

Check one: **TriMet District (TM)** **Lane Transit District (LTD)**

Filer Name—Individual or Partnership	SSN or FEIN
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NOTE: Do not use this worksheet if ALL of your business activities are in the transit district.

**Schedule AP-1
STANDARD APPORTIONMENT METHOD
SALES FACTOR ONLY**

	(A) Total within the district	(B) Total in and out of the district	(C) Percent within district [(A) ÷ (B)] × 100 (not less than zero)
1. Sales Factor	1.	1.	1. %
Sales and other business gross receipts			
2. Apportionment percent	2. _____ %		
Enter result from 1(c) here and on line 2 of Form TM or Form LTD			

**Schedule AP-2
ALTERNATIVE APPORTIONMENT METHOD
DOUBLE-WEIGHTED SALES FACTOR**

Alternative apportionment method (*double-weighted sales factor formula*) for utility, telecommunication, or forest industry taxpayers.

Taxpayers primarily engaged in utilities or telecommunications may elect to apportion business income using the double-weighted sales factor provided in ORS 314.650 (1999 edition).

Qualifying forest products industry taxpayers must apportion business income using the double-weighted sales factor formula provided in ORS 314.650(2) (2005 edition) for tax years beginning on or after July 1, 2005.

Check the box on Form TM or LTD if making this election. All others use the standard apportionment method above.

	(A) Total within the district	(B) Total in and out of the district	(C) Percent within district [(A) ÷ (B)] × 100 (not less than zero)
1. Total owned and rented property.....	1.		%
2. Total wages and salaries.....	2.		%
3. Total sales and other receipts.....	3.		%
4. Total sales and other receipts (same as line 3 above)	4.		%
5. Total percent (add lines C1–C4 above).....			5. %
6. Number of factors with a positive number in column B			6.
7. Alternative apportionment percentage (divide line 5 by line 6; enter result on Schedule AP-1, line 2; and on line 2 of Form TM or Form LTD).....			7. %

Attach your completed Form TSE-AP to your transit return when filed.

TRANSIT SELF-EMPLOYMENT TAX APPORTIONMENT WORKSHEET INSTRUCTIONS

Apportionment (ORS 314.280, 314.650 to 314.675)

If some of your business activity is carried on both in and out of the transit district, you may allocate and apportion your net earnings. Use the apportionment worksheet, Form TSE-AP, to compute your percentage, which is entered onto line 2 of your Transit Self-Employment tax return. **You must complete the worksheet and attach it to your Transit Self-Employment tax return when you file.**

Complete Form TSE-AP, Schedules AP-1 or AP-2, to determine the apportionment percent. Most taxpayers will use Schedule AP-1, unless you meet the exception below.

Exception: Use Schedule AP-2 if you are an electing telecommunications or utility taxpayer, or a qualified forest products taxpayer.

Remember: If you meet the exception, please check the box "Utility, telecommunications, or forest industry" on the front of Form TM or Form LTD.

Effective for tax years beginning on or after July 1, 2005, qualifying forest product industries are required to use the double-weighted sales factor apportionment formula as defined in ORS 314.650(2).

The election for taxpayers primarily engaged in utilities and telecommunications to apportion income using the double-weighted sales factor formula provided in ORS 314.650 (1999 edition) will continue to apply. This election may be revoked later.

Apportionment Factors

1. Property Factor

Each item of owned or rented business property should be entered in column B. Business property within the district is entered in column A.

- Owned property is valued at original cost. Show the average value during the taxable year of real and tangible personal property used in the business. This is the average of property values at the beginning and the end of the tax period. An average of the monthly values may be required if a more reasonable value results.
- Rented property is valued at eight times the annual rent you pay. The annual rent paid must be reduced by nonbusiness subrentals.

2. Payroll Factor

Compensation to employees for services performed must be included in the payroll factor. Payroll is assigned to the district if:

- The services are performed entirely inside the district; **or**

- The services are performed both in and out of the district, but those services performed outside are only incidental; **or**
- Some of the services are performed in the district and, (a) the base of operation or control is located in the district or, (b) the base of operation or control is not in this state or in any state where the employee's services are performed, but the employee's residence is in the district.

3. Sales Factor

The sales factor is the percentage that sales or other business gross receipts within the district compare to sales or other business gross receipts everywhere for the taxable year.

Other business gross receipts, including services, are any items other than sales of tangible personal property.

Amounts received for services should be entered, along with other business gross receipts. Charges for services are included in the district to the extent the services are performed in the district.

Sales of tangible personal property are assigned to the district if:

- The property is shipped or delivered to a purchaser in the district; **or**
- The property is shipped from a warehouse or other place of storage in the district; and (a) the purchaser is the U.S. government or, (b) the business income is not taxable outside the district or in the state of the purchaser. See ORS 314.665(3) for exceptions.

Gross receipts from the sale, exchange, or redemption of intangible assets cannot be included in the sales factor if not derived from your primary business activity. If the resulting gains are business income, the net gains attributable to these sales should be included in the sales factor.

Taxpayer assistance

General tax information..... www.oregon.gov/DOR
Salem 503-378-4988
Toll-free from an Oregon prefix 1-800-356-4222
E-mail tse.help.dor@state.or.us

This e-mail address is not secure and confidentiality cannot be ensured. General tax and policy questions only.

Asistencia en español:

En Salem o fuera de Oregon 503-378-4988
Gratis de prefijo de Oregon 1-800-356-4222

TTY (hearing or speech impaired; machine only):

Salem 503-945-8617
Toll-free from an Oregon prefix..... 1-800-886-7204

Americans with Disabilities Act (ADA): Call one of the help numbers above for information in alternative formats.