



# Increase Sales and Reduce Taxes by 24 %

*A Proposed Operating Solution  
for Cannabis Businesses*

*How one dispensary owner generating \$1 million in sales  
installed a secondary business and saved 24% on his taxes.*

***MJ CONSULTING***

**BRANDING & MARKETING**

**PORTLAND    DENVER    LOS ANGELES**

# How to Increase Sales and Reduce Taxes

## A Guide for Cannabis Businesses

**How one dispensary owner generating \$1 million in sales installed a secondary business and saved 24% on his taxes.**

### Intro

**This is for all cannabis business owners that are having issues with Section 280E of the IRS Code with particular emphasis for retail operations.**

Section 280E of the IRS Code prohibits cannabis businesses from deducting normal business expenses outside the Cost of Goods sold. Thus this Section 280E prevents these businesses from utilizing all the money available from sales for their operational expenses.

### Who We Are:

My name is Michael Davis and I am the Founder of ***The Pacific Northwest Cannabis Industry Leaders Group*** and President of ***MJ Consulting Services***, an advertising and marketing firm for the cannabis industry. My previous background in finances has been as a licensed stock brokerage principal and certified financial planner. I am not an accountant but have numerous accountants and attorneys that have reviewed our solution for dealing with Section 280E. This can be seen by the Form 1120 in the Appendix.

Section 280E is a tremendous pain point for most cannabis businesses as it does not allow for normal business deductions outside of cost of goods. This is particularly troublesome for retailers. Using existing case law we have found the ability to successfully integrate an additional legal business in the same physical location as the cannabis business. This can afford tax savings in the area of 24% or more with minimal effort on the part of the cannabis business.

### Why 280E?

As mentioned previously MJ Consulting is an advertising and marketing firm for the cannabis industry with ties to one of the largest independently owned advertising agencies in the world. How and why we are addressing 280e is somewhat of a mystery except that it needs to be addressed now and no one else is, so we are doing what we can to help.

We first found out about 280E in a weekend seminar about the cannabis industry. An accountant from Seattle had a long time grower client from southern Oregon that put a used car dealership on his farm to generate business deductions against his cannabis operations. Recently he filed his 6th Form 1120 with the IRS under that scenario with tax savings in the hundreds of thousands. Our thoughts were that if this would work for that type of operation

# How to Increase Sales and Reduce Taxes

with all the inherent liabilities of a used car dealership surely it would work for an online ticket brokerage similar to the one we have run for the last nine years as [www.EZ-Ticket.com](http://www.EZ-Ticket.com)

I am neither an accountant nor licensed to practice law in Oregon. I have been a ticket broker for the last 9 years, having been very successful. I decided to take my knowledge and understanding of that business to integrate it into the retail cannabis business in order to help others survive in the industry in these crucial, early years. 280e will be solved within the next 4-5 years but if you are not in business at that time it won't help you then.

We are recommending this system as a means to increase traffic and sales for your cannabis business. This may result in tax savings for your operations, similar to that of the hypothetical dispensary listed in the Appendix. However, we are proposing this as a means to increase your business income by offering a related additional service to your customers that others do not. With coffee and concert tickets now you can be the store with: "Your One Stop For All Your Entertainment Needs".

## About Reducing IRS Code Section 280e Taxes

Reducing taxes for IRS Code section 280e is something many people would like to do but really don't have a clue. Many accountants and tax attorneys are somewhat baffled claiming any kind of deductions other than Cost of Goods. This can be especially troublesome for retailers since most cost of goods are limited to grow and processing operations. The main issue is that the majority of people have no clue as to where to start. It is our job to evaluate what specifically you need to do to reduce taxes for section 280e and how best to implement.

### These are some suggestions to help you to start:

#### ***-- Keeping up to date on the current strategy for addressing section 280e***

Keeping up to date on the current strategy for addressing section 280e is an integral part of the process that someone attempting to reduce taxes for section 280e should do. If you can personally follow the different strategies to deal with 280e then you already are ahead of the game. If not leave it to the professionals who know.

#### ***-- Running a related business in their current MMJ/REC Store location***

The secret to succeeding with paying reduced taxes for IRS code section 280e is reliance upon running a related business in their current location, yet many people don't understand just how vital it really is! Through a related business in their current MMJ location the cannabis business is allocating a portion of the existing retail space for your secondary, legal business. This can be any type of business that you choose and are comfortable with.

The two businesses we are recommending are an online ticket brokerage and a coffee bistro. We are concentrating on these two because they are cost effective, relatively easy to

# How to Increase Sales and Reduce Taxes

implement and the synergy between cannabis, concerts and coffee is tremendous.

## -- Maintaining meticulous records regarding expenses

In order to have any valid dealings with the IRS and pay reduced taxes for IRS code section 280e is a mental project equally as it is a tangible one. Mentally, you need to be successful and observant. Maintaining meticulous records regarding daily expenses will help you focus on meeting your goals. Carving time from your schedule to maintain meticulous records regarding expenses will guarantee that you would be primed when your time comes to deal with the IRS and Section 280e.

Reducing taxes for section 280e would certainly not be the hardest part of running your cannabis business. Paying reduced taxes for section 280e is a long process that requires about a year as you won't be able to fully appreciate all your hard work until you have filed your Form 1120 to the IRS. We have included a hypothetical Form 1120 with and without our system in place at the end of this article. The resulting federal tax savings are about 24%.

Before paying reduced taxes for IRS Code Section 280e, you should analyze someone that is successfully doing this. Then consider if you're practicing what they do. That is a beneficial starting place. Following are questions you need to ask yourself:

**Do you want to run a profitable medical marijuana dispensary?**

**Do you want to avoid unnecessary taxes?**

**Do you believe you should be entitled to normal business deductions?**

Ideally, your answer to those questions was "yes". These characteristics are typical amongst cannabis business owners who pay reduced taxes for Section 280e. Had you answered no to these pointed questions, you were not merely acknowledging that you were not qualified to pay reduced taxes, but more importantly, you validated your agreement that the IRS is correct in their actions. Simply because an IRS agent states something is not deductible is not confirmation it is true.

We are operating on existing case law as to the legality and feasibility that this system when integrated will work. There is no guarantee that this will ultimately be successful. The IRS stance is that there are no deductions to be taken for cannabis businesses. All other businesses are able to take normal business deductions and that is what we are doing here. This is a means to increase your operating capital now to help your business survive until Section 280e is changed or repealed but that may take another 4-5 years. In the meantime, use your money as it is yours not the IRS's nor anyone else's.

# How to Increase Sales and Reduce Taxes

## How Does This Work?

### 1. Main Points

#### ***a) Our solution for dealing with 280E is very cost effective and easy to implement.***

1. Register an internet domain similar in nature to your retail operation.
2. Install ticket brokerage website with same physical address.
3. Register holding company and ticket brokerages by client's attorney
4. Integrate with ticket brokerage database.

### 2. Implementation

#### ***b) Installing ticket brokerage and signage for secondary business.***

5. Legitimizes this as a real business
6. Place desktop, laptop or kiosk as POS for ticket brokerage business
7. This results in place of business which generates deductions against total operations

### 3. Maintenance

#### ***c) To Implement and Maintain the System.***

8. All sales are handled internally through the internet.
9. All delivery and customer service issues are handled by a third party.
10. Turnkey operation with very minimal administration on the part of the MMJ Dispensary/Rec Store
11. Simple upgrade to franchise brokerage available.

## What Is It I Am Buying?

### 1. What Is It I Am Buying?

We are offering to install an online ticket brokerage in your cannabis location on a subscription basis for \$90/month. This is a turnkey operation done for you and ready to go. It is fully managed by us and a third party so you have no worries about the day to day operations. When someone asks about buying tickets you direct them to your website or in store kiosk to handle their request and purchase. All customer service is handled through an 800 number and a third party. The reason to install this is to increase cannabis sales through expanded services and to save on taxes.

### 2. So How Do I Sign Up?? (i.e. what steps do they have to take?)

Click on the button below or go to our website [www.280ESolutions.com](http://www.280ESolutions.com) . This will take you to a page where you can sign up for our subscription service using PayPal or a Credit Card. The fee for this service is \$90/month with a minimum of 12 months to show results. We have a 100% satisfaction guarantee for our system.

[Find Out More](#)

# How to Increase Sales and Reduce Taxes

## Disclaimer

Although the information contained here is presented in good faith and believed to be correct, it is general in nature and is not intended as tax advice. Furthermore, the information contained herein may not be applicable to or suitable for the individuals' specific circumstances or needs and may require consideration of other matters. The information on this website should not be used in any actual transaction without the advice and guidance of a professional Tax Adviser who is familiar with all the relevant facts. MJ Consulting Services is depending on advice we have received from our Tax Advisers. MJ Consulting Services and its subsidiaries are not providing legal, tax nor accounting advice. We are recommending the secondary businesses as a means for increasing revenues and net income. There is no guarantee that this will be successful.

Currently in Washington State I-502 limits recreational stores in that they may only sell marijuana, marijuana concentrates, marijuana infused products and marijuana paraphernalia. We have received written confirmation from Oregon LCC *"In regards to our program our rules and regulations do not prohibit an OLCC licensed retailer from selling non-marijuana items in their licensed establishment, such as t-shirts, hats, non-marijuana food items."*

U.S. Corporation Income Tax Return

For calendar year 2014 or tax year beginning \_\_\_\_\_, 2014, ending \_\_\_\_\_, 20 \_\_\_\_\_

2014

Information about Form 1120 and its separate instructions is at www.irs.gov/form1120.

A Check if:

- 1a Consolidated return (attach Form 851)
b Life/nonlife consolidated return
2 Personal holding co. (attach Sch. PH)
3 Personal service corp. (see instructions)
4 Schedule M-3 attached

Name: DUMMY CORP
TYPE OR PRINT: 1234 MELLOW LN
City or town, state, or province, country and ZIP or foreign postal code: PORTLAND OR 97211

B Employer identification number

47-9898989

C Date incorporated

01-01-2015

D Total assets (see instructions)

\$

E Check if: (1) Initial return (2) Final return (3) Name change (4) Address change

Table with 3 columns: Description, Line Number, Amount. Includes sections for Income (lines 1a-11), Deductions (lines 12-27), and Tax, Refundable Credits, and Payments (lines 30-36).

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete.

Sign Here

Signature of officer

Date

Title

May the IRS discuss this return with the preparer shown below (see instructions)? Yes No

Paid Preparer Use Only

Print/Type preparer's name: Baruch Valenzuela
Preparer's signature, Date, Firm's name: Pacific Northwest Tax Service, Firm's EIN: 93-1191018, Firm's address: 2730 NE BROADWAY ST, PORTLAND OR 97232, Phone no.: (503) 288-2000

For Paperwork Reduction Act Notice, see separate instructions.

• 2014 Form 20  
Oregon Corporation  
Excise Tax Return



\* 0 2 5 8 1 4 0 1 0 1 1 0 2 4 \*

• Fiscal year beginning	• Fiscal year ending
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• Name: DUMMY CORP DBA/ABN: • Address: 1234 MELLOW LN • City: PORTLAND • St: OR • ZIP code: 97211	• FEIN: 47-9898989 BIN: 00000000-0	For office use only  Payment 1 2 3
<input type="checkbox"/> New name <input type="checkbox"/> New address  <input type="checkbox"/> Extension <input checked="" type="checkbox"/> Form 37 <input type="checkbox"/> Amended <input type="checkbox"/> Form 24 <input type="checkbox"/> FCG-20 <input type="checkbox"/> Federal Form 8886 <input type="checkbox"/> REIT/RIC <input type="checkbox"/> Accounting period change Contact name: • Contact phone: Web:	FOR COMPUTER USE ONLY  	

Questions: Complete A through D only if this is your first return or the answer changed during 2014.

• A. Incorporation in (state): OR	• Incorporated on (date): 01/01/2015	• B. State of comm domicile	• C. Date bus activity began in OR	• D. Bus Activity Code
• E.(1) <input type="checkbox"/> Consolidated federal return; • (2) <input type="checkbox"/> Consolidated OR return; • (3) <input type="checkbox"/> Corporations included in consolidated fed return, but not in OR return				
• F. <input type="checkbox"/> Low-income taxpayer	• G. Enter name of parent corporation, if applicable		• Enter FEIN of parent corp, if applicable	
• H. Number of OR corporations	• I. List the tax yrs for which fed waivers of the statute of limitations are in effect & dates on which waivers expire			
• J. List the tax years for which your federal taxable income was changed by an IRS audit or by an amended federal return filed during this tax year				
• K. If first return, indicate <input type="checkbox"/> New business, or <input type="checkbox"/> Successor to previous bus	Name of previous business	FEIN	BIN	
• L. If final return, indicate <input type="checkbox"/> Withdrawn, <input type="checkbox"/> Dissolved, or <input type="checkbox"/> Merged or reorganized	Name of merged or reorganized corporation	FEIN	BIN	
M. Utility or telecommunications companies (see instructions) . . . • M <input type="checkbox"/> N. Interstate broadcaster (see instructions) • N <input type="checkbox"/>				
O. If you did not complete Schedule AP, fill in the amount of your Oregon sales . . . . . • O 1,000,000				

	1. Taxable income from U.S. corporation income tax return (see instructions) . . . . .	• 1	207,020
<b>Additions</b>	2. State, municipal, and other interest income not included in line 1 . . . • 2	• 2	
	3. OR excise tax and other state or foreign taxes on or measured by net income or profits . • 3	• 3	
	4. Income of related FSC or DISC . . . . . • 4	• 4	
	5. Total other additions (from Schedule ASC-CORP, see instructions) • 5	• 5	
	6. Total additions (add lines 2 through 5) . . . . . • 6	• 6	
	7. Income after additions (line 1 plus line 6) . . . . . • 7	• 7	207,020
<b>Subtractions</b>	8. Work opportunity credit wages not deducted on fed. Form 1120 . . . • 8	• 8	
	9. Dividend deduction (attach schedule and explanation) . . . . . • 9	• 9	
	10. Income of nonunitary corporations (attach schedule and explanation) . . . . . • 10	• 10	
	11. Total other subtractions (from Schedule ASC-CORP, see inst.) . . • 11	• 11	
	12. Total subtractions (add lines 8 through 11) . . . . . • 12	• 12	
	13. Income before net loss deduction (line 7 minus line 12). <b>If income is derived from sources</b> . . . 13	• 13	207,020

both in Oregon and other states, carry amount from line 13 to Schedule AP-2, line 1.



DUMMY CORP  
47-9898989



\* 0 2 5 8 1 4 0 1 0 2 1 0 2 4 \*

	14. Net loss deduction and net capital loss deduction if not apportioned (attach schedule)	• 14	
	15. <b>Oregon taxable income</b> (line 13 minus line 14, or amount from Schedule AP-2, line 11)	• 15	207,020
	16. Calculated excise tax (see instructions)	• 16	13,663
	17. FCG-20 adjustment (see instructions, attach worksheet)	• 17	
	18. Total calculated excise tax (line 16 minus line 17)	• 18	13,663
	19. Minimum tax (based on Oregon sales, see instructions)	• 19	1,000
	20. Tax (greater of line 18 or line 19)	• 20	13,663
	21. Tax adjustments (see instructions, attach schedule)	• 21	
	22. Tax before credits (line 20 plus line 21)	• 22	13,663
<b>Credits</b> (see inst.)	23. Pollution control facilities credit	• 23	
	24. Renewable energy development contribution credit	• 24	
	25. Energy conservation project credit	• 25	
	26. Energy transportation project credit	• 26	
	27. Business energy credit	• 27	
	28. Energy manufacturing facility credit	• 28	
	29. Total other credits (from Schedule ASC-CORP)	• 29	
	30. Total credits (add lines 23 through 29)	• 30	
<b>Excise Tax</b>	31. Excise tax after credits (line 22 minus line 30, see instructions)	• 31	13,663
	32. LIFO benefit recapture subtraction (see instructions)	• 32	
	33. Net excise tax (line 31 minus line 32)	• 33	13,663
	34. 2014 estimated tax payments from Schedule ES line 8. Include payments made with extension	• 34	
	35. Withholding payments made on your behalf from pass-through entity or real estate income	• 35	
	36. <b>Tax due.</b> Is line 33 more than line 34 plus line 35? If so, line 33 minus lines 34 and 35. . . . <b>Tax due</b>	• 36	13,663
	37. <b>Overpayment.</b> Is line 33 less than line 34 plus line 35? If so, line 34 plus line 35, minus line 33 . . . . <b>Overpayment</b>	• 37	
	38. Penalty due with this return	• 38	
	39. Interest due with this return	• 39	
	40. Interest on underpayment of estimated tax (attach Form 37)	• 40	376
	41. Total penalty and interest (add lines 38 through 40)	• 41	376
	42. <b>Total due</b> (line 36 plus line 41)	<b>Total due</b> • 42	14,039
	43. <b>Refund</b> available (line 37 minus line 41)	<b>Refund</b> • 43	
	44. Amount of refund to be credited to estimated tax	• 44	
	45. <b>Net refund</b> (line 43 minus line 44)	<b>Net refund</b> • 45	

**Schedule ES - Estimated Tax Payments or Other Prepayments**

	Name of payer	Payer FEIN	Date of payment	Amount paid
1. Qtr 1				• 1
2. Qtr 2				• 2
3. Qtr 3				• 3
4. Qtr 4				• 4
5. Overpayment of last year's tax elected as a credit against this year's tax				5
6. Payments made with extension or other prepayments for this tax year and date paid				6
7. Claim of right credit (attach computation and explanation)				7
8. Total prepayments (carry to line 34 above)				8

Under penalty of false swearing, I declare that the information in this return and any attachments is true, correct, and complete.

<b>Sign Here</b>	Signature of officer	Signature of preparer other than taxpayer	License number of preparer
	<b>X</b>	<b>X</b>	•13759 CPA
	Date	Date	Phone number
			503-288-2000
	Print name of officer	Print name of preparer	
		BARUCH VALENZUELA	
	Title of officer	Address of preparer	
		2730 NE BROADWAY ST PORTLAND, OR 97232	

Please attach a complete copy of your federal Form 1120 and schedules

Mail refund returns and no tax due returns to:  
Refund, PO Box 14777, Salem OR 97309-0960

Mail tax-to-pay returns with payment and payment voucher to:  
Oregon Department of Revenue, PO Box 14790, Salem OR 97309-0470

**COMBINED TAX RETURN  
FOR CORPORATIONS**

**FORM C-2014**

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: 4/15/2015)



TAXABLE YEAR	
From: 01-01-2014	to 12-31-2014
ACCOUNT #	FEIN #
	47-9898989
FEDERAL BUSINESS CODE	

OFFICIAL USE ONLY

NAME  
**DUMMY CORP**

MAILING ADDRESS <b>Notify the Revenue Bureau if business location address changes)</b> 1234 MELLOW LN	CITY PORTLAND	STATE/PROV OR	ZIP CODE 97211
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AMENDED RETURN? <input type="checkbox"/>	MAILING ADDRESS CHANGE? <input type="checkbox"/>	CEASED PORTLAND/MULTNOMAH BUSINESS? (attach explanation) <input type="checkbox"/>
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INCOME	ATTACH OREGON FORM 20, FEDERAL FORM 1120, & 1125-E, IF FILED			
	Multnomah County*		City of Portland*	
1. Net Income or (Loss)	1M 207,020		1P 207,020	
2. Business Income Tax & Business License Tax Add Back	2M		2P	
3. Compensation (# of controlling shareholders _____)	3M 10,000		3P 10,000	
4. Other additions or subtractions	4M		4P	
5. Adjusted Net Income (total lines 1, 2, 3 and 4)	5M 217,020		5P 217,020	
6. Compensation Allowance Deduction (see instructions) . Enter as negative sum→	6M ( )		6P ( )	
7. Subject Net Income (line 5 minus line 6)	7M 217,020		7P 217,020	

<b>Multnomah County</b> Avg. Sum of Multnomah Employees in 2014: _____		
8a. County Gross Income = $\frac{1,000,000}{1,000,000}$ . . . . . 8c = (8a ÷ 8b)	8c 1.000000	
8b. Total Gross Income* = $\frac{1,000,000}{1,000,000}$ (must be 1.0 or less)		
<small>*If less than \$50,000, the taxpayer is exempt and should complete Form AER</small>		
9. County Apportioned Net Income (line 7M x line 8c)	9 217,020	
10. Net Operating Loss Deduction (max 75% of line 9) . . . . . Enter as negative sum→	10 ( )	
11. Income Subject to Tax (line 9 minus line 10)	11 217,020	
12. Tax (line 11 x tax rate of 1.45%) <b>MINIMUM \$100</b>	12 3,147	
13. Prepayments . . . . . Enter as negative sum→	13 ( )	
14. Penalty	14	
15. Interest	15	
16. Balance Due or (Overpayment)	16 3,147	
17. REFUND: _____ CREDIT: _____ TRANSFER TO PORTLAND: _____		

<b>City of Portland</b> Avg. Sum of Portland Employees in 2014: _____		
18a. Portland Gross Income = $\frac{1,000,000}{1,000,000}$ . . . . . 18c = (18a ÷ 18b) (must be 1.0 or less)→	18c 1.000000	
18b. Total Gross Income* = $\frac{1,000,000}{1,000,000}$		
<small>*If less than \$50,000, the taxpayer is exempt and should complete Form AER</small>		
19. Portland Apportioned Net Income (line 7P x line 18c)	19 217,020	
20. Net Operating Loss Deduction (max 75% of line 19) . . . . . Enter as negative sum→	20 ( )	
21. Income Subject to Tax (line 19 minus line 20)	21 217,020	
22. Tax (line 21 x tax rate of 2.2%) <b>MINIMUM \$100</b>	22 4,774	
23. Prepayments . . . . . Enter as negative sum→	23 ( )	
24. Penalty	24	
25. Interest	25	
26. Balance Due or (Overpayment)	26 4,774	
27. REFUND: _____ CREDIT: _____ TRANSFER TO MULT CO: _____ DONATE TO "WORK FOR ART": _____		

28. **COMBINED AMOUNT DUE WITH REPORT** (total lines 16 and 26) Check # \_\_\_\_\_ **28** 7,921

**Make check payable to City of Portland, 111 SW Columbia St., Suite #600, Portland, OR 97201-5840.**  
The undersigned declares that the information given on this report is true. The undersigned is authorized to act as a representative of the filer. Filers of incomplete returns (including returns that have not reported the Average Sum of Employees) may be subject to civil penalties of up to \$500.

Signature of Filer \_\_\_\_\_ Date \_\_\_\_\_ Filer's Daytime Phone \_\_\_\_\_  
Signature of Preparer \_\_\_\_\_ Date \_\_\_\_\_ Filer's Email \_\_\_\_\_  
Preparer's Name/Address Baruch Valenzuela 2730 NE BROADWAY PORTLAND, OR 97232 Preparer Phone 503-288-2000

**REVENUE BUREAU (503) 823-5157**

**FAX (503) 823-5192**

**TDD (503) 823-6868**

U.S. Corporation Income Tax Return

For calendar year 2014 or tax year beginning \_\_\_\_\_, 2014, ending \_\_\_\_\_, 20 \_\_\_\_\_

2014

Information about Form 1120 and its separate instructions is at www.irs.gov/form1120.

A Check if:

- 1a Consolidated return (attach Form 851)
b Life/nonlife consolidated return
2 Personal holding co. (attach Sch. PH)
3 Personal service corp. (see instructions)
4 Schedule M-3 attached

Name: DUMMY CORP
Number, street, and room or suite no. If a P.O. box, see instructions. 1234 MELLOW LN
City or town, state, or province, country and ZIP or foreign postal code: PORTLAND OR 97211

B Employer identification number: 47-9898989
C Date incorporated: 01-01-2015
D Total assets (see instructions): \$

E Check if: (1) Initial return (2) Final return (3) Name change (4) Address change

Income section table with columns for line number, description, and amount. Line 1a: 1,000,000; Line 1c: 1,000,000; Line 2: 750,000; Line 3: 250,000; Line 11: 250,000

Deductions section table with columns for line number, description, and amount. Line 12-26: Various deductions; Line 27: Total deductions; Line 28: 250,000

Tax, Refundable Credits, and Payments section table with columns for line number, description, and amount. Line 30: 250,000; Line 31: 80,750; Line 34: 80,750

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete.

Sign Here

Signature of officer: Baruch Valenzuela, Date, Title

May the IRS discuss this return with the preparer shown below (see instructions)? Yes No

Paid Preparer Use Only section with fields for preparer name (Baruch Valenzuela), firm name (Pacific Northwest Tax Service), firm address (2730 NE BROADWAY ST), firm EIN (93-1191018), and phone number ((503) 288-2000)

For Paperwork Reduction Act Notice, see separate instructions.

• 2014 Form 20  
Oregon Corporation  
Excise Tax Return



\* 0 2 5 8 1 4 0 1 0 1 1 0 2 4 \*

• Fiscal year beginning	• Fiscal year ending
-------------------------	----------------------

• Name: DUMMY CORP DBA/ABN: • Address: 1234 MELLOW LN • City: PORTLAND • St: OR • ZIP code: 97211  • <input type="checkbox"/> New name • <input type="checkbox"/> New address  • <input type="checkbox"/> Extension • <input checked="" type="checkbox"/> Form 37 • <input type="checkbox"/> Amended • <input type="checkbox"/> Form 24 • <input type="checkbox"/> FCG-20 • <input type="checkbox"/> Federal Form 8886 • <input type="checkbox"/> REIT/RIC • <input type="checkbox"/> Accounting period change Contact name: • Contact phone: Web:	• FEIN: 47-9898989 BIN: 00000000-0	For office use only  Payment 1 2 3
FOR COMPUTER USE ONLY		

Questions: Complete A through D only if this is your first return or the answer changed during 2014.

• A. Incorp in (state): OR	• Incorporated on (date) 01/01/2015	• B. State of comm domicile	• C. Date bus activity began in OR	• D. Bus Activity Code
• E.(1) <input type="checkbox"/> Consolidated federal return; • (2) <input type="checkbox"/> Consolidated OR return; • (3) <input type="checkbox"/> Corporations included in consolidated fed return, but not in OR return				
• F. <input type="checkbox"/> Low-income taxpayer	• G. Enter name of parent corporation, if applicable		• Enter FEIN of parent corp, if applicable	
• H. Number of OR corporations	• I. List the tax yrs for which fed waivers of the statute of limitations are in effect & dates on which waivers expire			
• J. List the tax years for which your federal taxable income was changed by an IRS audit or by an amended federal return filed during this tax year				
• K. If first return, indicate <input type="checkbox"/> New business, or <input type="checkbox"/> Successor to previous bus	Name of previous business	FEIN	BIN	
• L. If final return, indicate <input type="checkbox"/> Withdrawn, <input type="checkbox"/> Dissolved, or <input type="checkbox"/> Merged or reorganized	Name of merged or reorganized corporation	FEIN	BIN	
M. Utility or telecommunications companies (see instructions) . . . • M <input type="checkbox"/> N. Interstate broadcaster (see instructions) • N <input type="checkbox"/>				
O. If you did not complete Schedule AP, fill in the amount of your Oregon sales . . . . . • O 1,000,000				

	1. Taxable income from U.S. corporation income tax return (see instructions) . . . . .	1	250,000
<b>Additions</b>	2. State, municipal, and other interest income not included in line 1 . . . • 2	2	
	3. OR excise tax and other state or foreign taxes on or measured by net income or profits . • 3	3	
	4. Income of related FSC or DISC . . . . . • 4	4	
	5. Total other additions (from Schedule ASC-CORP, see instructions) • 5	5	
	6. Total additions (add lines 2 through 5) . . . . . • 6	6	
	7. Income after additions (line 1 plus line 6) . . . . .	7	250,000
<b>Subtractions</b>	8. Work opportunity credit wages not deducted on fed. Form 1120 . . • 8	8	
	9. Dividend deduction (attach schedule and explanation) . . . . • 9	9	
	10. Income of nonunitary corporations (attach schedule and explanation) . . . . • 10	10	
	11. Total other subtractions (from Schedule ASC-CORP, see inst.) . . • 11	11	
	12. Total subtractions (add lines 8 through 11) . . . . . • 12	12	
	13. Income before net loss deduction (line 7 minus line 12). <b>If income is derived from sources</b> . . . 13	13	250,000

both in Oregon and other states, carry amount from line 13 to Schedule AP-2, line 1.

DUMMY CORP  
47-9898989



\* 0 2 5 8 1 4 0 1 0 2 1 0 2 4 \*

	14. Net loss deduction and net capital loss deduction if not apportioned (attach schedule)	• 14	
	15. <b>Oregon taxable income</b> (line 13 minus line 14, or amount from Schedule AP-2, line 11)	• 15	250,000
	16. Calculated excise tax (see instructions)	• 16	16,500
	17. FCG-20 adjustment (see instructions, attach worksheet)	• 17	
	18. Total calculated excise tax (line 16 minus line 17)	• 18	16,500
	19. Minimum tax (based on Oregon sales, see instructions)	• 19	1,000
	20. Tax (greater of line 18 or line 19)	• 20	16,500
	21. Tax adjustments (see instructions, attach schedule)	• 21	
	22. Tax before credits (line 20 plus line 21)	• 22	16,500
<b>Credits</b> (see inst.)	23. Pollution control facilities credit	• 23	
	24. Renewable energy development contribution credit	• 24	
	25. Energy conservation project credit	• 25	
	26. Energy transportation project credit	• 26	
	27. Business energy credit	• 27	
	28. Energy manufacturing facility credit	• 28	
	29. Total other credits (from Schedule ASC-CORP)	• 29	
	30. Total credits (add lines 23 through 29)	• 30	
<b>Excise Tax</b>	31. Excise tax after credits (line 22 minus line 30, see instructions)	• 31	16,500
	32. LIFO benefit recapture subtraction (see instructions)	• 32	
	33. Net excise tax (line 31 minus line 32)	• 33	16,500
	34. 2014 estimated tax payments from Schedule ES line 8. Include payments made with extension	• 34	
	35. Withholding payments made on your behalf from pass-through entity or real estate income	• 35	
	36. <b>Tax due.</b> Is line 33 more than line 34 plus line 35? If so, line 33 minus lines 34 and 35. . . . <b>Tax due</b>	• 36	16,500
	37. <b>Overpayment.</b> Is line 33 less than line 34 plus line 35? If so, line 34 plus line 35, minus line 33 . . . . <b>Overpayment</b>	• 37	
	38. Penalty due with this return	• 38	
	39. Interest due with this return	• 39	
	40. Interest on underpayment of estimated tax (attach Form 37)	• 40	453
41. Total penalty and interest (add lines 38 through 40)	• 41	453	
42. <b>Total due</b> (line 36 plus line 41)	• 42	16,953	
43. <b>Refund</b> available (line 37 minus line 41)	• 43		
44. Amount of refund to be credited to estimated tax	• 44		
45. <b>Net refund</b> (line 43 minus line 44)	• 45		

**Schedule ES - Estimated Tax Payments or Other Prepayments**

	Name of payer	Payer FEIN	Date of payment	Amount paid
1. Qtr 1				• 1
2. Qtr 2				• 2
3. Qtr 3				• 3
4. Qtr 4				• 4
5. Overpayment of last year's tax elected as a credit against this year's tax				5
6. Payments made with extension or other prepayments for this tax year and date paid				6
7. Claim of right credit (attach computation and explanation)				7
8. Total prepayments (carry to line 34 above)				8

Under penalty of false swearing, I declare that the information in this return and any attachments is true, correct, and complete.

<b>Sign Here</b>	Signature of officer	Signature of preparer other than taxpayer	License number of preparer
	<b>X</b>	<b>X</b>	•13759 CPA
	Date	Date	Phone number
			503-288-2000
	Print name of officer	Print name of preparer	
		BARUCH VALENZUELA	
	Title of officer	Address of preparer	
		2730 NE BROADWAY ST PORTLAND, OR 97232	

Please attach a complete copy of your federal Form 1120 and schedules

Mail refund returns and no tax due returns to:  
Refund, PO Box 14777, Salem OR 97309-0960

Mail tax-to-pay returns with payment and payment voucher to:  
Oregon Department of Revenue, PO Box 14790, Salem OR 97309-0470

**COMBINED TAX RETURN  
FOR CORPORATIONS**

**FORM C-2014**

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: 4/15/2015)



TAXABLE YEAR	
From: 01-01-2014	to 12-31-2014
ACCOUNT #	FEIN #
	47-9898989
FEDERAL BUSINESS CODE	

OFFICIAL USE ONLY

NAME  
**DUMMY CORP**

MAILING ADDRESS <b>Notify the Revenue Bureau if business location address changes)</b> 1234 MELLOW LN	CITY PORTLAND	STATE/PROV OR	ZIP CODE 97211
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AMENDED RETURN? <input type="checkbox"/>	MAILING ADDRESS CHANGE? <input type="checkbox"/>	CEASED PORTLAND/MULTNOMAH BUSINESS? (attach explanation) <input type="checkbox"/>
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INCOME	ATTACH OREGON FORM 20, FEDERAL FORM 1120, & 1125-E, IF FILED			
	Multnomah County*		City of Portland*	
1. Net Income or (Loss)	1M 250,000		1P 250,000	
2. Business Income Tax & Business License Tax Add Back	2M		2P	
3. Compensation (# of controlling shareholders _____)	3M		3P	
4. Other additions or subtractions	4M		4P	
5. Adjusted Net Income (total lines 1, 2, 3 and 4)	5M 250,000		5P 250,000	
6. Compensation Allowance Deduction (see instructions) . Enter as negative sum→	6M ( )		6P ( )	
7. Subject Net Income (line 5 minus line 6)	7M 250,000		7P 250,000	

<b>Multnomah County</b> Avg. Sum of Multnomah Employees in 2014: _____		
8a. County Gross Income = <u>1,000,000</u>	8c. <u>1.000000</u>	
8b. Total Gross Income* = <u>1,000,000</u> (must be 1.0 or less)		
<small>*If less than \$50,000, the taxpayer is exempt and should complete Form AER</small>		
9. County Apportioned Net Income (line 7M x line 8c)	9 250,000	
10. Net Operating Loss Deduction (max 75% of line 9) . . . Enter as negative sum→	10 ( )	
11. Income Subject to Tax (line 9 minus line 10)	11 250,000	
12. Tax (line 11 x tax rate of 1.45%) <b>MINIMUM \$100</b>	12 3,625	
13. Prepayments . . . . . Enter as negative sum→	13 ( )	
14. Penalty	14	
15. Interest	15	
16. Balance Due or (Overpayment)	16 3,625	
17. REFUND: _____ CREDIT: _____ TRANSFER TO PORTLAND: _____		

<b>City of Portland</b> Avg. Sum of Portland Employees in 2014: _____		
18a. Portland Gross Income = <u>1,000,000</u>	18c. <u>1.000000</u>	
18b. Total Gross Income* = <u>1,000,000</u> . . . . 18c = (18a ÷ 18b) (must be 1.0 or less)→		
<small>*If less than \$50,000, the taxpayer is exempt and should complete Form AER</small>		
19. Portland Apportioned Net Income (line 7P x line 18c)	19 250,000	
20. Net Operating Loss Deduction (max 75% of line 19) . . . . . Enter as negative sum→	20 ( )	
21. Income Subject to Tax (line 19 minus line 20)	21 250,000	
22. Tax (line 21 x tax rate of 2.2%) <b>MINIMUM \$100</b>	22 5,500	
23. Prepayments . . . . . Enter as negative sum→	23 ( )	
24. Penalty	24	
25. Interest	25	
26. Balance Due or (Overpayment)	26 5,500	
27. REFUND: _____ CREDIT: _____ TRANSFER TO MULT CO: _____ DONATE TO "WORK FOR ART": _____		

28. **COMBINED AMOUNT DUE WITH REPORT** (total lines 16 and 26) Check # \_\_\_\_\_ **28** 9,125

**Make check payable to City of Portland, 111 SW Columbia St., Suite #600, Portland, OR 97201-5840.**  
The undersigned declares that the information given on this report is true. The undersigned is authorized to act as a representative of the filer. Filers of incomplete returns (including returns that have not reported the Average Sum of Employees) may be subject to civil penalties of up to \$500.

Signature of Filer \_\_\_\_\_ Date \_\_\_\_\_ Filer's Daytime Phone \_\_\_\_\_  
Signature of Preparer \_\_\_\_\_ Date \_\_\_\_\_ Filer's Email \_\_\_\_\_  
Preparer's Name/Address Baruch Valenzuela 2730 NE BROADWAY PORTLAND, OR 97232 Preparer Phone 503-288-2000

**REVENUE BUREAU (503) 823-5157 FAX (503) 823-5192 TDD (503) 823-6868**