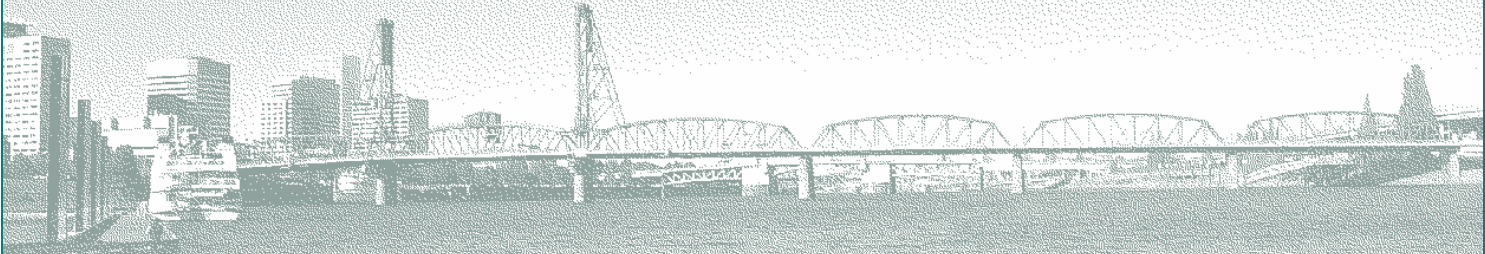


KEEP AND USE WHEN FILING  
YOUR STATE AND FEDERAL TAXES

Updated May 26, 2004

2003



# Multnomah County Personal Income Tax Return

## *Form MC TR 2003 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 Thursday, April 15, 2004.

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



**MULTNOMAH  
COUNTY**

P.O. Box 279  
Portland, OR 97207 - 0279  
(503) 988-ITAX (4829)  
TDD: (503) 823-6868  
[www.multcotax.org](http://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.
- Mail your return and any payments in a stamped envelope to:

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

## IMPORTANT INFORMATION — PLEASE READ BEFORE FILING

- **No Statement or Billing**

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 2003 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.
- **Fillable Form on Website**

The Multnomah County Personal Income Tax Return, Form MC TR 2003, is also available in a fillable self-computing form on the Web at [www.multcotax.org](http://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 will not be available for the 2003 filing season as a result of software development problems with our bank interface. You will be able to file electronically through the Website for the 2004 filing season.
- **Withholding**

The Multnomah County Personal Income Tax is not automatically withheld from your wages unless your employer has offered and you have authorized withholding. You may ask your employer to begin withholding the County tax in 2004 to avoid lump sum payments for income tax due in 2005 and 2006.
- **Itemized Deduction—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, 2003 it will reduce your 2003 federal and state taxable income. Use Form MC ES to make an early payment. It is located on page 11 and in a fillable format on our Website. If you pay the tax in 2004, it will reduce your 2004 taxable income.
- **Part Year Resident**

You must file Form MC TR 2003 if you were a resident of Multnomah County for any part of 2003.
- **Payment**

If tax is due with your tax return, the payment must be made by check. Multnomah County does not accept credit card payments.
- **Refunds**

If you have overpaid, your refund will be mailed after April 15, 2004.
- **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).

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## GENERAL INFORMATION

### **What is the Multnomah County Personal Income Tax?**

On May 20, 2003, Multnomah County residents passed Measure 26-48, which established a personal income tax on County residents to fund public schools, public safety, healthcare and senior services. The tax became effective January 1, 2003. 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 2003) who are required to file an Oregon Individual Income Tax Return for 2003 must file the Form MC TR for 2003. 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, 2003 are due April 15, 2004. Filings will be considered timely if they are postmarked on or before the due date. See **Extensions of Time to File** on page 7 if you need an extension of time to file. *An extension of time to file is not an extension of time to pay. See page 7 for information on payment plans due to economic hardship.*

### **Where to File**

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

### **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, or go to our Website at [www.multcotax.org](http://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 “2003 ITAX” on your check.

### **Overpayment and Refund Information**

All overpayments will be refunded to the mailing address indicated on your return. Overpayments can not be credited to the subsequent year’s 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 2003. 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.

### **Part-year Multnomah County Residents**

See instructions for **Line 4, Residency fraction** on page 5. If you permanently moved out of Multnomah County during 2003, please print “**FINAL**” clearly across the top of your Form MC TR 2003.

### **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 2003

Your 2003 Oregon Individual Income Tax Return (Form 40, 40S, 40P, or 40N) should be completed before preparing the MC TR 2003.

### **Line 1, Oregon taxable income**

Enter the amount from the following line of your 2003 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 a **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**.
- ⇒ If your filing status with Oregon is **Married Filing Jointly, Head of Household or Qualifying Widow(er) with Dependent Child**, enter **\$5,000** on **line 2**.
- ⇒ If you file a **Form 40N**, see Multnomah **County Residents Who File Oregon Form 40N** on page 9.

**Important:** Oregon PERS and federal pension benefits are exempt from County income tax by Oregon and federal law. If you had Oregon taxable benefits for PERS or a federal pension 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 11.

If you are exempting your federal 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 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 2003, 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 2003 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, 2003. 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 March 1, 2003. A residency fraction of **.16** (59 days divided by 365 days) would be entered on **line 4**.

**Note:** The online fillable form located on our Website at [www.multcotax.org](http://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 fillable 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 2003, see **Joint Filers (Married Couples) with Unequal Multnomah County Residency** on page 9.
- ⇒ If you filed a Form 40N, see **Multnomah County Residents Who File Oregon Form 40N** on page 9.

#### **Line 5, Multnomah taxable income**

For taxpayers who are residents of Multnomah County for all of 2003, **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 2003 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).

#### **Line 9, Other prepayments**

Include all prepayments (paid with Form MC ES 2003) made for the 2003 tax year other than amounts reported on **line 8**. Include payments made during 2004 that relate to the 2003 tax return.

#### **Line 10, Penalty**

If this return is filed on or before April 15, 2004, **line 10** will be zero. If you are filing after April 15, 2004, see **Penalties** on page 9.

### **Line 11, Interest**

If this return is filed on or before April 15, 2004, **line 11** will be zero. If you are filing after April 15, 2004, see **Interest** on page 10.

### **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 4.

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 4.

### **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 15, 2004). An extension can be filed directly with Multnomah County by using Form MC ES 2003. Any payment due with the extension request should be remitted with Form MC ES 2003. 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 15, 2004 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**

If you can't pay in full now, we will work with you to set up a payment plan. It is important that you file your tax return now and pay what you can. You will receive a billing notice showing tax, penalty, interest, and the balance due. When you receive the billing notice, immediately call the telephone number on the notice to set up your payment plan. If you do not call, collection activity may begin.

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 5% of the tax. For the 2003 year, the failure to pay penalty will be waived if you file by April 15, 2004 and then contact us to establish a payment plan when we mail you your billing notice. You will need to show economic hardship in order for the penalty to be waived and to qualify for a payment plan.

### **Amended Returns**

Prepare the return (using Form MC TR 2003) reporting the amended figures. Check the box 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 you 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:** Karen, a resident of Multnomah County, takes a vacation for an entire month during 2003. She also has a temporary work assignment in California during 2003 that lasts two months. She should **not** use these temporary absences to reduce her Residency fraction on **line 4**.

**Residency Example 2:** Ron 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. Ron 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, 2003. With his original move, he had no intention of moving back to Multnomah County, however, on December 1, 2003 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 \$200.00 ( $121/365 = .33$ ;  $\$600 \times .33 = \$200$ ).



**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:** Linda is a full-time student attending college in Multnomah County. Her parents live in Eugene where Linda graduated from high school. Linda 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. Linda is not a resident of Multnomah County as her stay in Multnomah County is for a temporary or transitory purpose. Since Linda is not a resident, no Multnomah County ITAX return is due.

**Residency Example 6:** Allen and Mary are married filing a joint Oregon return. They have a residence in Benton County. On July 2, 2003 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 2003 that one spouse was a resident of Multnomah County. Calculate the number of days (out of 365) in 2003 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, 2003 and file a joint return for 2003. One spouse resided in California for the entire year. The other spouse resided in Multnomah County until June 30, 2003 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 2003 and the other spouse is a resident of Seattle, Washington for all of 2003. 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 percent penalty on any 2003 tax not paid by April 15, 2004. If you file more than three months after the due date or extension due date, an additional 20 percent penalty will be added; that is, you will owe a penalty of 25 percent 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 percent of the tax due by April 15, 2004; 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 15, 2004, include interest on any unpaid tax. The interest rate (effective January 1, 2004) is 6% per year. First compute the number of full months since April 15, 2004, 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, 2004. Five months interest through September 15<sup>th</sup> is \$25.00 ( $\$1,000 \times .005 \times 5$ ). 15 additional days interest is \$2.46. The total interest due is \$27.00 (rounded down).

### **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 for 2004 please visit our Website at [www.multcotax.org](http://www.multcotax.org) to find and download the 2004 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 2003.

## Direct Online Filing Option

A direct filing option will not be available for the 2003 filing season as a result of software development problems with our bank interface. You will be able to file electronically through the Website for the 2004 filing season.

## Taxation of Oregon PERS and Federal Pension Benefits

On December 31, 2003, the County received an outside legal opinion that the County is prohibited by the Oregon PERS statutes 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, we have modified the 2003 Form MC TR to allow 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 modified tax return is now available on our Website at [www.multcotax.org](http://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 don't have any PERS or federal pension benefits, the MC TR 2003 tax return that was mailed to you in December and is dated (rev 11/12/03) may be used.

If you have PERS or federal pension benefits as reported to you on Form 1099-R, you may still utilize the tax return that was mailed to you. On line 2 of the tax return after "(see instructions)" write either PERS or Fed Pension and the dollar amount of the retirement income you are exempting. Add this figure to your normal exemption amount (\$2,500 or \$5,000) and put this figure into the box 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.

If you assumed that your PERS or federal pension benefits were taxable and you made a prepayment of the Multnomah County income tax in 2003, we will refund the tax that you paid on your PERS or federal pension benefits after you file your 2003 County income tax return. The refunds will be mailed after April 15, 2003.

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





# Multnomah County Personal Income Tax Return

# MC TR 2003

Due Date: April 15, 2004 (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 or
  - Married Filing Jointly, Head of Household, Qualifying Widow(er)
- ⇒ **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 4/15/04 and an extension was filed:**

Attach W-2 Forms Here if ITAX Withheld

<b>1 Oregon taxable income</b> (see instructions).....	• 1	
<b>2 Income exemption</b> (see instructions PERS/Federal pension: <input type="text"/> )	• 2	
<b>3 Multnomah adjusted income</b> (line 1 minus line 2, but not less than zero).....	• 3	
<b>4 Residency fraction</b> (1.00 if full year County resident -- see instructions).....	• 4	
<b>5 Multnomah taxable income</b> (line 3 X line 4).....	• 5	
<b>6 TAX RATE</b> (1.25%=.0125).....	• 6	<b>.0125</b>
<b>7 Tax</b> (line 5 X TAX RATE).....	• 7	
<b>8 Amounts withheld</b> (from box 19 of your W-2s—ATTACH W-2s).....	• 8	
<b>9 Other prepayments</b> (include quarterly and extension payments).....	• 9	
<b>10 Penalty</b> (\$0 if filed & paid timely; see instructions if filed after 4/15/04).....	• 10	
<b>11 Interest</b> (\$0 if filed & paid timely; see instructions if filed after 4/15/04).....	• 11	
<b>12 BALANCE DUE or (REFUND)</b> (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 "2003 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 - PLEASE DO NOT WRITE IN BOXES BELOW

2	6	4	8																
---	---	---	---	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--



## INSTRUCTIONS FOR FORM MC TR 2003

### **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 9 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**, **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 11 of the information booklet available at [www.multcotax.org](http://www.multcotax.org). This exemption is in addition to the income exemption.*

### **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 2003, 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 2003 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 2003 that the taxpayer was a resident of Multnomah County. Calculate the number of days (out of 365) in 2003 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 2003, 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 2003 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 2003) made for the 2003 tax year other than amounts reported on line 8. Include extension payments made during 2004 that relate to the 2003 tax return.

### **Line 10, Penalty**

If this return is filed on or before April 15, 2004, line 10 will be zero. If you are filing after April 15, 2004, see detailed instructions on page 10 of the tax booklet.

### **Line 11, Interest**

If this return is filed on or before April 15, 2004, line 11 will be zero. If you are filing after April 15, 2004, see detailed instructions on page 10 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.