .25$; $\$1,000.00 \times .25 = \250).

Joint Filers (Married Couples) with Unequal Multnomah County Residency

If you file your Oregon resident return as "Married Filing Jointly" and one spouse is a non-resident of Multnomah County or both spouses are partial year residents in Multnomah County with different residency percentages you may use the following formula to determine your "Residency fraction" on **line 4**:

Calculate the number of days (out of 365) in 2005 that one spouse was a resident of Multnomah County. Calculate the number of days (out of 365) in 2005 that the second spouse was a resident of Multnomah County. Add together these two calculated amounts and then divide this total by 730. Enter the calculated amount on **line 4**.

Example: Two taxpayers are married on July 1, 2005 and file a joint return for 2005. One spouse resided in California for the entire year. The other spouse resided in Multnomah County until June 30, 2005 and then resided in California the rest of the year. One spouse resided in Multnomah County for zero days and the other resided in Multnomah County for 181 days for a total of 181 days. A residency fraction of .25 (181 days divided by 730 days) would be entered on **line 4**.

Multnomah County Residents Who File Oregon Form 40N

A Multnomah County resident would file an Oregon Form 40N when two married taxpayers are maintaining two separate residences (one in Multnomah County and one outside Oregon). 40N filers with an Oregon filing status of Married Filing Jointly will only be entitled to an income exemption on **line 2** in the amount of \$2,500. To determine the residency fraction for 40N filers with an Oregon filing status of Married Filing Jointly, use this formula:

Calculate the number of days that the Oregon resident spouse was a resident of Multnomah County and divide this number by 365. Enter the calculated amount on **line 4**.

Example: One spouse is a resident of Multnomah County for all of 2005 and the other spouse is a resident of Seattle, Washington for all of 2005. The Oregon resident is permitted to file a Form 40N. A residency fraction of 1.00 (365 days divided by 365 days) would be entered on **line 4** and the **line 2** exemption amount is \$2,500.

Penalties

You will owe a 5% penalty on any 2005 tax not paid by April 17, 2006. An additional 20% penalty will be added on any 2005 tax that is not paid by October 16, 2006. Similarly, if you fail to file your tax return by April 17, 2006 there will be a 5% penalty. If you file more than six months after the due date an additional 20% penalty will be added; that is, you will owe a penalty of 25% of any tax not paid.

Exception: You don't have to pay a penalty if you do all of the following:

1. Get an extension of time to file your return; and
2. Pay at least 90% of the tax due by April 17, 2006; and
3. Pay the balance of tax due when you file by the extension deadline; and
4. Pay the interest on the balance of tax due when you file or within 30 days of the date of your billing notice informing you of your deficiency.

Interest

If you are filing your return or paying your tax after April 17, 2006, include interest on any unpaid tax. The interest rate is 6% per year. First compute the number of full months since April 17, 2006, then compute the number of days in the partial month remaining.

- Here's how to figure monthly interest: $\text{Tax} \times .005 \times \text{number of months}$.
- Here's how to figure daily interest: $\text{Tax} \times .000164 \times \text{number of days}$.

Example: Taxpayer pays an additional \$1,000.00 on September 30, 2006. Five months' interest through September 15th is \$25.00 ($\$1,000 \times .005 \times 5$). 15 additional days' interest is \$2.46. The total interest due is \$27.46.

Withholding from Wages and Estimated Tax Payments

Employees are not required to have Multnomah County Personal Income Tax withheld from their wages. Employers are not required to withhold the tax from the wages of their employees. An employer should only withhold the tax if authorized by the employee. For information on withholding please visit our Website at www.multcotax.org to find and download the Employer Handbook.

Quarterly estimated tax payments are also not required for the Multnomah County Personal Income Tax. If a taxpayer elects to pay estimated tax payments to Multnomah County, they can do so by using Form MC ES 2005 for tax payments for the 2005 tax year. A taxpayer may also make estimated payments electronically through our Website.

Direct Online Filing Option

A direct filing option is available through our Website for the 2005 filing season. If your federal and Oregon income tax returns are filed electronically, you will need to visit our Website at www.multcotax.org and follow the instructions to file your 2005 County return online. For example, if you use TurboTax and file electronically with the IRS and the Oregon Department of Revenue, your Multnomah County return is not automatically filed with the County. You will need to go to our Website and enter in the required 2005 tax data and your bank account information.

Electronic Payments

You may make an online payment of your 2005 estimated tax from your bank account from our Website at www.multcotax.org. We only accept savings and checking accounts. We do not accept debit and credit card payments.

Taxation of Oregon PERS and Federal Pension Benefits

The Oregon PERS statutes prohibit local governments such as Multnomah County from taxing retirement benefits under the PERS system. Furthermore, if the County may not tax Oregon PERS benefits, under federal law it is prohibited from taxing federal pension benefits.

Accordingly, the 2005 Form MC TR allows PERS and federal pension benefits to be exempted on **line 2**. This exemption will be in addition to the \$2,500 and \$5,000 exemptions for single or married filers. The tax return is also available on our Website at www.multcotax.org and is a fillable self-computing form that allows you to enter your PERS or federal pension benefits on **line 2**.

If you are exempting your federal pension benefits, you may only exempt those benefits **taxed** by Oregon. The correct entry for federal pension benefits would be the sum of your 1099-R **less** any amount already exempted from line 16b of your federal 1040 or exempted on line 17 of your Oregon Form 40 (or line 38 if filing Form 40P or Form 40N). ***Please attach a copy of your PERS or federal pension Form 1099-R. Failure to attach your Form 1099-R for PERS or federal pension benefits may result in denial of income exemption for such benefits.***

- ⇒ **Note:** Federal pension benefits include amounts paid from the Federal Retirement System (FERS), the Civil Service Retirement System (CSRS), and military retirement.
- ⇒ **Note:** Only Oregon PERS payments are exempt from the Multnomah County income tax. Other public retirement programs that are not paid from the State of Oregon Public Employees Retirement fund are not exempt.

Call the telephone helpline at (503) 988-ITAX if you have individual questions.

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2005



Multnomah County Personal Income Tax Return *Form MC TR 2005 and Instructions*

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P.O. Box 279
Portland, OR
97207-0279

Complete the form below. After completion, cut along the dotted line and mail the form and any payment to:



Multnomah County - ITAX
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Portland, OR
97207-0279

**MC ES
2005**

For assistance, please call (503) 988-ITAX [4829]

Online estimated payments may be made at www.multcotax.org

Instructions:

- Fill in payment amount to be forwarded with form. Complete the remainder of the form including name(s), Social Security Number(s) and address(es).
- This form may be used for estimated payments and for extension requests (including extension requests with \$0 payment). Copies of extension requests filed with the IRS or the Oregon Department of Revenue will also be accepted as valid extensions. Extensions are generally extensions to file, NOT extensions to pay.
- Do not use this form for payments to be applied to taxable year 2004. Please use form MC ES 2004 for taxable year 2004 payments.
- Make your check payable to "Multnomah County ITAX".
- Please be aware that tax paid after the original due date of 4/17/2006 may be subject to penalty and interest. 90% of the tax should be paid by 4/17/2006 to avoid penalty.
- This form is NOT a tax return. An MC TR 2005 tax return must be filed in addition to this form.

Please cut along the dotted line



Multnomah County Individual Tax (ITAX)
Payment Coupon
For Tax Year 2005
Form - MC ES

**MC ES
2005**

Enter Payment Amount: \$

Extension Request?

(see directions above)

Check box to right if
Extension requested

☐

Last Name of Taxpayer	First Name and Initial		Social Security Number	
Last Name of Spouse (if different)	First Name and Initial of Spouse		Social Security Number	
Residence Street Address			<input type="checkbox"/> Check if new address	
City	State	Zip Code	Daytime Telephone ()	
Mailing Address (if different than residence address)			<input type="checkbox"/> Check if new address	
City	State	Zip Code		

FOR OFFICIAL USE ONLY -- DO NOT WRITE IN BOXES BELOW

2	6	4	8	—	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	2	6	4	8	—	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
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Multnomah County Personal Individual Tax Return

**MC TR
2005**

Due Date: April 17, 2006 (Use Form MC ES to request an extension)

Last Name of Taxpayer		First Name and Initial		Social Security Number	
Last Name of Spouse (if different)		First Name and Initial of Spouse		Social Security Number	
Residence Street Address				<input type="checkbox"/> Check if new address	
City		State	Zip Code	Daytime Telephone ()	
Mailing Address (if different than residence address)				<input type="checkbox"/> Check if new address	
City		State	Zip Code		

⇒ **A) Filing status with Oregon?** (check one box below)

- ☐ Single, Married Filing Separately – enter \$2,500 on line 2 below
☐ Married Filing Jointly – enter \$5,000 on line 2 below
☐ Head of Household, Qualifying Widow(er) – enter \$5,000 on line 2 below

⇒ **B) Individual income tax form filed with Oregon?** (check one box below)

Form 40 ☐ Form 40S ☐ Form 40P ☐ Form 40N ☐

⇒ **C) Check here if this return is an amended return:** ☐

⇒ **D) Check here if this return is being filed after 4/17/06 and an extension was filed:** ☐

Attach W-2 Forms Here if ITAX Withheld
Attach 1099-R Forms for PERS/FERS Exemption

1 Oregon taxable income (see instructions)	1	
2 Income exemption (see instructions; PERS/FERS exemption: <input type="text"/>)	2	
3 Multnomah adjusted income (line 1 minus line 2, but not less than zero)	3	
4 Residency fraction (1.00 if full year County resident -- see instructions)	4	
5 Multnomah taxable income (line 3 X line 4)	5	
6 TAX RATE (1.25%=.0125)	6	.0125
7 Tax (line 5 X TAX RATE)	7	
8 Amounts withheld (from line 19 of your W-2s — ATTACH W-2s)	8	
9 Other prepayments (include quarterly and extension payments)	9	
10 Penalty (\$0 if filed & paid timely; see instructions if filed after 4/17/06)	10	
11 Interest (\$0 if filed & paid timely; see instructions if filed after 4/17/06)	11	
12 BALANCE DUE or (REFUND) (lines 7, 10, and 11 minus lines 8 and 9)	12	

If line 12 is positive, you have a balance due. Make your check payable to "Multnomah County ITAX" and enclose with your return. Write your Social Security number and "2005 ITAX" on your check. **If line 12 is negative**, you have an overpayment. All overpayments will be refunded to the mailing address indicated on your return. **Mail your return and any payment to:** Multnomah County-ITAX, PO Box 279, Portland, OR 97207-0279

The undersigned declares that the information on this return is true. The Undersigned preparer is authorized to act as representative of taxpayer(s).

Signature of Taxpayer		Date		Signature of Spouse		Date	
Preparer Name				Signature of Preparer other than Taxpayer			
Preparer Address						Preparer Telephone Number	
Preparer City, State, ZIP							

FOR OFFICIAL USE ONLY -- DO NOT WRITE IN BOXES BELOW

2	6	4	8							2	6	4	8						
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INSTRUCTIONS FOR FORM MC TR 2005

Line 1. Oregon taxable income

Enter the amount from the following line of your Oregon Individual Income Tax Return on line 1:

If you file **Form 40**, enter the amount on **line 28** of your Form 40 on line 1.

If you file **Form 40S**, enter the amount on **line 12** of your Form 40S on line 1.

If you file **Form 40P**, enter the amount on **line 49** of your Form 40P on line 1.

If you filed **Form 40N**, see detailed instructions on page 12 of the tax booklet.

Line 2. Income exemption and PERS/Federal Retirement Exemption

If your filing status with Oregon is **Single or Married Filing Separately**, enter **\$2,500** on line 2.

If your filing status with Oregon is **Married Filing Jointly or Head of Household or Qualifying Widow(er) with Dependent Child**, enter **\$5,000** on line 2.

PERS and federal retirement benefits are exempt from local income taxation by Oregon and federal law. If you had Oregon taxable benefits for PERS or federal pensions taxed by Oregon please enter this sum in the box provided. If you are exempting your federal benefits, you may only exempt those benefits **taxed** by Oregon. *For additional information on the exemption of federal benefits, please see the detailed instructions on page 14 of the information booklet available at www.multcotax.org.* **This exemption is in addition to the income exemption.** Be sure to attach a copy of your Form 1099-R which reports your PERS or federal retirement benefits.

Line 3. Multnomah adjusted income

Subtract line 2 from line 1. **If the calculated amount is less than zero**, enter zero on line 3.

Line 4. Residency fraction

For taxpayers who are residents of Multnomah County for all of 2005, enter **1.00** (one) on line 4. Enter the amount from line 3 onto line 5. If either the taxpayer or the spouse (if filing jointly) is a resident of Multnomah County for less than the full calendar year, use one of the two formulas below to calculate your residency fraction.

Use the following formula if your filing status with Oregon is **Single, Married Filing Separately, Head of Household or Qualifying Widow(er) with Dependent Child**:

Calculate the number of days (out of 365) in 2005 that you were a resident of Multnomah County and divide this number by 365. Enter the calculated amount on line 4.

Use the following formula if your filing status with Oregon is **Married Filing Jointly**:

Calculate the number of days (out of 365) in 2005 that the taxpayer was a resident of Multnomah County. Calculate the number of days (out of 365) in 2005 that the spouse was a resident of Multnomah County. Add together these two calculated amounts and then divide this total by 730. Enter the calculated amount on line 4.

The residency fraction on line 4 should be rounded to two decimal places (.08333 should be rounded to .08).

Line 5. Multnomah taxable income

For taxpayers who are residents of Multnomah County for all of 2005, line 5 will be the same number reported on line 3. Otherwise, multiply line 3 by the number on line 4.

Line 6. TAX RATE

No entry is necessary on line 6. The tax rate for the 2005 tax year is .0125 (1.25%).

Line 7. Tax

Multiply the amount on line 5 by line 6 (.0125) and enter the calculated amount on line 7. In other words, enter 1.25% of line 5.

Line 8. Amounts withheld

Include all amounts withheld by employers. These amounts should be reported on line 19 (Local income tax) of your W-2.

Line 9. Other prepayments

Include all prepayments (paid with Form MC ES 2005 or electronically) made for the 2005 tax year other than amounts reported on line 8. Include extension payments made during 2006 that relate to the 2005 tax return.

Line 10. Penalty

If this return is filed on or before April 17, 2006, line 10 will be zero. If you are filing after April 17, 2006, see detailed instructions on page 13 of the tax booklet.

Line 11. Interest

If this return is filed on or before April 17, 2006, line 11 will be zero. If you are filing after April 17, 2006, see detailed instructions on page 13 of the tax booklet.

Line 12. BALANCE DUE or (REFUND)

Add lines 7, 10, and 11. Then subtract lines 8 and 9 from this total. If the calculated amount is greater than zero, you have a balance due. If the calculated amount is less than or equal to zero, no balance is due. File your return and any overpayment will be refunded.

Signature(s): Be sure to sign and date your return. If you are filing a joint return, both spouses must sign.