

Schedule NRE – Oregon Exclusion for Natural Resource or Commercial Fishing Property for Form IT-1

Estate of: _____ Date of death _____ Decedent's Social Security number _____

Part 1. Exclusion for the following property, not to exceed \$7.5 million (applicable to deaths on or after January 1, 2007):

- Farm use defined in ORS 308A.056
- Farm use defined in ORS 308A.250
- Forestland defined in ORS 321.201
- Forestland defined in ORS 308A.250
- Property used in commercial fishing operations and any property used in processing or marketing of the product of those commercial fishing operations

The exclusion is not valid unless Part 3 of this schedule:

- a. is signed by each qualified heir with an interest in the exclusion property, and
- b. the completed Schedule NRE is attached to Form IT-1, *Oregon Inheritance Tax Return*, when it is filed.

Part 2. Description of property. All exclusion property entered on the lines below, must also be entered on Schedules A, E, F, G, or H, as applicable.

A. Schedule and item number from Form 706	B. Description of the excluded property	C. Fair market value	D. Value for exclusion from total gross estate (if different from column C)
Totals		C.	D.

- Attach a legal description of all property described in column B.
- Attach copies of valid fee appraisals for all property listed in column C.
- Enter the total from column C or D, whichever is less, on Part 5, line 12, not to exceed \$7.5 million. This is your natural resource exclusion amount.

Identify each qualified heir receiving an interest in property which has been excluded from the gross value of this estate.

	Full name	Street address, City, State, ZIP code
A		
B		
C		
D		
E		
F		
G		

	Identifying number (e.g. SSN, FEIN)	Relationship to decedent	FMV or heirs' portion of exclusion property
A			
B			
C			
D			
E			
F			
G			

Attach a computation, for each heir, of the Oregon inheritance tax savings attributable to the transfer of natural resource property from decedent to heir.

Estate of: _____ **Date of death** _____ **Decedent's Social Security number** _____

Part 3. Valid exclusion. Natural resource property.

We (list the qualified heirs having an interest in the excluded property) _____

are the qualified heirs having interest in the exclusion property. We approve of the exclusion made by _____

Executor/Administrator of the estate of _____

We, the qualified heirs, understand 2007 House Bill 3201, section 68, requires the following conditions:

1. The qualified heir must use the natural resource property initially excluded from the value of the gross estate for at least five out of eight calendar years following the decedent's death to qualify for the inheritance tax exclusion.
2. During the five out of eight calendar year required use period, described in number 1 above, the qualified heir may transfer the excluded property to another family member who is eligible for the exclusion.
3. If the heir does not use the excluded property as natural resource property for five out of eight calendar years following the decedent's death, or the heir disposes of the excluded property, an additional tax under ORS 118.005 to 118.840 is due from the heir.
 - a. The additional tax liability will be an amount no greater than taxes that would have been due had the property been included in the gross estate, but at least the amount of such additional taxes multiplied by [(five minus the number of years the property was used as natural resource property) divided by five].
 - b. The additional tax liability will be apportioned to the estate for any time prior to transfer to the heirs, and apportioned to the heirs for any time after transfer to the heirs.
 - c. An amended Form IT-1, *Oregon Inheritance Tax Return*, will be required from the heir and the additional inheritance tax paid.

Signature of each qualified heir for a valid exclusion:

(Signature of qualified heir)	Date (MM/DD/YYYY)
(Signature of qualified heir)	Date (MM/DD/YYYY)
(Signature of qualified heir)	Date (MM/DD/YYYY)
(Signature of qualified heir)	Date (MM/DD/YYYY)
(Signature of qualified heir)	Date (MM/DD/YYYY)
(Signature of qualified heir)	Date (MM/DD/YYYY)
(Signature of qualified heir)	Date (MM/DD/YYYY)

Attach additional pages if more signature lines are needed.