

Schedule NRC

Oregon Natural Resource or Commercial Fishing Business Property Credit for Form IT-1

Estate of: _____ Decedent's Social Security number _____

Part 1. Qualifying natural resource or commercial fishing business property, is 50 percent or more of the adjusted gross estate, which does not exceed \$15 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 business, as defined by IRC 1301(b)(4), and licensed under ORS 508
- Property of a commercial fishing business licensed under ORS chapter 508, that is used to process and sell the catch to consumers, including a restaurant with seating capacity of less than 15

To determine your Adjusted Gross Estate, go to Part 5 of this schedule. The credit is not valid unless Parts 1-5 are completed and Part 4:
 a. is signed by each qualified heir with an interest in the natural resource or commercial fishing business property; and
 b. the completed Schedule NRC is attached to Form IT-1, *Oregon Inheritance Tax Return*, when it is filed.

Part 2. Description of property. All natural resource and commercial fishing business property entered on the lines below must also be entered on the applicable schedules from Form 706. Complete all columns.

- Attach a legal description of all property described in column B.
- Attach copies of valid fee appraisals for all property listed in column C (property tax statements are not acceptable for determining the date of death property value).

A. Schedule and item number from Form 706	B. Description of the qualified natural resource property or commercial fishing business property	C. Fair market value	D. Value upon which the credit is calculated
Column Totals		C.	D.

Part 3. Identify each qualified heir receiving an interest in property upon which the credit is calculated. "Qualified heir" is defined as a member of a decedent's family as defined in Section 2032A and/or the decedent's registered domestic partner, defined in Chapter 106. Attach additional pages if more lines are needed.

	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 qualified property
A			
B			
C			
D			
E			
F			
G			

Oregon Natural Resource or Commercial Fishing Business Property Credit for Form IT-1

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

Part 4. Valid election. Natural resource or commercial fishing business property credit.

We (list the qualified heirs having an interest in the natural resource or commercial fishing business property) _____

_____ are the qualified heirs having interest in the natural resource or commercial fishing business property. We approve of the election made by _____

Executor/Administrator of the estate of _____

We, the qualified heirs, understand ORS 118.140, as amended by 2008 House Bill 3618, requires the following conditions:

1. The qualified heir must use the natural resource property or commercial fishing business property for which a credit is elected for at least five out of eight calendar years following the decedent's death to qualify for the credit. See Part 5 of this schedule to compute your credit.
2. During the five out of eight calendar years required use period, described in number 1 above, the qualified heir may transfer the natural resource or commercial fishing business property to another qualified heir who is eligible for the credit.
3. If the heir does not use natural resource or commercial fishing business property for five out of eight calendar years following the decedent's death, or the heir disposes of the property, an additional tax under ORS 118.005 to 118.840 may be due from the heir.
 - a. The additional tax liability will be the amount of the credit allowed on the disqualified property multiplied by [(five minus the number of years the property was used as natural resource property) divided by five].
 - b. 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 is required for a valid election:

_____ (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)
_____ (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. If all of the qualified heirs cannot sign the same page, it is acceptable to have a separate signature page for each heir.

Estate of: _____ Decedent's Social Security number _____

Part 5. Adjusted gross estate and credit computation

Adjusted gross estate:

1. Gross estate (Form IT-1, Part 2, line 1)..... 1.

2. Less:

 a. Schedules J and K (Form IT-1, Part 5, line 16).....2a.

 b. Schedule L (Form IT-1, Part 5, line 18).....2b.

3. Adjusted gross estate (line 1 less lines 2a plus 2b)..... 3.

Stop if this amount is more than \$15 million; you do not qualify for the credit.

4. Value of all eligible natural resource or fishing property (Schedule NRC, Part 2, column C total) 4.

5. Divide line 4 by line 3. This is your natural resource property percent..... 5.

Stop if your percentage is less than 50 percent; you do not qualify for the credit.

Natural resource credit (use the credit table below for entries on lines 7, 8, and 10):

6. Value of natural resource property on which the credit is calculated (Schedule NRC, Part 2, column D total)..... 6.

7. If line 6 value is equal to or more than credit table column 1 but less than column 2, enter the column 1 value 7.

8. Credit amount from credit table column 3 8.

9. Line 6 less line 7 9.

10. Percentage from credit table column 4 10..

11. Line 9 multiplied by line 10 percentage..... 11.

12. Line 8 plus line 11. This is your natural resource credit. Enter on Form IT-1, Part 2, line 18..... 12..

Credit Table

Column 1 Value on line 6 is equal to or more than:	Column 2 Value on line 6 is less than:	Column 3 Credit for value in column 1:	Column 4 Credit. Percentage of excess of line 6 over column 1:
\$0—	\$100,000	\$0	—
100,000—	150,000	0	0.8%
150,000—	200,000	400	1.6%
200,000—	300,000	1,200	2.4%
300,000—	500,000	3,600	3.2%
500,000—	700,000	10,000	4.0%
700,000—	900,000	18,000	4.8%
900,000—	1,100,000	27,600	5.6%
1,100,000—	1,600,000	38,800	6.4%
1,600,000—	2,100,000	70,800	7.2%
2,100,000—	2,600,000	106,800	8.0%
2,600,000—	3,100,000	146,800	8.8%
3,100,000—	3,600,000	190,800	9.6%
3,600,000—	4,100,000	238,800	10.4%
4,100,000—	5,100,000	290,800	11.2%
5,100,000—	6,100,000	402,800	12.0%
6,100,000—	7,100,000	522,800	12.8%
7,100,000—	7,500,000	650,800	13.6%
7,500,000—	8,100,000	402,800	13.0%
8,100,000—	9,100,000	253,344	12.5%
9,100,000—	10,100,000	146,800	12.0%
10,100,000—	11,100,000	35,400	11.2%
11,100,000—	12,100,000	15,520	7.7%
12,100,000—	13,100,000	8,000	5.7%
13,100,000—	14,100,000	0	3.7%
14,100,000—	15,100,000	0	1.7%
15,100,000—	—	0	0%

Example:

The J. Doe Estate has natural resource property, Part 2, column D, of \$1,770,000. Here is the computation of the credit using lines 6 through 12 from the above computation.

Line 6		\$1,770,000
Line 7		1,600,000
Line 8	70,800	
Line 9		170,000
Line 10		7.2%
Line 11	12,240	
Line 12		\$83,040

ATTACH PAGES 1, 2, AND 3 OF THIS SCHEDULE TO FORM IT-1