

Oregon 1999



Full-Year Resident

Forms 40S & 40 with Instructions

How to get your refund faster

- Use the correct form.
- Type or legibly print your name, address, and correct Social Security number.
- Claim your correct federal tax subtraction.
- Double-check your math.
- Sign your return.
- Attach every Form W-2 and 1099 that shows Oregon tax withheld.
- Attach a copy of the front and back of your federal return if you file Form 40.
- Mail early.
- File electronically.**
See page 3 for details.



Dear Taxpayer,

The income taxes you pay provide funding for important services like education, public safety, and human services. The next page shows how your income tax dollars are spent. This year we are focusing on the portion that pays for public safety. Thank you for supporting all these valuable services.

We at the Department of Revenue are committed to administering income tax laws fairly and efficiently to fund services for all Oregonians. Electronic filing is one way we are able to serve you accurately and quickly. Since its introduction in 1993, the number of electronic filers has increased to a record 160,000 for 1998. As the new century unfolds, we will continue to look for new and better ways to serve you.

Please follow the instructions and the checklist carefully to avoid unnecessary delays in processing your return and issuing your refund. If you need help or have questions, turn to the back cover for addresses, phone numbers, and our Web site address.

Sincerely,

Elizabeth Harchenko

Elizabeth Harchenko, Director
Oregon Department of Revenue

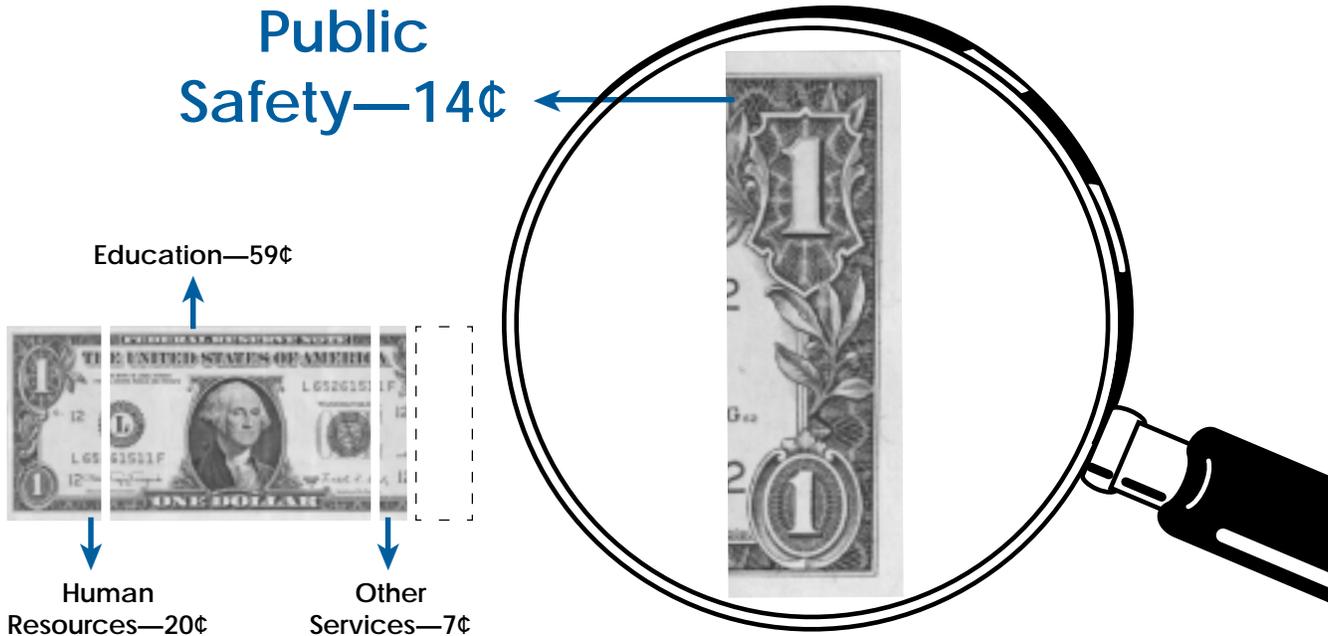


Oregon Department of Revenue
955 Center Street NE
Salem OR 97310-2551

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Services paid for with your income tax dollar

Last year we gave you an overview of the services that are paid for with your tax dollar. We presented four categories: education, human resources, public safety, and other services. This year we would like to highlight just one of those areas: public safety. Fourteen cents of every tax dollar goes to public safety programs.



Department of Corrections promotes public safety by holding offenders accountable for their actions.

The department works hard to reduce the chances that an offender will commit new crimes. The department is recognized nationally for providing inmates with the cognitive, behavioral, and job skills they need to become productive, tax-paying citizens. Oregon has one of the lowest repeat offender rates in the nation. After three years, more than two-thirds of its former offenders remain out of prison.

The department has custody of offenders sentenced to prison for more than 12 months. Oregon currently houses offenders in 13 state prisons.

The Oregon Department of Corrections works closely with the counties, the courts, and other criminal justice agencies to make Oregon a safer place for all.

Oregon State Police (OSP) develops, promotes, and protects the people, property, and natural resources of Oregon. The department enhances the safety and livability of Oregon by serving and protecting its citizens.

The State Police consists of 13 divisions that provide statewide services. Major services include: uniform patrol, state detectives, fish and wildlife enforcement, crime labs, fire marshal, and emergency management.

OSP coordinates public safety services throughout the entire state. State Police work with city and county governments through patrol efforts, criminal investigation, and crime scene examination.

OSP manages and maintains the emergency response, fire and life safety, and shared data systems that facilitate law enforcement efforts in communities statewide.

Department of Justice is the state's legal counsel. The department, through the attorney general, has full charge and control of all the state's legal business that requires the services of an attorney or legal counsel.

It manages programs which include crime victims' compensation, organized crime, consumer protection, and child support enforcement.

The Criminal Justice Division within the department works with Oregon's 36 district attorneys to investigate and prosecute cases.

To find out more about these and other state agencies that work to serve Oregon and its 3.2 million citizens, visit Oregon OnLine at www.state.or.us

These instructions aren't a complete statement of laws and Oregon Department of Revenue rules. You may need more information or forms. See page 36.

Americans with Disabilities Act (ADA). In compliance with the ADA, this information is available in alternative formats upon request by calling 503-378-4988.

Electronic filing



Electronic filing is an efficient and accurate way to file an Oregon income tax return. You will receive your refund within approximately 10–12 business days. If you owe additional tax, you can file your return any time before the due date and you will have until April 17, 2000 to pay the tax.

Oregon participates in a joint federal/state electronic filing program. This program allows federal and state returns to be sent together electronically.

There are three options for filing your return electronically:

1. Tax preparer. Some tax professionals are able to electronically file your tax return. Ask your preparer if they offer electronic filing or check the yellow pages to find one located in your area.
2. Tax software. If you have a modem, you can purchase tax software that gives you the option to electronically file your return. Read the software package carefully to see if the electronic filing option is available.
3. Internet. There are several companies that provide on-line return preparation and transmission for a fee. For a list of companies offering Oregon federal/state electronic filing, visit the department's Web site at www.dor.state.or.us and click on "Electronic filing."

Note: We do not accept credit cards to pay current taxes due.

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Do I need to file?

Amounts apply to full-year residents only.

Filing Status:	Age:	If Gross Income is More Than:
Single— can be claimed on another's return	Any	\$700*
Single	Under 65	\$4,380
	65 or older	\$5,580
Head of household	Under 65	\$5,320
	65 or older	\$6,520
Married, joint return	Under 65 (both)	\$8,170
	65 or older (one)	\$9,170
	65 or older (both)	\$10,170
Married, separate return	Under 65	\$4,080
	65 or older	\$5,080
Qualifying widow(er)	Under 65	\$5,680
	65 or older	\$6,680

In addition, file a return if:

- You are required to file a federal return.
- You had \$1 or more of Oregon income tax withheld from your wages.

* The greater of \$700 or your earned income plus \$250, but no more than your standard deduction amount. See page 14.

New information

Federal law. Oregon is permanently tied to the definition of taxable income in federal law. Most items are treated the same way on your Oregon and federal returns. This includes net operating loss carryback and carryover provisions. Oregon will automatically adopt any future federal law changes to the definition of taxable income.

Residential energy devices credit. 1999 legislation clarified that renters who buy energy efficient appliances certified by the Office of Energy qualify for the credit beginning in 1998.

One-time depreciation adjustment. If you claimed the one-time depreciation adjustment on your 1996 return and the amount of the subtraction was more than your income that year, you may claim a carryover to 1997 and 1998. Please call us for an amended return form or more information. See page 36.

Federal pension income. If you received federal pension income, you must file Oregon Form 40. Like last year, some or all of your federal pension income may be subtracted from Oregon income. Please carefully follow the instructions on page 26 for Form 40, line 17 to ensure that your return is processed without unnecessary contact or delays. This subtraction will remain available as long as the PERS benefit increase remains in effect.

Federal pension refunds. Did you receive a refund of Oregon tax paid in prior years on federal pension income? The interest you received is taxed by both Oregon and the federal government. The state tax that was refunded may be taxable on your federal return if you claimed it as an itemized deduction in an earlier year. If you included the state tax refund in federal income, you may subtract it on your Oregon return. Oregon does not tax refunds of Oregon state income tax. Please see the instructions on page 26 for line 15, Form 40. Attorney fees deducted from the refund may be claimed as a federal itemized deduction subject to limitations.

Estimated tax. Oregon laws differ from federal laws for estimated tax. You may have an underpayment of 1999 Oregon tax if you owe more than \$500 Oregon tax after credits and withholding. For tax year 2000, you must pay estimated tax if you expect to owe more than \$1,000. You can avoid any interest on underpayment of estimated tax for 2000 by paying estimated tax equal to 100 percent of your 1999 Oregon tax liability on the due dates. See page 7.

Previously taxed Roth IRA conversions. If you converted an IRA while you were a resident of another state, you can subtract the amount of the conversion included

in your 1999 federal income that was also taxed by the other state. See page 36 for numbers to call if you need help.

Retirement income credit and special Oregon medical deduction. The minimum age requirement increased to 62 for tax year 1999.

Have you been audited by another state? If you were audited by another state and the adjustments affect your Oregon income or tax, you must report that change to Oregon within two years of the date on the audit report to pay Oregon tax or receive a refund. See page 8.

Claim of right credit. Did you pay Oregon tax on income you received in an earlier year and repaid in 1998 or 1999? If so and you qualify for a federal deduction or special tax computation for claim of right income, you may qualify for an Oregon credit. Please call us for additional information.

Political contribution credit. The credit is now available for a wider variety of contributions. Please see page 11 to decide if your contribution qualifies.

Physical presence in foreign country. A 1999 Oregon law change allows Oregon residents living in a foreign country to be taxed as nonresidents. The change applies beginning with tax year 1995. Taxpayers who qualify may file amended returns to claim refunds for 1995 and later.

To qualify, you must meet the federal "physical presence" test or "bona fide residence" test. Generally, if you qualify for the federal earned income or housing exclusion for United States residents living abroad, you will qualify for Oregon nonresident treatment. In addition, civil service and military personnel who meet one of the two tests may be Oregon nonresidents even though they cannot claim a federal exclusion. Please call for additional information. See page 36.

Blue ink. Throughout this booklet, there are special instructions to use blue ink when filling out forms or writing checks. Equipment used to scan documents cannot read certain colors of ink, especially red. Using blue ink will make the information on the forms easier to read and make processing faster. We appreciate your cooperation.

Filling in the blanks. There are instructions in this book about identifying items that don't have their own line, for example, other additions, other subtractions, and other credits. We have provided abbreviations for your convenience. You may use either the exact title of the item you are claiming or the abbreviation shown in brackets. This will allow us to process your return accurately without unnecessary delay or correspondence. If you do not see an item listed, please call us. See page 36.

General information

What income does Oregon tax?

An Oregon resident is taxed on all income, including income from outside the state. A nonresident of Oregon is taxed only on income from Oregon sources.

Residency

Am I a resident, a nonresident, or a part-year resident? The following will help you decide.

- You are an **Oregon resident**, even though you live outside Oregon, if **all** of the following are true:
 - You think of Oregon as your permanent home.
 - Oregon is the center of your financial, social, and family life.
 - Oregon is the place you intend to come back to when you are away.
- You are a **nonresident** if your permanent home is outside Oregon all year.
- You are a **part-year resident** if you moved into or out of Oregon during the tax year. You are still a full-year resident if:
 - You temporarily moved out of Oregon, or
 - You moved back to Oregon after a temporary absence.

Special-case Oregon residents. You are considered a nonresident if **all** the following are true:

- You are an Oregon resident who maintained a permanent home outside Oregon the entire year.
- You didn't keep a home in Oregon during any part of the year.
- You spent less than 31 days in Oregon during the year.

Oregon residents living abroad. You are considered a nonresident for all or part of the year if you meet the federal "physical presence" test or "bona fide residence" test for residents of the United States living abroad.

Filing status. Generally, you must use the same filing status for your Oregon and federal returns.

Exceptions for married persons when spouses are:

- **Full-year resident and part-year resident.** You may file separate Oregon returns. The full-year resident will file on Form 40 and the part-year resident will file on Form 40P. If you choose to file a joint return for Oregon, file on Form 40P.
- **Full-year resident and nonresident.** You may file separate Oregon returns. The full-year resident will file on Form 40 and the nonresident will file on Form 40N. If you choose to file a joint return for Oregon, file on Form 40N.

- **Part-year resident and nonresident.** You may file separate Oregon returns. The part-year resident will file on Form 40P and the nonresident will file on Form 40N. If you choose to file a joint return for Oregon, file on Form 40N. See page 36 to order the booklet or the information circular "Married Persons Filing Separate Returns."

Military personnel

Residents stationed in Oregon. If you are an Oregon resident stationed in Oregon, file Form 40.

Residents stationed outside Oregon. If you are an Oregon resident stationed outside Oregon, you may file **Form 40N** from the Nonresident booklet if you meet the requirements for special-case Oregon residents or Oregon residents living abroad.

Write "Military nonresident" at the top left corner of your return in **blue** ink. Include any other income taxable by Oregon.

If you don't meet the listed requirements, file Form 40.

Nonresidents stationed in Oregon. Oregon doesn't tax your military pay while you are stationed in Oregon. File an Oregon Form 40N if you or your spouse had income from other Oregon sources or to claim a refund of Oregon tax withheld from your military pay. Nonresident members of the Oregon National Guard or reserves may exclude only active duty pay.

More information. See page 36 to order the nonresident booklet and the information circular, "Military Personnel Filing Information."

What form do I use?

Use Form 40S if ALL of the following are true:

- You are a full-year Oregon resident.
- Your income is only from wages, interest, ordinary dividends, unemployment, taxable scholarships, and fellowship grants.
- You do **not** have pension or annuity income or IRA distributions.
- You claim the standard deduction on your return.
- Your Oregon taxable income is \$50,000 or less.
- You do **not** owe penalty or interest.
- You did **not** pay estimated tax during the year.

Use Form 40 if:

- You are a full-year Oregon resident, and
- You can't use Form 40S.

Use Form 40 if one of the following is true:

- You received Social Security, **pension**, or annuity income.

- You paid or should have paid estimated tax during the year.
- You have adjustments on Form 1040, line 32, or Form 1040A, line 17. Examples are alimony and IRA deductions.
- You have Oregon “additions” or “subtractions” other than the federal tax subtraction. The most common ones are listed on the return.
- You itemize deductions on your Oregon return.
- You are married filing separately and your spouse is itemizing.
- You are claiming tax credits other than the exemption credit or those listed on page 10.
- You are in the military and are claiming the subtraction for military active duty pay.
- You owe penalty or interest.
- You want to apply all or part of your refund to your 2000 estimated tax.

Use Form 40P if:

- You are a part-year resident, or
- You are filing jointly and one spouse is a full-year Oregon resident and one is a part-year resident, or
- You are filing a joint return and both spouses are part-year Oregon residents, or
- You qualified as an Oregon resident living abroad for part of the year.

Use Form 40N if:

- You are a nonresident, or
- You are a special-case Oregon resident, or
- You are filing a joint return and one (or both) of you is a nonresident, or
- You qualified as an Oregon resident living abroad for the entire year.

To order forms 40P and 40N and instruction booklet, see page 36.

When should I file my return?

File as soon as possible. The filing deadline for calendar year 1999 is April 17, 2000. If you can't pay in full by the due date, file your return anyway to avoid additional penalty. Payment plans are available. See page 12.

Returns for other tax periods are due by the 15th day of the fourth month after the close of your tax year.

Need more time to file?

Generally, Oregon allows you the same extension you have for your federal return. *If you filed a federal extension, check the box on the front of the Oregon return when you file.* You are not required to send an extension form to Oregon **unless:**

- You are making a tax payment to Oregon.
 - Send us a copy of the federal extension with your Oregon payment by the filing deadline.

- You are filing an extension for Oregon only.
 - Send us a federal extension form by the filing deadline. Write “For Oregon Only” across the top and use Oregon amounts on the form. We'll notify you only if your extension is denied.

Send your extension and payment by April 17, 2000 to: Extension Clerk, Oregon Department of Revenue, PO Box 14950, Salem OR 97309-0980.

- ✓ Be sure to check the “extension filed” box on the front of your Oregon return when you file.

More time to file doesn't mean more time to pay!

You must pay any tax due when filing your extension.

If you don't pay all of the tax due with your extension, you will owe interest on the unpaid balance after April 17, 2000, to the date of your payment. The current interest rate is 9 percent per year. If the tax is not paid within 60 days of our bill, the interest rate increases to 13 percent per year.

Were you stationed in a designated combat zone?

Did you receive additional time to file your 1999 federal return? If so, Oregon allows the same additional time to file. Write “combat zone” in **blue** ink at the top of the form.

Penalties

You will owe a 5 percent **penalty** on any 1999 tax not paid by April 17, 2000.

If you **file** more than three months late, 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.
2. Pay at least 90 percent of the tax due by April 17, 2000.
3. Pay the balance of tax due at the time you file within the extension period, and
4. Pay the interest on the balance of tax due at the time you file your return or within 30 days of our billing date.

A 100 percent penalty is charged if you don't file a return for three consecutive years by the due date of the third year including extensions. The penalty is 100 percent of the unpaid tax for each of the three years.

Interest on underpayment of 1999 estimated tax

You may owe interest on underpayment of estimated tax if you paid less than 90 percent of the tax due on each estimated tax payment date for 1999. Please see the instructions for line 50 on page 34.

2000 estimated tax

Oregon estimated tax laws are different from federal estimated tax laws. Use Oregon instructions to determine if you need to make estimated tax payments for 2000.

Estimated tax is the amount of tax you expect to owe after credits and Oregon tax withheld when you file your 2000 Oregon individual income tax return.

Who must make estimated tax payments?

In most cases, **people who expect to owe \$1,000 or more** on their 2000 Oregon income tax return must make estimated payments. You may need to make estimated payments if:

- You are self-employed and don't have Oregon tax withheld from your income.
- You receive income such as pensions, interest, or dividends and don't have Oregon tax withheld from it.
- You are a wage earner and expect to owe tax of \$1,000 or more on your 2000 return. You may want to increase the amount your employer withholds from your Oregon wages. If you and your spouse both work, see page 36 to order the information circular, "Oregon Income Tax Withholding: Some Special Cases."

There are other limitations based on income.

How do I make estimated tax payments?

Send your payment with an Oregon Form 40ES. Forms are included with the Oregon estimated tax instruction booklet.

When do I pay?

The due dates are April 17, 2000*; June 15, 2000; September 15, 2000; and January 16, 2001.

*** Don't send your 2000 Oregon Form 40ES and payment with your 1999 Oregon income tax return.**

See page 36 to order the estimated tax coupons and instructions and the information circular "Estimated Tax."

Elderly Rental Assistance (ERA)

You may qualify for an ERA refund if you 1) were a renter who resided in Oregon on December 31, 1999; 2) were age 58 or older on December 31, 1999; 3) had household income less than \$10,000; 4) used more than 20 percent of your household income to pay for rent, fuel, and utilities; and 5) the dwelling you rented was subject to property tax. For more information, see page 36 to order an ERA booklet.

Are you self-employed?

If you are self-employed and do business in Washington, Multnomah, or Clackamas counties, you may need

to file Form TM, Tri-Met Self-Employment tax return. If you are self-employed and do business in Lane County, you may need to file Form LTD, Lane Transit District Self-Employment tax return. See page 36 to order forms or for more information.

Questions answered

May I round off cents to the nearest whole dollar?

Yes. You may round off cents to the nearest whole dollar on your return and schedules. If you round off, do so for all amounts. You may drop amounts less than 50 cents. Increase amounts from 50 to 99 cents to the next dollar. For example, \$12.15 becomes \$12 and \$233.50 becomes \$234.

Should I put my return together in a special order?

Yes. Put your Oregon return in the following order to speed processing. Top to bottom:

1. Form 40 or Form 40S with Form(s) W-2 and any Form(s) 1099 showing Oregon tax withheld stapled to the lower front.
2. Attach any payment on top of the Form(s) W-2.
3. Copy of the front and back of federal Form 1040, 1040A, 1040EZ, 1040PC, or Telefile Tax Record. Form 40S filers don't need to attach this item.
4. If applicable, Oregon Form 10, "Underpayment of Oregon Estimated Tax."
5. If applicable, proof to claim credit for income taxes paid to another state.
6. If applicable, the Form "Oregon Deferral of Reinvested Capital Gain."

Staple all the pages of your return together in the top left-hand corner.

Don't attach extension requests or any federal schedules such as A, B, C, D, Form 2441, etc. We receive some federal information from the IRS. We may ask you for copies of schedules or additional information later.

I'm getting an income tax refund this year. When will I get my check?

- If you file your return electronically:
 - Allow 10–12 days.
- If you mail your return before April 1:
 - Allow 6–8 weeks.
- If you mail your return on or after April 1:
 - Allow 8–11 weeks.

If there is a mistake on your return, your refund may be delayed. By law, the Department of Revenue cannot issue a refund if the amount is less than \$1 or if your return is filed more than three years after the due date.

I'm moving. Will my refund check be forwarded to me?

Yes. If you move after you mail your return, let us know your new address for a faster refund. Write to: Address Change, Oregon Department of Revenue, 955 Center St NE, Salem OR 97310-2501. Or, you can call one of the numbers listed on page 36. Also, file a change of address form at your local post office.

When do I need to file an amended Oregon return?

File Form 40X (Oregon amended return) any time you need to correct your Oregon return. Generally, you are allowed three years from the due date of the return or the date the return was filed, whichever is later, to file an amended return to claim a refund. If you amend your federal or another state's return, usually you'll need to amend your Oregon return. See page 36 to order Form 40X and instructions.

What if I'm audited by the IRS or another state?

If changes are made that increase your Oregon income tax, file an amended return to report and pay additional

tax. If the change reduces Oregon tax, you have two years from the date of the audit report to claim a refund.

Is my tax return private information?

Yes. Any Oregon Department of Revenue employee who gives out unauthorized information about your return may be convicted of a class C felony.

What tax records do I need to keep?

Keep a complete copy of your federal and state returns. Also, keep all receipts, cancelled checks, statements, and documentation you used to prepare your return. **Save these records for at least three years after you file your return.** If your return is audited, the law says you must show proof of your income and expenses.

Also, save all records from the sale or purchase of property and investments. Keep these records for at least three years after you sell the property or investment.

For more information, see page 36 to order the information circular "Record Keeping Requirements."

Form 40S instructions

Caution: Not everyone may file Form 40S (short form). See page 5 to decide if this is the right form for you.

Do your federal return first. Use the information from your federal return to complete your Oregon return.

Keep a complete copy of your federal and state returns. Also, keep the original of all papers or receipts you used to prepare your return. Save these records for at least three years after you file your return.

Address section

Please type or legibly print your name, address, and correct Social Security number on your return.

Social Security number. The request for your Social Security number(s) is authorized by Section 405, Title 42, of the United States Code. You must give us this information. It will be used to establish your identity for tax purposes only.

Year of birth. Enter the four digits of the year you were born. For example, "1943."

Check the boxes

Filing status

Check the box next to your filing status. Check the same filing status you checked on your federal return. If you and your spouse don't have the same residency status, you may file separate returns for Oregon even if you filed married filing jointly for federal. See page 5 for additional information.

If you are **married filing separately**, fill in your spouse's name and Social Security number by box number 3. Don't fill in your spouse's name or Social Security number in the heading of the return.

If you are filing as **head of household**, fill in the name of the qualifying person from your federal return by box number 4.

Exemptions

6a & 6b Yourself and spouse. Check "Yourself" and other boxes that apply. If you can be claimed as a dependent on someone else's return, you can't claim an exemption for yourself. Enter "0" on line 6a and check the box below it.

Severely disabled. Did you have a severe disability at the end of 1999? If so, you may claim an additional exemption credit. You are considered to have a severe disability if any of the following apply:

- You permanently lost the use of one or both feet.
- You permanently lost the use of both hands.
- You are permanently blind.
- You have a permanent condition that, without special equipment or help, limits your ability to:
 - earn a living, or
 - maintain a household, or
 - transport yourself.

Special equipment doesn't include such items as glasses, ordinary crutches, hearing aids, or contact lenses.

You don't qualify for this exemption if:

- You have a temporary disability from an injury or illness and are expected to recover, or
- Your condition keeps you from doing your former work but allows you to do other kinds of work without special equipment.

If you have a permanent severe disability, your physician must write a letter describing your disability. Keep the letter with your permanent health records.

Check the “Severely disabled” exemption box. If your spouse qualifies, he or she may also claim this exemption. You and your spouse may also qualify for the credit for the loss of use of limbs. See instructions on page 11.

6c Dependents. Enter the number of children you claim as dependents and your other dependents in box 6c. Fill in the first names of your children and other dependents. In most cases, you must claim the same number of dependents as claimed on your federal return.

6d Disabled child. You may be entitled to an additional exemption for your dependent child with a disability. To qualify, your child must meet **all** of the following:

- Qualify as your dependent.
- Be age 17 or younger on December 31, 1999.
- Be eligible for “early intervention services” or certified with a disability for special education purposes. **Learning disabilities alone don’t qualify for this exemption.**
- Your child must have a health-related disability requiring special education as defined by the Oregon Department of Education. This includes:
 - Autism.
 - Visual impairment.
 - Mental retardation.
 - Serious emotional disturbance.
 - Traumatic brain injury.
 - Hearing impairment.
 - Orthopedic impairment.
 - Multiple disabilities.
- Your child must have been certified **as of December 31, 1999**, through the child’s local school district by a qualified examiner authorized by the Oregon Department of Education.

Get a statement of eligibility that confirms one of the disabilities listed above and the cover sheet from one of the following:

- The child’s Individualized Education Program (IEP).
- The child’s Individualized Family Service Plan (IFSP).

Keep the statement and cover sheet with your permanent health records. Write in your child’s name on “Disabled children only,” line 6d. Also be sure to include the child’s name on line 6c for “Dependents.”

7 Age 65 or older, or blind. Check the boxes on line 7 if you or your spouse were age 65 or older or were blind on December 31, 1999. You are entitled to a larger standard deduction. If you or your spouse are blind, you may also qualify for an additional exemption credit for the severely disabled. See lines 6a and 6b on page 8.

Line instructions

The following instructions are for lines not fully explained on the form.

You may round off cents to the nearest whole dollar. For example, \$12.15 becomes \$12 and \$233.50 becomes \$234.

8 Wages. Fill in all pay for work [shown on your Form(s) W-2] plus your taxable scholarships and fellowship grants.

9 Interest and dividends. Add lines 9a and 9b.

9a. Fill in your total interest. Include:

- Any interest received or credited to your account so you could withdraw it.
- Any interest received on tax refunds.

If you have interest from the U.S. government, such as savings bond interest, file Oregon Form 40.

9b. Fill in your total dividends. If you received nontaxable distributions or capital gain distributions, you can’t use Form 40S. Use Form 40 instead.

10 Unemployment. Fill in all unemployment compensation. This is the amount on federal Form 1040, line 19; Form 1040A, line 12; Form 1040EZ, line 3; or Telefile Tax Record, line D.

12 1999 federal tax liability. Carefully follow the instructions below. Don’t confuse your **federal tax liability** on your federal return with the **federal tax withheld** on your Form(s) W-2. They are not the same.

You may deduct your total federal income tax liability after credits, up to \$3,000. Don’t fill in less than -0- or more than \$3,000 (\$1,500 if married filing separately).

1. Fill in your federal tax liability from:
 - Form 1040EZ, line 10, or
 - Form 1040A, line 32, or
 - Form 1040, line 49, or
 - Form 1040PC, line 49, or
 - Telefile Tax Record, tax from second box, line K.
2. Fill in \$3,000 (\$1,500 if married filing separately). 2. _____
3. Fill in the lesser of line 1 or line 2 here and on line 12. 3. _____

Is the IRS figuring your federal tax for you? Do not write an amount on line 12. Attach a copy of your federal Form 1040, 1040A, or 1040EZ. We will use that information to determine your federal tax liability. If you need help, see page 36 for numbers to call.

15 Oregon taxable income. Caution: Is the amount more than \$50,000? If so, you must use Form 40.

18 Earned income credit. You are allowed an Oregon earned income credit **only** if you qualify for and claim the earned income credit on your federal return. Your Oregon credit is 5 percent of your federal credit. For example, if your federal credit is \$400, your Oregon credit is \$20 ($\$400 \times .05$).

Use the following formula to compute your credit:

1. Enter your federal earned income credit (Form 1040EZ, line 8a; Form 1040A, line 37a; Form 1040 or 1040PC, line 59a; or Telefile Tax Record, line L). 1. _____
2. Decimal amount. 2. .05
3. Multiply line 1 by line 2. Enter the result here and on your Oregon Form 40S, line 18. 3. _____

The Oregon earned income credit is limited to your tax liability. You cannot carryover any amount that exceeds your tax liability.

19 Working family credit. This credit is available to low income families with **qualifying child care expenses**.

Qualifications

You qualify for this credit if **all** the following are true:

- Your federal adjusted gross income is less than the limit for your household size (see tables on page 30),
- Your expenses are for your child under age 13 (or for your disabled child, see page 9),
- Care is not provided by the child's parent or guardian (unless provided in a licensed or registered child care facility),
- Care is not provided by the qualifying child's brother or sister under age 19,
- You have earned income of at least \$6,150,
- You have less than \$2,350 of investment income (investment income is generally interest, dividends, and capital gains), and,
- If you are married filing separately, you must be legally separated or living apart on December 31, 1999.

Use the following worksheet to figure your credit:

Household size

1. Enter the number of exemptions reported on your federal return. 1. _____

2. Add any children who live with you, but for whom you cannot claim an exemption. 2. _____
3. Line 1 plus line 2. This is your household size. 3. _____

Credit amount

4. Enter your federal adjusted gross income (Form 1040EZ, line 4; Form 1040A, line 18; Form 1040 or 1040PC, line 33; or Telefile Tax Record, line I). 4. _____
5. Enter total child care expenses you paid in 1999. 5. _____
6. Enter the decimal amount from the correct table on page 30. The tables are based on household size (line 3 from above). For example, if the amount on line 3 is 7, use Table 7. 6. _____
7. Multiply line 5 by line 6. Enter the result here and on Form 40S, line 19. 7. _____

Example: A married couple with one qualifying child had federal adjusted gross income of \$22,436 and total child care expenses of \$2,650 in 1999. With a household size of three, they use Table 3 to find the correct decimal (.32) and multiply it by \$2,650 to figure their credit of \$848.

The working family credit is limited to your tax liability. You cannot carryover any amount that exceeds your tax liability to next year's return. This credit may be claimed in addition to the child and dependent care credit.

20 Child and dependent care credit. You are allowed an Oregon credit **only** if you qualify for the federal child and dependent care credit. You may be able to claim the Oregon credit even if you can't use all of your federal credit. In most cases, you cannot claim the credit if you are married filing separately.

Use the following worksheet:

1. Enter the amount from federal Form 2441, line 6, or Form 1040A, Schedule 2, line 6. 1. _____
2. Enter the decimal amount from the following table. 2. _____

If your federal taxable income from Form 1040, line 39, or Form 1040A, line 24 is:		Your decimal amount is:
Over—	But not over—	
—	\$5,000	.30
\$5,000	10,000	.15
10,000	15,000	.08
15,000	25,000	.06

25,000	35,000	.05
35,000	45,000	.04
45,000	—	.00

3. Multiply line 1 by line 2. Enter 3. _____ here and on Form 40S, line 20.

Note: Did you pay 1998 child care expenses in 1999? If so, you may be able to use that amount to increase your 1999 Oregon child and dependent care credit. Please call us for more information. See page 36.

Carryover. Your total 1999 child care credit can't be more than your 1999 tax liability for Oregon. Any excess credit can be carried forward over the next five years. If the excess isn't used within five years, it's lost. See instructions for line 21.

21 Other credits. You may qualify for one or more of the credits explained below. Please identify the credit(s) you are claiming on line 21 using the title shown in bold or the abbreviation shown in brackets.

- **Political contribution credit [PCC].** Fill in your total political contributions, but not more than \$100 on a joint return or \$50 on all others. The contribution must have been made during 1999. It must have been a donation of money to any of the following: a political party; a qualified candidate (or the candidate's principal campaign committee) for federal, state, or local office to be voted on in Oregon; or a political action committee.
- **Child and dependent care credit carryover from prior years [C/O–CDC].** Fill in the carryover amount on line 21. See page 33 for instructions.
- **Credit for the elderly or the disabled [OR CED].** You get an Oregon credit only if you qualify for the federal credit. The Oregon credit is 40 percent of the federal credit.

Multiply the amount on federal Schedule R, line 20, or Form 1040A, Schedule 3, line 20 by .40 (40%).
- **Credit for income taxes paid to another state [CITPAS].** You may be eligible for this credit if you paid income tax to another state. See page 33 for instructions to figure your credit.
- **Credit for home care of an elderly person [HCE].** See page 33 for instructions.
- **Credit for loss of use of limbs [Limbs].** If you have a permanent and complete loss of the use of two limbs, you may take a \$50 tax credit. If your spouse qualifies, he or she may also claim a \$50 credit. You can't claim this credit for a dependent.

Obtain a Disability Certification Form the first year you file for the credit. Get the form from your county public health officer. The health officer must sign the

form. Keep the form with your permanent health records.

You also qualify for an additional exemption for severely disabled persons. See page 8.

The following credits apply to only a few people and aren't explained in this booklet. See page 36 to get more information on these credits.

- Child development [Ch dev].
- Rural medical practitioners, dentists, or optometrists [Rural med].
- Involuntary moving of a mobile home [Mobile hm].

24 Oregon income tax withheld. Fill in the total Oregon tax withheld from your wages and other income. That's the amount shown on your Form(s) W-2 in box 18 or on a Form 1099. Don't use the FICA (Social Security) amount.

Don't use tax withheld from your wages by other states.

Staple a readable copy of your Form(s) W-2 from each job and any 1099 showing Oregon income tax withheld to the lower front of your return. If you don't have a Form W-2 or 1099, you must provide other proof of any tax withheld. Proof may include a final paycheck stub or a letter from your employer. If you file before February 1, 2000, we can accept only Form(s) W-2 or 1099 as proof.

If you paid estimated tax for 1999, you **must** use Form 40.

If you have tax to pay, you may want to increase the amount your employer withholds from your wages for Oregon. See page 36 to order the information circular, "Oregon Income Tax Withholding: Some Special Cases."

26 Tax-to-pay. Make your check or money order payable to "**Oregon Department of Revenue**" and attach it to your return on top of the Form(s) W-2. Please use **blue** ink. Do not use red ink. Do not make your check out to "IRS" or "Internal Revenue Service." Write your Social Security number and "1999 Form 40S" on your check or money order. **Don't send cash or a postdated check.** If the amount is less than \$1, no payment is required.

If you owe more than \$500, you may owe interest on underpayment of estimated tax. See page 34. For information about paying estimated tax for tax year 2000, see page 7.

Stop here on the form.

27 – 31 You must have a refund of \$1 or greater on line 25 to use lines 27–31. **Donations will reduce your refund.** If you don't have a refund on line 25 but you want to contribute, **mail your donations** to the addresses below.

27 Oregon Nongame Wildlife. Your donation will fund the protection of nongame wildlife and its habitat.

Oregon Department of Fish and Wildlife
Attention: Fiscal Manager
PO Box 59
Portland OR 97207

28 Child Abuse Prevention. Your donation will fund programs through the Children's Trust Fund to help prevent child abuse and neglect.

Children's Trust Fund
800 NE Oregon St, Suite 1140
Portland OR 97232-2162

29 Alzheimer's Disease Research. Your donation goes to the Alzheimer's Research Alliance of Oregon for research on Alzheimer's disease and related disorders.

Alzheimer's Research Alliance
PO Box 10051
Portland OR 97296

30 Stop Domestic and Sexual Violence. Your donation will fund programs through the Oregon Coalition Against Domestic and Sexual Violence.

OCADSV
659 Cottage St NE
Salem OR 97301

31 AIDS/HIV Research, Education, and Services. Your donation will fund AIDS/HIV research, education, and services by the Living With HIV Fund.

The Research and Education Group
2701 NW Vaughn St, Suite 840
Portland OR 97210-5311

33 Net refund. By law, the Oregon Department of Revenue cannot refund amounts less than \$1. Generally, the department cannot issue a refund when the return is filed more than three years after the due date of the return.

To avoid processing delays, remember to:

Type or legibly print your name, address, and correct Social Security number on the return.

Double-check your math calculations and other figures, including your Social Security number. The most common mistakes are math errors and the amount claimed for the federal tax subtraction. Errors will slow the processing of your return.

Sign your return (both spouses must sign a joint return).

Staple readable copies of Form(s) W-2 and 1099 showing Oregon tax withheld to the front of the return.

Mail your return in a stamped envelope. Use a business envelope (4 × 9½ inches) and be sure to use enough postage.

Mail refund returns or no-tax-due returns to:

REFUND
PO Box 14700
Salem OR 97309-0930

Mail tax-to-pay returns to:

Oregon Department of Revenue
PO Box 14555
Salem OR 97309-0940

Payment Plans

If you can't pay in full now, the Oregon Department of Revenue will work with you to set up a payment plan. File now and pay what you can. Please write your Social Security number and tax year on your check. You will receive a billing notice showing tax, interest, penalty, and the balance due. When you receive the billing notice, call the telephone number on the notice to set up your payment plan.

Some of the page number references in the instructions will appear to be inaccurate. The reason for this is that I removed the forms from this instruction booklet. Please use the numbers at the bottom of each page.

Webmaster

Tax Tables for Forms 40S & 40

S Use column S if you are:

- Single
- Married filing separately

J Use column J if you are:

- Married filing jointly
- Head of household
- Widow(er) with dependent child

If income from Form 40S line 15, or Form 40 line 29 is		And you use column		If income from Form 40S line 15, or Form 40 line 29 is		And you use column		If income from Form 40S line 15, or Form 40 line 29 is		And you use column		If income from Form 40S line 15, or Form 40 line 29 is		And you use column	
At least	But less than	S	J	At least	But less than	S	J	At least	But less than	S	J	At least	But less than	S	J
		Your tax is:				Your tax is:				Your tax is:				Your tax is:	
0				4,000				9,000				14,000			
				4,000 – 4,100	237 203			9,000 – 9,100	650 540			14,000 – 14,100	1,100 935		
				4,100 – 4,200	244 208			9,100 – 9,200	659 547			14,100 – 14,200	1,109 944		
				4,200 – 4,300	251 213			9,200 – 9,300	668 554			14,200 – 14,300	1,118 953		
				4,300 – 4,400	258 218			9,300 – 9,400	677 561			14,300 – 14,400	1,127 962		
				4,400 – 4,500	265 223			9,400 – 9,500	686 568			14,400 – 14,500	1,136 971		
				4,500 – 4,600	272 228			9,500 – 9,600	695 575			14,500 – 14,600	1,145 980		
				4,600 – 4,700	279 233			9,600 – 9,700	704 582			14,600 – 14,700	1,154 989		
				4,700 – 4,800	286 239			9,700 – 9,800	713 589			14,700 – 14,800	1,163 998		
0 – 20	0	0	0	4,800 – 4,900	293 246			9,800 – 9,900	722 596			14,800 – 14,900	1,172 1,007		
20 – 50	2	2	2	4,900 – 5,000	300 253			9,900 – 10,000	731 603			14,900 – 15,000	1,181 1,016		
50				5,000				10,000				15,000			
50 – 100	4	4		5,000 – 5,100	307 260			10,000 – 10,100	740 610			15,000 – 15,100	1,190 1,025		
100 – 200	8	8		5,100 – 5,200	314 267			10,100 – 10,200	749 617			15,100 – 15,200	1,199 1,034		
200 – 300	13	13		5,200 – 5,300	321 274			10,200 – 10,300	758 624			15,200 – 15,300	1,208 1,043		
300 – 400	18	18		5,300 – 5,400	328 281			10,300 – 10,400	767 631			15,300 – 15,400	1,217 1,052		
400 – 500	23	23		5,400 – 5,500	335 288			10,400 – 10,500	776 638			15,400 – 15,500	1,226 1,061		
500 – 600	28	28		5,500 – 5,600	342 295			10,500 – 10,600	785 645			15,500 – 15,600	1,235 1,070		
600 – 700	33	33		5,600 – 5,700	349 302			10,600 – 10,700	794 652			15,600 – 15,700	1,244 1,079		
700 – 800	38	38		5,700 – 5,800	356 309			10,700 – 10,800	803 659			15,700 – 15,800	1,253 1,088		
800 – 900	43	43		5,800 – 5,900	363 316			10,800 – 10,900	812 666			15,800 – 15,900	1,262 1,097		
900 – 1,000	48	48		5,900 – 6,000	371 323			10,900 – 11,000	821 673			15,900 – 16,000	1,271 1,106		
1,000				6,000				11,000				16,000			
1,000 – 1,100	53	53		6,000 – 6,100	380 330			11,000 – 11,100	830 680			16,000 – 16,100	1,280 1,115		
1,100 – 1,200	58	58		6,100 – 6,200	389 337			11,100 – 11,200	839 687			16,100 – 16,200	1,289 1,124		
1,200 – 1,300	63	63		6,200 – 6,300	398 344			11,200 – 11,300	848 694			16,200 – 16,300	1,298 1,133		
1,300 – 1,400	68	68		6,300 – 6,400	407 351			11,300 – 11,400	857 701			16,300 – 16,400	1,307 1,142		
1,400 – 1,500	73	73		6,400 – 6,500	416 358			11,400 – 11,500	866 708			16,400 – 16,500	1,316 1,151		
1,500 – 1,600	78	78		6,500 – 6,600	425 365			11,500 – 11,600	875 715			16,500 – 16,600	1,325 1,160		
1,600 – 1,700	83	83		6,600 – 6,700	434 372			11,600 – 11,700	884 722			16,600 – 16,700	1,334 1,169		
1,700 – 1,800	88	88		6,700 – 6,800	443 379			11,700 – 11,800	893 729			16,700 – 16,800	1,343 1,178		
1,800 – 1,900	93	93		6,800 – 6,900	452 386			11,800 – 11,900	902 737			16,800 – 16,900	1,352 1,187		
1,900 – 2,000	98	98		6,900 – 7,000	461 393			11,900 – 12,000	911 746			16,900 – 17,000	1,361 1,196		
2,000				7,000				12,000				17,000			
2,000 – 2,100	103	103		7,000 – 7,100	470 400			12,000 – 12,100	920 755			17,000 – 17,100	1,370 1,205		
2,100 – 2,200	108	108		7,100 – 7,200	479 407			12,100 – 12,200	929 764			17,100 – 17,200	1,379 1,214		
2,200 – 2,300	113	113		7,200 – 7,300	488 414			12,200 – 12,300	938 773			17,200 – 17,300	1,388 1,223		
2,300 – 2,400	118	118		7,300 – 7,400	497 421			12,300 – 12,400	947 782			17,300 – 17,400	1,397 1,232		
2,400 – 2,500	125	123		7,400 – 7,500	506 428			12,400 – 12,500	956 791			17,400 – 17,500	1,406 1,241		
2,500 – 2,600	132	128		7,500 – 7,600	515 435			12,500 – 12,600	965 800			17,500 – 17,600	1,415 1,250		
2,600 – 2,700	139	133		7,600 – 7,700	524 442			12,600 – 12,700	974 809			17,600 – 17,700	1,424 1,259		
2,700 – 2,800	146	138		7,700 – 7,800	533 449			12,700 – 12,800	983 818			17,700 – 17,800	1,433 1,268		
2,800 – 2,900	153	143		7,800 – 7,900	542 456			12,800 – 12,900	992 827			17,800 – 17,900	1,442 1,277		
2,900 – 3,000	160	148		7,900 – 8,000	551 463			12,900 – 13,000	1,001 836			17,900 – 18,000	1,451 1,286		
3,000				8,000				13,000				18,000			
3,000 – 3,100	167	153		8,000 – 8,100	560 470			13,000 – 13,100	1,010 845			18,000 – 18,100	1,460 1,295		
3,100 – 3,200	174	158		8,100 – 8,200	569 477			13,100 – 13,200	1,019 854			18,100 – 18,200	1,469 1,304		
3,200 – 3,300	181	163		8,200 – 8,300	578 484			13,200 – 13,300	1,028 863			18,200 – 18,300	1,478 1,313		
3,300 – 3,400	188	168		8,300 – 8,400	587 491			13,300 – 13,400	1,037 872			18,300 – 18,400	1,487 1,322		
3,400 – 3,500	195	173		8,400 – 8,500	596 498			13,400 – 13,500	1,046 881			18,400 – 18,500	1,496 1,331		
3,500 – 3,600	202	178		8,500 – 8,600	605 505			13,500 – 13,600	1,055 890			18,500 – 18,600	1,505 1,340		
3,600 – 3,700	209	183		8,600 – 8,700	614 512			13,600 – 13,700	1,064 899			18,600 – 18,700	1,514 1,349		
3,700 – 3,800	216	188		8,700 – 8,800	623 519			13,700 – 13,800	1,073 908			18,700 – 18,800	1,523 1,358		
3,800 – 3,900	223	193		8,800 – 8,900	632 526			13,800 – 13,900	1,082 917			18,800 – 18,900	1,532 1,367		
3,900 – 4,000	230	198		8,900 – 9,000	641 533			13,900 – 14,000	1,091 926			18,900 – 19,000	1,541 1,376		

Tax Tables for Forms 40S & 40

S Use column S if you are:

- Single
- Married filing separately

J Use column J if you are:

- Married filing jointly
- Head of household
- Widow(er) with dependent child

If income from Form 40S line 15, or Form 40 line 29 is		And you use column		If income from Form 40S line 15, or Form 40 line 29 is		And you use column		If income from Form 40S line 15, or Form 40 line 29 is		And you use column					
At least	But less than	S	J	At least	But less than	S	J	At least	But less than	S	J				
		Your tax is:				Your tax is:				Your tax is:					
19,000				24,000				29,000				34,000			
19,000–19,100	1,550	1,385		24,000–24,100	2,000	1,835		29,000–29,100	2,450	2,285		34,000–34,100	2,900	2,735	
19,100–19,200	1,559	1,394		24,100–24,200	2,009	1,844		29,100–29,200	2,459	2,294		34,100–34,200	2,909	2,744	
19,200–19,300	1,568	1,403		24,200–24,300	2,018	1,853		29,200–29,300	2,468	2,303		34,200–34,300	2,918	2,753	
19,300–19,400	1,577	1,412		24,300–24,400	2,027	1,862		29,300–29,400	2,477	2,312		34,300–34,400	2,927	2,762	
19,400–19,500	1,586	1,421		24,400–24,500	2,036	1,871		29,400–29,500	2,486	2,321		34,400–34,500	2,936	2,771	
19,500–19,600	1,595	1,430		24,500–24,600	2,045	1,880		29,500–29,600	2,495	2,330		34,500–34,600	2,945	2,780	
19,600–19,700	1,604	1,439		24,600–24,700	2,054	1,889		29,600–29,700	2,504	2,339		34,600–34,700	2,954	2,789	
19,700–19,800	1,613	1,448		24,700–24,800	2,063	1,898		29,700–29,800	2,513	2,348		34,700–34,800	2,963	2,798	
19,800–19,900	1,622	1,457		24,800–24,900	2,072	1,907		29,800–29,900	2,522	2,357		34,800–34,900	2,972	2,807	
19,900–20,000	1,631	1,466		24,900–25,000	2,081	1,916		29,900–30,000	2,531	2,366		34,900–35,000	2,981	2,816	
20,000				25,000				30,000				35,000			
20,000–20,100	1,640	1,475		25,000–25,100	2,090	1,925		30,000–30,100	2,540	2,375		35,000–35,100	2,990	2,825	
20,100–20,200	1,649	1,484		25,100–25,200	2,099	1,934		30,100–30,200	2,549	2,384		35,100–35,200	2,999	2,834	
20,200–20,300	1,658	1,493		25,200–25,300	2,108	1,943		30,200–30,300	2,558	2,393		35,200–35,300	3,008	2,843	
20,300–20,400	1,667	1,502		25,300–25,400	2,117	1,952		30,300–30,400	2,567	2,402		35,300–35,400	3,017	2,852	
20,400–20,500	1,676	1,511		25,400–25,500	2,126	1,961		30,400–30,500	2,576	2,411		35,400–35,500	3,026	2,861	
20,500–20,600	1,685	1,520		25,500–25,600	2,135	1,970		30,500–30,600	2,585	2,420		35,500–35,600	3,035	2,870	
20,600–20,700	1,694	1,529		25,600–25,700	2,144	1,979		30,600–30,700	2,594	2,429		35,600–35,700	3,044	2,879	
20,700–20,800	1,703	1,538		25,700–25,800	2,153	1,988		30,700–30,800	2,603	2,438		35,700–35,800	3,053	2,888	
20,800–20,900	1,712	1,547		25,800–25,900	2,162	1,997		30,800–30,900	2,612	2,447		35,800–35,900	3,062	2,897	
20,900–21,000	1,721	1,556		25,900–26,000	2,171	2,006		30,900–31,000	2,621	2,456		35,900–36,000	3,071	2,906	
21,000				26,000				31,000				36,000			
21,000–21,100	1,730	1,565		26,000–26,100	2,180	2,015		31,000–31,100	2,630	2,465		36,000–36,100	3,080	2,915	
21,100–21,200	1,739	1,574		26,100–26,200	2,189	2,024		31,100–31,200	2,639	2,474		36,100–36,200	3,089	2,924	
21,200–21,300	1,748	1,583		26,200–26,300	2,198	2,033		31,200–31,300	2,648	2,483		36,200–36,300	3,098	2,933	
21,300–21,400	1,757	1,592		26,300–26,400	2,207	2,042		31,300–31,400	2,657	2,492		36,300–36,400	3,107	2,942	
21,400–21,500	1,766	1,601		26,400–26,500	2,216	2,051		31,400–31,500	2,666	2,501		36,400–36,500	3,116	2,951	
21,500–21,600	1,775	1,610		26,500–26,600	2,225	2,060		31,500–31,600	2,675	2,510		36,500–36,600	3,125	2,960	
21,600–21,700	1,784	1,619		26,600–26,700	2,234	2,069		31,600–31,700	2,684	2,519		36,600–36,700	3,134	2,969	
21,700–21,800	1,793	1,628		26,700–26,800	2,243	2,078		31,700–31,800	2,693	2,528		36,700–36,800	3,143	2,978	
21,800–21,900	1,802	1,637		26,800–26,900	2,252	2,087		31,800–31,900	2,702	2,537		36,800–36,900	3,152	2,987	
21,900–22,000	1,811	1,646		26,900–27,000	2,261	2,096		31,900–32,000	2,711	2,546		36,900–37,000	3,161	2,996	
22,000				27,000				32,000				37,000			
22,000–22,100	1,820	1,655		27,000–27,100	2,270	2,105		32,000–32,100	2,720	2,555		37,000–37,100	3,170	3,005	
22,100–22,200	1,829	1,664		27,100–27,200	2,279	2,114		32,100–32,200	2,729	2,564		37,100–37,200	3,179	3,014	
22,200–22,300	1,838	1,673		27,200–27,300	2,288	2,123		32,200–32,300	2,738	2,573		37,200–37,300	3,188	3,023	
22,300–22,400	1,847	1,682		27,300–27,400	2,297	2,132		32,300–32,400	2,747	2,582		37,300–37,400	3,197	3,032	
22,400–22,500	1,856	1,691		27,400–27,500	2,306	2,141		32,400–32,500	2,756	2,591		37,400–37,500	3,206	3,041	
22,500–22,600	1,865	1,700		27,500–27,600	2,315	2,150		32,500–32,600	2,765	2,600		37,500–37,600	3,215	3,050	
22,600–22,700	1,874	1,709		27,600–27,700	2,324	2,159		32,600–32,700	2,774	2,609		37,600–37,700	3,224	3,059	
22,700–22,800	1,883	1,718		27,700–27,800	2,333	2,168		32,700–32,800	2,783	2,618		37,700–37,800	3,233	3,068	
22,800–22,900	1,892	1,727		27,800–27,900	2,342	2,177		32,800–32,900	2,792	2,627		37,800–37,900	3,242	3,077	
22,900–23,000	1,901	1,736		27,900–28,000	2,351	2,186		32,900–33,000	2,801	2,636		37,900–38,000	3,251	3,086	
23,000				28,000				33,000				38,000			
23,000–23,100	1,910	1,745		28,000–28,100	2,360	2,195		33,000–33,100	2,810	2,645		38,000–38,100	3,260	3,095	
23,100–23,200	1,919	1,754		28,100–28,200	2,369	2,204		33,100–33,200	2,819	2,654		38,100–38,200	3,269	3,104	
23,200–23,300	1,928	1,763		28,200–28,300	2,378	2,213		33,200–33,300	2,828	2,663		38,200–38,300	3,278	3,113	
23,300–23,400	1,937	1,772		28,300–28,400	2,387	2,222		33,300–33,400	2,837	2,672		38,300–38,400	3,287	3,122	
23,400–23,500	1,946	1,781		28,400–28,500	2,396	2,231		33,400–33,500	2,846	2,681		38,400–38,500	3,296	3,131	
23,500–23,600	1,955	1,790		28,500–28,600	2,405	2,240		33,500–33,600	2,855	2,690		38,500–38,600	3,305	3,140	
23,600–23,700	1,964	1,799		28,600–28,700	2,414	2,249		33,600–33,700	2,864	2,699		38,600–38,700	3,314	3,149	
23,700–23,800	1,973	1,808		28,700–28,800	2,423	2,258		33,700–33,800	2,873	2,708		38,700–38,800	3,323	3,158	
23,800–23,900	1,982	1,817		28,800–28,900	2,432	2,267		33,800–33,900	2,882	2,717		38,800–38,900	3,332	3,167	
23,900–24,000	1,991	1,826		28,900–29,000	2,441	2,276		33,900–34,000	2,891	2,726		38,900–39,000	3,341	3,176	

Tax Tables for Forms 40S & 40

S Use column S if you are:
• Single
• Married filing separately

J Use column J if you are:
• Married filing jointly
• Head of household
• Widow(er) with dependent child

If income from Form 40S line 15, or Form 40 line 29 is	And you use column	If income from Form 40S line 15, or Form 40 line 29 is	And you use column	If income from Form 40S line 15, or Form 40 line 29 is	And you use column	If income from Form 40S line 15, or Form 40 line 29 is	And you use column
At least	But less than						
S J		S J		S J		S J	
Your tax is:		Your tax is:		Your tax is:		Your tax is:	
39,000		42,000		45,000		48,000	
39,000–39,100	3,350 3,185	42,000–42,100	3,620 3,455	45,000–45,100	3,890 3,725	48,000–48,100	4,160 3,995
39,100–39,200	3,359 3,194	42,100–42,200	3,629 3,464	45,100–45,200	3,899 3,734	48,100–48,200	4,169 4,004
39,200–39,300	3,368 3,203	42,200–42,300	3,638 3,473	45,200–45,300	3,908 3,743	48,200–48,300	4,178 4,013
39,300–39,400	3,377 3,212	42,300–42,400	3,647 3,482	45,300–45,400	3,917 3,752	48,300–48,400	4,187 4,022
39,400–39,500	3,386 3,221	42,400–42,500	3,656 3,491	45,400–45,500	3,926 3,761	48,400–48,500	4,196 4,031
39,500–39,600	3,395 3,230	42,500–42,600	3,665 3,500	45,500–45,600	3,935 3,770	48,500–48,600	4,205 4,040
39,600–39,700	3,404 3,239	42,600–42,700	3,674 3,509	45,600–45,700	3,944 3,779	48,600–48,700	4,214 4,049
39,700–39,800	3,413 3,248	42,700–42,800	3,683 3,518	45,700–45,800	3,953 3,788	48,700–48,800	4,223 4,058
39,800–39,900	3,422 3,257	42,800–42,900	3,692 3,527	45,800–45,900	3,962 3,797	48,800–48,900	4,232 4,067
39,900–40,000	3,431 3,266	42,900–43,000	3,701 3,536	45,900–46,000	3,971 3,806	48,900–49,000	4,241 4,076
40,000		43,000		46,000		49,000	
40,000–40,100	3,440 3,275	43,000–43,100	3,710 3,545	46,000–46,100	3,980 3,815	49,000–49,100	4,250 4,085
40,100–40,200	3,449 3,284	43,100–43,200	3,719 3,554	46,100–46,200	3,989 3,824	49,100–49,200	4,259 4,094
40,200–40,300	3,458 3,293	43,200–43,300	3,728 3,563	46,200–46,300	3,998 3,833	49,200–49,300	4,268 4,103
40,300–40,400	3,467 3,302	43,300–43,400	3,737 3,572	46,300–46,400	4,007 3,842	49,300–49,400	4,277 4,112
40,400–40,500	3,476 3,311	43,400–43,500	3,746 3,581	46,400–46,500	4,016 3,851	49,400–49,500	4,286 4,121
40,500–40,600	3,485 3,320	43,500–43,600	3,755 3,590	46,500–46,600	4,025 3,860	49,500–49,600	4,295 4,130
40,600–40,700	3,494 3,329	43,600–43,700	3,764 3,599	46,600–46,700	4,034 3,869	49,600–49,700	4,304 4,139
40,700–40,800	3,503 3,338	43,700–43,800	3,773 3,608	46,700–46,800	4,043 3,878	49,700–49,800	4,313 4,148
40,800–40,900	3,512 3,347	43,800–43,900	3,782 3,617	46,800–46,900	4,052 3,887	49,800–49,900	4,322 4,157
40,900–41,000	3,521 3,356	43,900–44,000	3,791 3,626	46,900–47,000	4,061 3,896	49,900–50,001	4,331 4,166
41,000		44,000		47,000			
41,000–41,100	3,530 3,365	44,000–44,100	3,800 3,635	47,000–47,100	4,070 3,905		
41,100–41,200	3,539 3,374	44,100–44,200	3,809 3,644	47,100–47,200	4,079 3,914		
41,200–41,300	3,548 3,383	44,200–44,300	3,818 3,653	47,200–47,300	4,088 3,923		
41,300–41,400	3,557 3,392	44,300–44,400	3,827 3,662	47,300–47,400	4,097 3,932		
41,400–41,500	3,566 3,401	44,400–44,500	3,836 3,671	47,400–47,500	4,106 3,941		
41,500–41,600	3,575 3,410	44,500–44,600	3,845 3,680	47,500–47,600	4,115 3,950		
41,600–41,700	3,584 3,419	44,600–44,700	3,854 3,689	47,600–47,700	4,124 3,959		
41,700–41,800	3,593 3,428	44,700–44,800	3,863 3,698	47,700–47,800	4,133 3,968		
41,800–41,900	3,602 3,437	44,800–44,900	3,872 3,707	47,800–47,900	4,142 3,977		
41,900–42,000	3,611 3,446	44,900–45,000	3,881 3,716	47,900–48,000	4,151 3,986		

Tax Rate Charts

Tax Rate Chart A:

For persons filing
Single or Married filing separately

If your taxable income is: Your tax is:
Over \$50,000 \$4,335 plus 9% of excess over \$50,000

Tax Rate Chart B:

For persons filing
Jointly, Head of household, or Qualifying widow(er) with dependent child

If your taxable income is: Your tax is:
Over \$50,000 \$4,170 plus 9% of excess over \$50,000

Form 40 instructions

Do your federal return first. Use the information from your federal return to complete your Oregon return.

You must attach a copy (front and back) of your federal 1040, 1040A, 1040EZ, or 1040PC to your Oregon tax return. Don't attach any federal schedules such as A, B, C, D, Form 2441, etc. We receive some federal information from the IRS. We may ask you for copies of schedules or additional information later.

Keep a complete copy of your federal and state returns. Also, keep the original of all papers or receipts you used to prepare your return. Save these records for at least three years after you file your return.

Fiscal year filers

Write "Fiscal Year" in the center at the top of the form. We prefer you use **blue** ink. Fill in the dates of your fiscal year.

Address section

Please type or legibly print your name, address, and correct Social Security number on your return.

Social Security number. The request for your Social Security number(s) is authorized by Section 405, Title 42, of the United States Code. You must give us this information. It will be used to establish your identity for tax purposes only.

Year of birth. Enter the four digits of the year you were born. For example, "1943."

Check the boxes

Filing status

Check the box next to your filing status. Check the same filing status you checked on your federal return. If you and your spouse don't have the same residency status, you may file separate returns for Oregon even if you filed married filing jointly for federal. See page 5 for additional information.

If you are **married filing separately**, fill in your spouse's name and Social Security number next to box number 3. Don't fill in your spouse's name or Social Security number in the heading of the return.

If you are filing as **head of household**, fill in the name of the qualifying person from your federal return by box number 4.

Exemptions

6a & **6b** **Yourself and spouse.** Check "Yourself" and other boxes that apply. If you can

be claimed as a dependent on someone else's return, you can't claim an exemption for yourself. Enter "0" in the total box on 6a.

Severely disabled. Did you have a severe disability at the end of 1999? If so, you may claim an additional exemption credit. You are considered to have a severe disability if any of the following apply:

- You permanently lost the use of one or both feet.
- You permanently lost the use of both hands.
- You are permanently blind.
- You have a permanent condition that, without special equipment or help, limits your ability to:
 - earn a living, or
 - maintain a household, or
 - transport yourself.

Special equipment doesn't include such items as glasses, ordinary crutches, hearing aids, or contact lenses.

You don't qualify for this exemption if:

- You have a temporary disability from an injury or illness and are expected to recover, or
- Your condition keeps you from doing your former work but allows you to do other kinds of work without special equipment.

If you have a permanent severe disability, your physician must write a letter describing your disability. Keep the letter with your permanent health records.

Check the "Severely disabled" exemption box. If your spouse qualifies, he or she may also claim this exemption. You and your spouse may also qualify for the credit for the loss of use of limbs. See instructions on page 33.

6c **Dependents.** Enter the number of children you claim as dependents and your other dependents in box 6c. In most cases, you must claim the same number of dependents as claimed on your federal return.

6d **Disabled child.** You may be entitled to an additional exemption for your dependent child with a disability. To qualify, your child must meet **all** of the following:

- Qualify as your dependent.
- Be age 17 or younger on December 31, 1999.
- Be eligible for "early intervention services" or certified with a disability for special education purposes.
Learning disabilities alone don't qualify for this exemption.
- Your child must have a health-related disability requiring special education as defined by the Oregon Department of Education. This includes:
 - Autism.
 - Visual impairment.

- Mental retardation.
 - Serious emotional disturbance.
 - Traumatic brain injury.
 - Hearing impairment.
 - Orthopedic impairment.
 - Multiple disabilities.
- Your child must have been certified **as of December 31, 1999**, through the child's local school district, by a qualified examiner authorized by the Oregon Department of Education.

Get a statement of eligibility which confirms one of the disabilities listed above and the cover sheet from one of the following:

- The child's Individualized Education Program (IEP).
- The child's Individualized Family Service Plan (IFSP).

Keep the statement and cover sheet with your permanent health records. Write in your child's name on "Disabled children only," line 6d. Be sure to also include the child as a dependent in the total for line 6c.

7 **Age 65 or older, or blind.** Check the boxes on line 7 if you or your spouse were age 65 or older or were blind on December 31, 1999. You are entitled to a larger standard deduction. If you or your spouse are blind, you may also qualify for an additional exemption credit. See lines 6a and 6b on page 24.

Line instructions

The following instructions are for lines not fully explained on the form.

You may round off cents to the nearest whole dollar. For example, \$12.15 becomes \$12 and \$233.50 becomes \$234.

Additions

Additions increase your federal adjusted gross income.

9 **Interest and dividends on government bonds of other states.** You must add to Oregon income any interest and dividends you received from state and local governments **other than** Oregon. Generally, you don't pay federal tax on this interest, but you do pay Oregon tax. *Example:* Include interest from State of Washington bonds or from San Francisco city bonds. Leave out interest from Oregon government bonds and interest from U.S. territories or possessions (such as Guam, Puerto Rico, and the Virgin Islands).

10 **Other additions.** Identify the additions you are reporting in the space on the form. Please use the title shown in bold or the abbreviation in brackets.

- **Federal election on interest and dividends of a minor child** [Minor]. Did you elect to report interest

or dividends of your minor child on **your** federal return? If so, you must add the amount that is subject to the special federal tax to Oregon income. Fill in the smaller of line 7 or 8 from federal Form 8814. If you made the election and your child received interest and dividends from state and local governments other than Oregon, you must add the amount also.

- **Federal income tax refunds** [Fed ref]. Did you get a federal tax refund in 1999 because you filed an amended federal return for a prior year, or because you were audited? If so, you may need to include the refund on line 10. If you need help, see page 36 for telephone numbers to call.
- **Unused business credits** [UBC]. Did you claim a deduction on your federal return for unused business credits? If so, these must be added back to Oregon income.
- **Difference in depreciation for Oregon** [Dif dep]. You may have a depreciation difference for Oregon and may need the Oregon Depreciation Schedule and instructions. See page 36 to order the schedule or for telephone numbers to call. Is your Oregon depreciation **less** than your federal depreciation? If so, fill in the amount from the Oregon Depreciation Schedule, line 2. If not, see instructions for Form 40, line 18.
- **Gambling losses claimed as an itemized deduction** [Gambling]. Did you claim gambling losses as an itemized deduction on your federal Schedule A? For Oregon purposes, gambling losses are limited to gambling winnings taxed by Oregon. If you need help, see page 36 for telephone numbers to call.
- **Lump-sum payment from a qualified retirement plan** [Lump-sum]. Did you use the 5- or 10-year averaging method for federal purposes? If so, all or part of your lump-sum distribution must be added to income on your Oregon return. The amount of the addition is the total of your ordinary income portion and your capital gain portion. Include the capital gain portion only if you did not include it in your federal adjusted gross income. This information is on the federal Form 1099R your employer gave you. Fill in this sum on line 10. Attach a copy of federal Form 1099R to your Oregon return with your Form(s) W-2 and other Form(s) 1099.
- **Other additions.** The following additions apply to only a few people and are not explained in this booklet. If you need help, see page 36 for telephone numbers to call.
 - Gain or loss on the sale of depreciable property with an Oregon basis different from federal [Basis diff].
 - Depletion in excess of property basis [Depl].
 - Sale of Oregon inherited farm or forest property acquired from a decedent who died before January 1, 1987 [Inher F/F].
 - Passive activity losses [PAL].

- Fiduciary adjustments from Oregon estates and simple or complex trusts [Fid].
- Previously deferred reinvested capital gain [Prev DRCG].

Subtractions

Subtractions reduce your federal adjusted gross income.

13 1999 federal tax liability. Carefully follow the instructions below. Don't confuse your **federal tax liability** calculated on your federal return with the **federal tax withheld** on your Form(s) W-2. They are not the same.

You may deduct your total federal income tax liability after credits, up to \$3,000. Don't fill in less than -0- or more than \$3,000 (\$1,500 if married filing separately).

- Fill in your federal tax liability from: 1. _____
 - Form 1040, line 49, or
 - Form 1040PC, line 49, or
 - Form 1040A, line 32, or
 - Form 1040EZ, line 10, or
 - Telefile Tax Record, tax from second box, line K.
- Fill in \$3,000 (\$1,500 if married filing separately). 2. _____
- Fill in the lesser of line 1 or line 2 here and on line 13. 3. _____

On your federal return did you have:

- Alternative minimum tax, Form 1040, line 51?
- Tax on qualified retirement plans, Form 1040, line 53? If so, include these in your federal tax subtraction.

Caution: Don't add:

- Self-employment tax, Form 1040, line 50.
- Social Security and Medicare tax on tips, Form 1040, line 52.
- Advance earned income credit payments, Form 1040, line 54, or Form 1040A, line 33.
- Household employment taxes, Form 1040, line 55.

Did you pay additional federal tax in 1999 because you were audited or you filed an amended return? If so, read the instructions for line 18 for federal tax from a prior year.

The total of your federal tax subtraction, line 13, your foreign tax subtraction, and your federal tax from a prior year (from "Other subtractions," line 18) can't exceed \$3,000.

14 Social Security income. Write in the amount, if any, from federal Form 1040, line 20b, or Form 1040A, line 13b. If you have Tier 2, windfall/dual-vested, or supplemental Railroad retirement benefits and need help, see page 36 for telephone numbers to call.

15 Oregon income tax refund included in federal income. Fill in your Oregon income tax refund from your federal Form 1040, line 10.

16 Interest and dividends from U.S. government. Fill in interest and dividends from the U.S. government that you included on your federal return. Include U.S. government interest and dividends you got through partnerships or grantor trusts. *Examples:* interest from U.S. Series EE or HH bonds, and Treasury bills or notes. You may also subtract interest and dividends paid to you by organizations that invest in U.S. government securities. Check the information on your Form 1099. The payer may have given the percentage of interest and dividends from U.S. government securities.

If you made the election to report interest or dividends of your minor child and you included on your federal return interest and dividends from the U.S. government that your child received, you may subtract it.

Don't include interest on federal tax refunds in the subtraction. U.S. government interest and dividends must be reduced by any interest expense relating to U.S. government obligations you deducted on your federal Schedule A.

When you sell or dispose of a U.S. government obligation, you must include any gain or loss in income.

17 Federal pension income. You may be able to subtract some or all of the pension income included in 1999 federal income. This includes benefits paid to the retiree or to the surviving spouse. The subtraction amount is based on the number of months of federal service before and after October 1, 1991. If all your months of federal service occurred before October 1, 1991, subtract your entire federal pension. If you have no months of service before October 1, 1991, you cannot subtract any federal pension. If your service was both before and after October 1, 1991, you will subtract a percentage of your pension income. Once you have determined the percentage, it will remain the same from year to year.

Use the following formula to determine your subtraction amount:

$$\frac{\text{Months of service before 10/1/91}}{\text{Total months of service}} \times \text{Federal pension amount included in federal income} = \text{Oregon subtraction}$$

Example: Joe worked for the U.S. Postal Service from February 5, 1965 until November 16, 1995. He worked a total of 370 months; 320 months before October 1, 1991. In 1999, he received federal pension income of \$35,000. Using the formula above, his allowable subtraction is computed as follows:

$$\frac{320}{370} (86.5\%) \times \$35,000 = \$30,275$$

He can subtract 86.5 percent ($320 \div 370$), or \$30,275 ($86.5\% \times \$35,000$) of his federal pension. He will continue to subtract 86.5 percent from Oregon income in future years.

To avoid processing delays or adjustments, attach your 1999 federal return that reports federal pension amount.

18 **Other subtractions.** You may qualify for other subtractions explained below. Please identify the subtraction(s) you are claiming on line 18 using the title shown in bold or the abbreviation shown in brackets.

- **Deferral of reinvested capital gain** [DRCG]. You may defer capital gain on the sale of certain business assets if you reinvested proceeds in qualifying business assets in 1999 within six months of the sale. Attach the form "Oregon Deferral of Reinvested Capital Gain" to the back of your return. See page 36 for telephone numbers to call.
- **Military active duty** [Military]. You may qualify for three different subtractions for U.S. military active duty pay. To be eligible for the subtractions, the active duty pay must be included in federal income.

The Oregon military active duty pay subtractions are:

1. If you entered the military for the first time in 1999 or if you were discharged from military service in 1999, you can subtract all military active duty income earned **outside** Oregon.
2. You can subtract active duty pay earned anywhere in the world **outside** Oregon from January 1 through the date the president sets as the end of combat activities in the Persian Gulf. The date was not set when this publication was printed.
3. Whether or not you are eligible for the other military subtractions, you may still subtract up to \$3,000 of active duty pay. The subtraction for each spouse receiving active duty pay is limited to \$3,000.

Reserve summer camp is active duty. However, drills and weekend meetings of reserve units aren't active duty. If you are in the guards or the reserves, and your Form W-2 doesn't show a separate amount for active duty, contact your paymaster.

Note: You may qualify for more than one military active duty pay subtraction. However, your total subtraction cannot exceed your total active duty pay income.

Enter the total of your military subtractions on line 18.

Example 1: Denise enlisted in the Navy in 1993. From January 1, 1999, until August 15, 1999, she was stationed in Hawaii. From August 15 until the end of the year she served in Oregon as a recruiter. For 1999 she earned the following active duty pay: \$10,000 in Hawaii and \$6,000 in Oregon. The president had not designated an end to combat activities in the Persian Gulf by August 15. She is eligible for the following subtractions: \$10,000

earned outside of Oregon during the time of the Persian Gulf activity, and \$3,000 earned within the state, for a total of \$13,000.

Example 2: Paul is an officer in the Air Force Reserve. He earned \$3,300 from reserve summer camp and additional active duty days in Oregon. He earned \$4,200 during the year for weekend drills and meetings of his reserve unit. Since all of his active duty pay was earned in Oregon, his total subtraction is \$3,000.

Example 3: Ryan served in Kosovo from January 1 until May 9. He filed jointly with his wife who lives and maintains a residence in Oregon. He earned \$8,000 combat pay. He was transferred to Germany for the rest of 1999 where he earned an additional \$15,000 of active duty pay. Ryan excluded his \$8,000 combat pay on his federal return, so he can't subtract it on his Oregon return. If the president did not declare an end to the combat activities in 1999, Ryan's Oregon subtraction would be the \$15,000 earned outside of Oregon and included in federal income.

- **Federal tax from a prior year** [Prior fed]. Did you pay additional federal income tax in 1999 because you were audited or you amended a prior year's return? If so, you may be able to subtract the additional tax. This subtraction applies only to additional tax you paid because your return was changed. It doesn't include the tax from the original return or interest or penalties you paid.

To figure your subtraction for federal tax from a prior year, follow these steps:

Step 1: From \$3,000 (\$1,500 if married filing separately) subtract your federal tax, Form 40, line 13.

Step 2: On Form 40, line 18, fill in the lesser of:

- The amount you figured in step 1, or
- Additional federal tax from a prior year.

Please list the year(s) involved.

- **Difference in depreciation for Oregon** [Dif dep]. You may have a depreciation difference for Oregon and may need the "Oregon Depreciation Schedule" and instructions. See page 36 to order the schedule or for more information. Is your Oregon depreciation **more** than your federal depreciation? If so, fill in the amount from the Oregon Depreciation Schedule, line 2. If not, see the instructions for Form 40, line 10.
- **Difference in home mortgage interest for Oregon** [Dif hm]. Did you claim a mortgage interest credit on your federal return? If so, you may claim a subtraction on your Oregon return for the home mortgage interest not included in your itemized deductions reported on your federal return. You must itemize deductions for Oregon to claim this subtraction.
- **Payments from IRAs, Keoghs, 403(b), and 457 plans** [Prev tax]. You may be able to subtract some of your payments if **all** of the following apply:

- You contributed to an IRA, Keogh, 403(b), or 457 plan when you were a nonresident;
- You paid tax on these contributions in your state of residence; and
- You did not receive a tax benefit for these contributions from any other state.

If you qualify, you may subtract an amount equal to the amount of contributions that were taxed in another state. Once your subtractions equal the contributions that were previously taxed, all other payments are taxable.

- **Oregon Lottery winnings included on your federal return** [OR lott]. Oregon does not tax winnings from Oregon Lottery tickets purchased before January 1, 1998, or from tickets purchased on or after January 1, 1998 of \$600 or less. Fill in the total of these Oregon Lottery and Powerball winnings from your federal return. Do **not** subtract any other type of winnings; for example, winnings from tribal gaming centers. Do you have gambling losses claimed as an itemized deduction? If so, see page 25.

- **Logger's and construction worker's commuting costs** [LCCC]. You may claim the cost of getting to job sites more than 50 miles from your home. You must be a buckler or a faller with your own equipment and be paid on a per unit cut basis or be a member of a recognized construction trade, craft, or union.

Commuting costs are gas, oil, upkeep, and repairs. You may claim only the actual costs of commuting. Don't use the federal mileage rate. You can't claim meals or lodging. Construction workers can't claim more than one year of commuting costs for the same job site. Keep a record of your actual costs. **Don't include** any costs you claimed as employee business expenses in your itemized deductions.

- **American Indian** [Indian]. Are you an enrolled member of a federally recognized tribe? If so, you may subtract any income earned while living and working in Indian country. Income such as interest income can also be subtracted if you receive it while living in Indian country. Indian country means those areas set aside for the residence of tribal Indians. It includes reservation land and other land held in trust by the United States for a tribe. Please include your tribal enrollment number on line 18.
- **Federal tax credits** [Fed exp]. Did you claim a federal tax credit, such as a jobs credit or business credit? If so, you may have been required to reduce your federal business and farm expenses because you claimed that credit. You may claim the unallowed expenses as a subtraction for Oregon.
- **Local government bond interest** [LGBI]. Were you required to include interest from Oregon state and local government bonds such as local private activity bonds in your federal income? If so, fill in the amount included on federal Form 1040, line 8a.

- **Other subtractions.** The following subtractions apply to only a few people and are not explained in this booklet. If you need help, see page 36 for telephone numbers to call.

- Foreign tax [Foreign].
- Gain or loss on the sale of depreciable property with an Oregon basis that is different from the federal basis [Basis diff].
- Artists who make a charitable art donation [Art].
- Tier 2, windfall/dual-vested, or supplemental Railroad retirement and Railroad unemployment benefits [RR].
- Passive activity losses [PAL].
- Fiduciary adjustments from Oregon estates and simple or complex trusts [Fid].
- Underground storage tank pollution grant [Tank].

Deductions

You may claim either net itemized deductions or Oregon's standard deduction, whichever is larger.

- If you claim itemized deductions, fill in lines 21–25.
- If you claim the standard deduction, fill in line 26.

Note: Married persons filing separate returns must itemize deductions if their spouse itemizes. Don't claim the standard deduction if your spouse itemizes.

21 **Itemized deductions.** Generally, you may claim your total itemized deductions after federal limitations as shown on federal Schedule A, line 28. You may claim itemized deductions for Oregon, even if you don't have enough deductions to itemize on your federal return. **If you itemize for Oregon only**, fill out a federal Schedule A for Oregon. Use your federal adjusted gross income to figure the Schedule A limitations. Keep the Schedule A with your tax records.

22 **Special Oregon medical deduction.** Were you or your spouse age 62 or older on December 31, 1999? If so, your deduction is the lesser of line 1 or line 3 from your federal Schedule A. To claim this deduction, you must itemize deductions. You can do this by filling out a Schedule A for both federal and Oregon **or** filling out one for Oregon only. (Keep your Schedule A with your tax records.)

24 **State income tax claimed as an itemized deduction.** Fill in the amount of Oregon income tax you claimed as an itemized deduction on federal Schedule A, line 5.

Are you claiming a credit for income taxes paid to another state? If so, include the other state's tax after credits on the mutually taxed income or the other state's tax claimed as an itemized deduction, whichever is less. See instructions for line 40, page 33.

Did you limit itemized deductions on your federal return because your adjusted gross income exceeded \$126,600 (\$63,300 if married filing separately)? If so, you may need to complete a worksheet to figure how much Oregon income tax to subtract from itemized deductions. See page 36 to order the information circular "Limit on Itemized Deductions."

26 Standard deduction. Generally, your standard deduction is based on your filing status as follows:

Single	\$1,800
Married filing jointly	3,000
Married filing separately	1,500
Head of household	2,640
Qualifying widow(er)	3,000

Caution: If you can be claimed as a dependent on another person's return, your standard deduction is limited to the **greater** of:

1. Your earned income plus \$250, but no more than the maximum allowed for your filing status, as shown above, **or**
2. \$700.

This limit applies even if you can be, but are not claimed as a dependent on another person's return.

Also: You are allowed an **additional deduction** amount if you or your spouse are age 65 or older or blind. The additional amount is based on your filing status:

Single or head of household	\$1,200
All others	\$1,000

Example: Al and Amy Edwards are filing a joint return. Al is 70 years old and blind. Amy is 68. Their standard deduction is figured as follows:

Married filing jointly	\$3,000
Additional amount due to Al's age	1,000
Additional amount due to Amy's age	1,000
Additional amount due to Al's blindness	<u>+1,000</u>
Total standard deduction	<u>\$6,000</u>

Fill in the total standard deduction on Form 40, line 26.

27 Total deductions. Enter the **larger** of line 25 or line 26.

Oregon tax

30 Oregon tax. Figure the tax on your Oregon taxable income, line 29. Use the tax tables or rate charts on pages 21–23.

Example 1: A single Oregon taxpayer has taxable income of \$19,500. The tax from the table on page 22 is \$1,595.

Example 2: A married couple has Oregon taxable income of \$69,500. They are filing jointly. They use the married filing jointly rate chart B. They figure their tax like this:

Oregon taxable income	\$69,500
Subtract	<u>-50,000</u>
	19,500
Multiply by 9%	<u>× .09</u>
	1,755
Then add	<u>+ 4,170</u>
Their Oregon tax is	<u>\$5,925</u>

31 Interest on certain installment sales. Do you have installment sales on which you were required to pay interest on the deferred tax liability for federal purposes? If so, you must also compute interest for Oregon. The amount due for Oregon is computed the same way as federal. The current interest rate is .75 percent per month (9 percent per year).

Credits

Generally, credits reduce, but cannot exceed, your Oregon tax. Some credits may have a carryforward provision that allows you to use the remaining balance in the next year. Use credits that cannot be carried forward first.

34 Earned income credit. You are allowed an Oregon earned income credit **only** if you qualify for and claim the earned income credit on your federal return. Your Oregon credit is 5 percent of your federal credit. For example, if your federal credit is \$400, your Oregon credit is \$20 ($\$400 \times .05$).

Use the following formula to compute your credit:

1. Enter your federal earned income credit (Form 1040EZ, line 8a; Form 1040A, line 37a; Form 1040 or 1040PC, line 59a; or Telefile Tax Record, line L).
2. Decimal amount.
3. Multiply the amount on line 1 by the decimal on line 2. Enter the result here and on Form 40, line 34.

The Oregon earned income credit is limited to your tax liability. You cannot carryover any amount that exceeds your tax liability.

35 Working family credit. This credit is available to low income families with **qualifying child care expenses**.

Qualifications

You qualify for this credit if **all** the following are true:

- Your federal adjusted gross income is less than the limit for your household size (see tables on page 30);
- Your expenses are for your child under age 13 (or for your disabled child, see page 24);
- Care is not provided by the child's parent or guardian (unless provided in a licensed or registered child care facility);

Working Family Credit—1999 Tables

Table 1, household size = 1

If the amount on line 4 is:		Enter this decimal amount on line 6:
at least—	but less than—	
—	\$12,350	0.40
\$12,350	13,200	0.36
13,200	14,000	0.32
14,000	14,850	0.24
14,850	15,650	0.16
15,650	16,500	0.08
16,500	—	0.00

Table 2, household size = 2

If the amount on line 4 is:		Enter this decimal amount on line 6:
at least—	but less than—	
—	\$16,600	0.40
\$16,600	17,700	0.36
17,700	18,800	0.32
18,800	19,900	0.24
19,900	21,000	0.16
21,000	22,100	0.08
22,100	—	0.00

Table 3, household size = 3

If the amount on line 4 is:		Enter this decimal amount on line 6:
at least—	but less than—	
—	\$20,800	0.40
\$20,800	22,200	0.36
22,200	23,600	0.32
23,600	25,000	0.24
25,000	26,350	0.16
26,350	27,750	0.08
27,750	—	0.00

Table 4, household size = 4

If the amount on line 4 is:		Enter this decimal amount on line 6:
at least—	but less than—	
—	\$25,050	0.40
\$25,050	26,700	0.36
26,700	28,400	0.32
28,400	30,050	0.24
30,050	31,750	0.16
31,750	33,400	0.08
33,400	—	0.00

Table 5, household size = 5

If the amount on line 4 is:		Enter this decimal amount on line 6:
at least—	but less than—	
—	\$29,300	0.40
\$29,300	31,250	0.36
31,250	33,200	0.32
33,200	35,150	0.24
35,150	37,100	0.16
37,100	39,050	0.08
39,050	—	0.00

Table 6, household size = 6

If the amount on line 4 is:		Enter this decimal amount on line 6:
at least—	but less than—	
—	\$33,500	0.40
\$33,500	35,750	0.36
35,750	38,000	0.32
38,000	40,200	0.24
40,200	42,450	0.16
42,450	44,700	0.08
44,700	—	0.00

Table 7, household size = 7

If the amount on line 4 is:		Enter this decimal amount on line 6:
at least—	but less than—	
—	\$37,750	0.40
\$37,750	40,250	0.36
40,250	42,750	0.32
42,750	45,300	0.24
45,300	47,800	0.16
47,800	50,300	0.08
50,300	—	0.00

Table 8, household size = 8 or more

If the amount on line 4 is:		Enter this decimal amount on line 6:
at least—	but less than—	
—	\$41,950	0.40
\$41,950	44,750	0.36
44,750	47,550	0.32
47,550	50,350	0.24
50,350	53,150	0.16
53,150	55,950	0.08
55,950	—	0.00

- Care is not provided by the qualifying child's brother or sister under age 19;
- You have earned income of at least \$6,150;
- You have less than \$2,350 of investment income (investment income is generally interest, dividends, and capital gains); and,
- If you are married filing separately, you must be legally separated or living apart on December 31, 1999.

Use the following worksheet to figure your credit:

Household size

- | | |
|--|----------|
| 1. Enter the number of exemptions reported on your federal return. | 1. _____ |
| 2. Add any children who live with you, but for whom you cannot claim an exemption. | 2. _____ |
| 3. Line 1 plus line 2. This is your household size. | 3. _____ |

Credit amount

- | | |
|--|----------|
| 4. Enter your federal adjusted gross income (Form 1040EZ, line 4; Form 1040A, line 18; Form 1040 or 1040PC, line 33; or Telefile Tax Record, line I.) | 4. _____ |
| 5. Enter total child care expenses you paid in 1999. | 5. _____ |
| 6. Enter the decimal amount from the correct table on page 30. The tables are based on household size (line 3 from above). For example, if the amount on line 3 is 7, use Table 7. | 6. _____ |
| 7. Multiply the amount on line 5 by the decimal amount on line 6. Enter the result here and on Form 40, line 35. | 7. _____ |

Example: A married couple with one qualifying child had federal adjusted gross income of \$22,436 and total child care expenses of \$2,650 in 1999. With a household size of three, they use Table 3 to find the correct decimal (.32) and multiply it by \$2,650 to figure their credit of \$848.

The working family credit is limited to your tax liability. You cannot carryover any amount that exceeds your tax liability. This credit may be claimed in addition to the child and dependent care credit.

36 Retirement income credit. Were you age 62 or older on December 31, 1999, and receiving retirement income? If so, you may qualify for a credit. Retirement income includes payments included in Oregon taxable income from a:

- U.S. government pension (includes military).
- State or local government pension.
- Employee pension.
- Individual retirement plan.
- Deferred compensation plan including defined benefit, profit-sharing, and 401(k).
- Employee annuity plan.

Use the worksheet below to figure your credit.

PART 1

• **General limits**

You don't qualify for this credit if:

- The person receiving the retirement income was less than age 62 on December 31, 1999,
- Your household income is \$22,500 or more (\$45,000 or more if married filing jointly), or
- You received more than \$7,500 (\$15,000 if married filing jointly) in Social Security and/or Tier 1 Railroad retirement benefits.

PART 2

• **Determining household income limits**

See "What is included in household income?" below to determine your household income.

- | | |
|---|----------|
| 1. Enter household income. | 1. _____ |
| 2. Household income base.
Enter \$15,000 (\$30,000 if married filing jointly). | 2. _____ |
| 3. Line 1 minus line 2, but not less than -0-. | 3. _____ |

PART 3

• **Determining credit amount**

- | | |
|--|-----------------------|
| 1. Enter \$7,500 (\$15,000 if married filing jointly). | 1. _____ |
| 2. Enter both spouses' total Social Security and Tier 1 Railroad retirement benefits. | 2. _____ |
| 3. Line 1 minus line 2 but not less than -0-. | 3. _____ |
| 4. Enter household income limit from Part 2, line 3. | 4. _____ |
| 5. Line 3 minus line 4, but not less than -0-. | 5. _____ |
| 6. Enter Oregon taxable retirement income of the eligible individual(s). | 6. _____ |
| 7. Enter the lesser of line 5 or line 6. | 7. _____ |
| 8. Decimal amount. | 8. <u> .09 </u> |
| 9. Multiply the amount on line 7 by the decimal on line 8 and enter the result here and on Form 40, line 36. | 9. _____ |

The credit is limited to your tax liability. There is no carryover. You may claim this credit **or** the credit for the elderly or the disabled, but not both.

What is included in household income? Household income includes all income (both taxable and nontaxable) received during the year except Social Security and Tier 1 Railroad retirement benefits. Include gross income reduced by adjustments reported in your federal adjusted gross income (AGI).

What is not included in household income? State tax refunds received during the year are not included in household income. Also, pension income received that is a return of your contributions and is excluded from federal income is not included. Do not include pension distributions which you “roll over” into an individual retirement account (IRA) or amounts converted to a Roth IRA.

To determine household income, separate income (or loss) from businesses, farms, rentals, royalties, and dispositions of tangible or intangible property. Combine all income from a particular source to arrive at the net income or loss from that source. Any net loss from the source is limited to \$1,000. Net operating loss carrybacks or carryovers are not allowed. Capital loss carryovers are not allowed.

For example, you own a farm and have a \$3,000 loss. You are also a partner in a partnership whose main activity is farming. You have income from the partnership of \$1,000. Your net farm loss is \$2,000. You may claim only \$1,000 of this loss to compute your household income. Any net loss you have from any of the other sources mentioned in the previous paragraph is also limited to \$1,000 each.

If the combined total of your depreciation, depletion, and amortization deductions exceeds \$5,000, the excess must be added back into household income. You must also increase your household income by the Oregon income tax modification for depletion in excess of basis.

Example: Felipe has a business which had gross income of \$27,000 for the year. He has an \$11,000 depreciation deduction. Other business expenses are \$20,000. He reports a business loss for federal purposes of \$4,000 (\$27,000 - [\$20,000 + \$11,000]). With his depreciation deduction limited to \$5,000, the business income he includes in household income is \$2,000, figured as follows: \$27,000 - (\$20,000 + \$5,000) = \$2,000.

You also need to include items not in your federal AGI. These items include, but are not limited to:

- Veteran’s and military benefits.
- Gifts and grants (total amount minus \$500).
- Disability pay.
- Nontaxable dividends (other than “return of capital” dividends).
- Inheritances.
- Insurance proceeds.
- Nontaxable interest.
- Railroad retirement benefits (Tier 2 only).
- Scholarships.
- Strike benefits.
- Welfare benefits.

If you need help, see page 36 for telephone numbers to call.

37 Child and dependent care credit. You are allowed an Oregon credit **only** if you qualify for the federal child and dependent care credit. You may still be able to claim the Oregon credit even if you can’t use all of your federal credit. Use the following worksheet to figure your credit for Oregon. In most cases, you cannot claim the credit if you are married filing separately.

1. Enter the amount from federal Form 2441, line 6, or Form 1040A, Schedule 2, line 6. 1. _____
2. Enter the decimal amount from the following table. 2. _____

If your federal taxable income from Form 1040, line 39, or Form 1040A, line 24 is:

Over—	But not over—	Your decimal amount is:
—	\$5,000	.30
\$5,000	10,000	.15
10,000	15,000	.08
15,000	25,000	.06
25,000	35,000	.05
35,000	45,000	.04
45,000	—	.00

3. Multiply the amount on line 1 by the decimal amount on line 2. Enter here and on Form 40, line 37. 3. _____

Note: Did you pay 1998 child care expenses in 1999? If so, you may be able to use that amount to increase your 1999 Oregon child and dependent care credit. Please call us for more information. See page 36.

Carryover. Your total 1999 child care credit can’t be more than your 1999 tax liability for Oregon. Any excess credit can be carried forward over the next five years. If the excess isn’t used within five years, it’s lost. See instructions for line 41.

38 Credit for the elderly or the disabled. The Oregon credit is 40 percent of the federal credit. You may claim an Oregon credit only if you qualify for the federal credit. Please complete a federal Schedule R or federal Form 1040A, Schedule 3 even if you can’t use the federal credit.

Multiply the amount on federal Schedule R, line 20, or Form 1040A, Schedule 3, line 20, by .40 (40%).

Note: You may claim this credit or the retirement income credit, line 36, but not both.

39 Political contribution credit. Fill in your total political contributions, but not more than \$100 on a joint return or \$50 on all others. The contribution must have been made during 1999. It must have been a donation of money to any of the following:

- A political party.
- A qualified candidate (or the candidate's principal campaign committee) for federal, state, or local office to be voted for in Oregon.
- A political action committee.

40 Credit for income taxes paid to another state. Did you pay income taxes to another state? If so, you may be able to claim this credit. You must have income that is taxed by both Oregon and the other state during 1999.

If you were a full-year Oregon resident and had income taxed by Arizona, California, Indiana, or Virginia, you may not claim the credit on your Oregon return. You may claim the credit on the nonresident return you file with the other state. If income is taxed by Oregon and another state not listed here, claim the credit on line 40 of your Oregon resident return.

This credit is only for state income tax. You can't claim this credit for city or county income tax, sales tax, property tax, school tax, or building funds.

Your credit is the **lesser** of the following:

- The other state's tax after credits.
- Your Oregon tax liability.
- The amount figured using the following formula:

$$\frac{\text{Your adjusted gross income taxed by both states}}{\text{Your modified adjusted gross income}} \times \text{Your Oregon tax after subtracting all other credits}$$

Divide your adjusted gross income (AGI) taxed by both states by your modified AGI. Multiply the result by your Oregon tax after subtracting all other credits.

If you file Form 40S, your modified AGI is line 11.

If you file Form 40, your modified AGI usually equals the sum of lines 8 and 9 minus lines 14–17. Add amounts on line 10 only if they are income that Oregon taxes but the federal government doesn't. Subtract amounts on line 18 only if they are income that the federal government taxes but Oregon doesn't.

Caution: You can't claim this credit and also claim the tax you paid as an itemized deduction. On Form 40, line 24, in addition to the Oregon tax you claim as an itemized deduction, fill in the **lesser** of the following:

- The other state's tax claimed as an itemized deduction.
- The other state's tax after credits.

Attach a copy of the other state's return and proof of payment to your Oregon return.

41 Other credits. You may be entitled to other credits listed below. Please identify the credit(s) you are claiming on line 41 using the title shown in bold or the abbreviation shown in brackets.

- **Child and dependent care credit carryover from prior years** [C/O–CDC]. The amount of the prior year carryover plus your current year's credit can't exceed your Oregon tax liability. Any excess credit can be carried forward over the next five years. If the excess isn't used within five years, it's lost.

- **Credit for loss of use of limbs** [Limbs]. If you have a permanent and complete loss of the use of two limbs, you may take a \$50 tax credit. Your spouse may also claim a \$50 credit if he or she qualifies. You can't claim this credit for a dependent.

Obtain a Disability Certification Form the first year you file for the credit. Get the form from your county public health officer. The health officer must sign the form. Keep the form with your permanent health records.

You also qualify for the severely disabled exemption. See instructions on page 24.

- **Credit for residential energy devices** [Res en]. You must purchase energy efficient appliances **or** install solar devices or ground loop systems that provide 10 percent or more of an Oregon home's energy. See page 36 to order the information circular "Residential Energy Tax Credit."

- **Sewage treatment works hookup credit** [Sewage]. Oregon residents can claim a credit for the cost of installing or connecting to specific sewage treatment works. The connection must have been required by an order from the assistant director for health issued after January 1, 1988, and before July 1, 1995. Claim one-fifth of the expenses each year, for five years, limited to \$160 per year.

- **Credit for home care of an elderly person** [HCE]. You may be eligible for this credit if your household income is less than \$17,500 and you pay expenses for the care of someone age 60 or older. The care must keep that person from being placed in a nursing home. That person's household income must be \$7,500 or less. See page 36 to order the information circular, "Home Care for the Elderly Credit" and the form, "Credit for Home Care of an Elderly Person." **The Oregon Department of Human Resources must certify that the elderly person qualifies.**

- **Other credits.** The following credits apply to only a few people and aren't explained in this booklet. See page 36 for taxpayer assistance information.

- Bone marrow donation program [Marrow].
- Business energy [Bus en].
- Child development [Ch dev].
- Claim of right [COR].
- Crops donated to gleaning cooperatives [Crops].
- Dependent care assistance [DCA].
- Farmworker housing [Farm hsng].
- First Break Program [1 break].

- Fish habitat improvements [Fish hab].
- Fish screening devices [Fish scrn].
- Gain from the sale of your house also taxed by another state or country [Hse gain].
- Involuntary moving of a mobile home [Mobile hm].
- Pollution control facilities [Poll fac].
- Pollution prevention credit [Poll pre].
- Reclaimed plastic (investment in capital assets) [Rec plas].
- Reforestation of underproductive forest lands [Re-forest].
- Rural medical practitioners, dentists, or optometrists [Rural med].

Tax payments, penalties, and interest

44 Oregon income tax withheld. Fill in the total Oregon tax withheld from your wages and other income. That's the amount shown on your Form(s) W-2 in box 18 or on a Form 1099. Don't use the FICA (Social Security) tax withheld. Don't use tax withheld from your wages by other states. **Staple a readable copy** of your Form W-2 from each job and any 1099 form showing Oregon income tax withheld to the lower front of your return.

If you don't have a Form W-2 or 1099, you must provide other proof of any Oregon tax withheld. Proof may include a final paycheck stub or a letter from your employer. If you file before February 1, 2000, we can accept only Form(s) W-2 or 1099 as proof.

If you have tax to pay, you may want to increase the amount your employer withholds from your wages for Oregon. See page 36 to order the information circular "Oregon Income Tax Withholding: Some Special Cases."

45 Estimated tax you paid for the 1999 tax year. Fill in the total estimated tax payments you made before filing your Oregon return. Include any payments you made with your extension. Also include any refund applied from your 1998 income tax return or an Oregon amended return (Form 40X). If the department adjusted your 1998 refund, be sure to use the corrected amount.

49 Penalty and interest.

Due date. Your return is due by April 17, 2000, unless you file for an extension.

Penalty. Include a penalty payment if you:

- Mail your tax-to-pay after April 17 (even if you have an extension).
- File your return showing tax-to-pay after the due date or extension due date.

Penalty is 5 percent of the unpaid balance of your tax. If you file more than three months after the due date or the due date on your extension, add an additional

20 percent penalty. See page 6 for how to avoid incurring a penalty.

Interest. If you are filing your return or paying your tax after April 17, 2000, include interest on any unpaid tax.

An interest period is each full month starting with the day after the due date. For example, April 18 to May 17 is a full month.

The current interest rate is .75 percent per month (9 percent per year).

Interest is figured daily for periods of less than a month. Here's how to figure daily interest:

$$\text{Tax} \times .000247 \times \text{number of days}$$

If the tax is not paid within 60 days of our bill, the interest rate increases to 13 percent per year.

50 Interest on underpayment of estimated tax. You have an underpayment if you paid less than 90 percent of the tax due on each estimated tax payment date.

You don't have an underpayment if:

- You owe less than \$500 tax on your 1999 tax return after credits and Oregon tax withheld, **and**
- You didn't have an underpayment for any 1999 estimated tax period.

Use Form 10 to determine if you have an underpayment. If you do or if you meet an exception, you **must** file Oregon Form 10, "Underpayment of Oregon Estimated Tax." See page 36 to order Form 10.

On Form 40, line 50, fill in the amount of interest due from Form 10 and check the box. **Attach Form 10** to the back of the return.

52 Amount-you-owe. Make your check or money order payable to "**Oregon Department of Revenue**" and attach to your return on top of the Form(s) W-2. We prefer you use blue ink. Do not use red ink. Do not make your check out to "IRS" or "Internal Revenue Service." Write your Social Security number and "1999 Form 40" on your check or money order. **Don't send cash or postdated checks.** If the amount is less than \$1, no payment is required.

Special instructions. Do you owe interest on line 50 and have an overpayment on line 47? If your overpayment is less than the interest due, fill in the result of line 51 minus line 47.

If you owe more than \$500, you may owe interest on underpayment of estimated tax. See instructions for line 50 above.

For information about paying estimated tax for 2000, order the Estimated Tax circular, coupons, and instructions. See page 36.

Stop here on the form.

53 Refund. You must have a refund of \$1 or greater on line 53 to use lines 54–59.

54 Estimated tax. If your refund is \$1 or more, you may apply part or all of your refund, line 53, to your 2000 Oregon estimated income tax. Fill in the amount you want to apply.

55 – 59 Donations will reduce your refund. If you don't have a refund on line 53 but you want to contribute, **mail your donations** to the addresses below.

55 Oregon Nongame Wildlife. Your donation will fund the protection of nongame wildlife and its habitat.

Oregon Department of Fish and Wildlife
Attention: Fiscal Manager
PO Box 59
Portland OR 97207

56 Child Abuse Prevention. Your donation will fund programs through the Children's Trust Fund to help prevent child abuse and neglect.

Children's Trust Fund
800 NE Oregon St, Suite 1140
Portland OR 97232-2162

57 Alzheimer's Disease Research. Your donation goes to the Alzheimer's Research Alliance of Oregon for research on Alzheimer's disease and related disorders.

Alzheimer's Research Alliance
PO Box 10051
Portland OR 97296

58 Stop Domestic and Sexual Violence. Your donation will fund programs through the Oregon Coalition Against Domestic and Sexual Violence.

OCADSV
659 Cottage St NE
Salem OR 97301

59 AIDS/HIV Research, Education, and Services. Your donation will fund AIDS/HIV research, education, and services by the Living With HIV Fund.

The Research and Education Group
2701 NW Vaughn St, Suite 840
Portland OR 97210-5311

61 Net refund. You must reduce your refund by any amounts applied to 2000 estimated tax and donations on lines 55–59. By law, the Oregon Department of Revenue cannot refund or apply amounts less than \$1. Generally, the department cannot issue a refund when the return is filed more than three years after the due date of the return.

To avoid processing delays, remember to:

Type or legibly print your name, address, and correct Social Security number on the return.

Double-check your math calculations and other figures, including your Social Security number. The most common mistakes are math errors and the amount claimed for the federal tax subtraction. Errors slow the processing of your return.

Sign your return (both spouses must sign a joint return).

Staple readable copies of Form(s) W-2 and 1099 showing Oregon tax withheld to the front of the return.

Attach a copy of your federal return.

Mail your return in a stamped envelope. Use a business envelope (4 × 9½ inches) and be sure to use enough postage.

Mail refund returns or no-tax-due returns to:

REFUND
PO Box 14700
Salem OR 97309-0930

Mail tax-to-pay returns to:

Oregon Department of Revenue
PO Box 14555
Salem OR 97309-0940

Payment Plans

If you can't pay in full now, the Oregon Department of Revenue will work with you to set up a payment plan. File now and pay what you can. Please write your Social Security number and tax year on your check. You will receive a billing notice showing tax, penalty, interest, and the balance due. When you receive the billing notice, call the telephone number on the notice to set up your payment plan.

Taxpayer assistance

Do you need help?

Telephone: Salem

503-378-4988

Toll-free within Oregon **1-800-356-4222**

For touch-tone phones, our telephone voice response system has recorded tax information about many of your Oregon tax questions. You also may order tax forms. This service is available 24 hours a day.

Once you're in the system, push:

1 For current year personal income tax refund information (beginning March 1).

2 **To order current year forms and instruction booklets or amended forms.** (Some federal forms available.)

6 For other information.

0 For assistance from a representative:

Monday–Friday* 7:30 A.M.–5:10 P.M.
 *Except Wednesday 9 A.M.–5:10 P.M.
 April 3–April 17, Monday–Friday 7 A.M.–7 P.M.
 Closed on holidays

TTY (hearing or speech impaired only). **These numbers are answered by machine only and are not for voice use.** The toll-free number within Oregon is 1-800-886-7204. In Salem, the number is 503-945-8617.

¿Habla español? Línea de mensaje. Las personas que necesitan asistencia en español pueden dejar un mensaje. El número disponible todo el año en Salem es 503-945-8618.

A message line is available all year for those who need assistance in Spanish. The number in Salem is 503-945-8618.

Correspondence. Use the Salem address on the front of this booklet. Include your Social Security number and a daytime telephone number for faster service.

To get forms Internet: www.dor.state.or.us

Income tax booklets are available at many post offices, banks, and libraries. **Or write to:** Forms, Oregon Department of Revenue, PO Box 14999, Salem OR 97309-0990.

Forms and assistance are available at these offices. **Don't send your return to these addresses.**

Bend—2330 NE Division, Suite 9

Eugene—2350 Oakmont Way #105

Medford—24 West 6th St

Portland—800 NE Oregon St, 5th floor

Portland*—Federal Building Lobby
1220 SW Third Ave

Salem—Revenue Building, First floor, Room 135
955 Center St NE

Salem—4275 Commercial St SE
Building 2, Suite 180

Wilsonville—9450 SW Commerce Circle, Suite 450

* January 3–April 17: We'll provide walk-in help from 9 A.M.–4 P.M., Monday–Friday, except holidays.



Printed information (free)

State forms and publications only

(Check individual boxes to order. Clip on the dotted line, then mail in the entire list with your return address. These forms and circulars are also available on the Internet.)

- Amended Form 40X and instructions... 150-101-046
- Computing Interest on Tax You Owe ... 150-800-691
- Credit for Income Taxes Paid to Another State 150-101-646
- Depreciation form 150-101-025
- Elderly Rental Assistance booklet 150-545-002
- Estimated Tax circular 150-101-648
- Estimated Tax coupons 150-101-026-2
- Estimated Tax instructions 150-101-026
- Home Care for the Elderly Credit 150-101-653
- Interest and Dividends on U.S. Bonds and Notes 150-101-615
- Interstate Transportation Wages 150-101-601
- Limit on Itemized Deductions 150-101-611
- Married Persons Filing Separate Returns 150-101-656
- Military Personnel Filing Information ... 150-101-657
- Oregon Deferral of Reinvested Gain ... 150-101-614
- Oregon Income Tax Withholding: Some Special Cases 150-206-643

- Political Contributions 150-101-662
- Record Keeping Requirements 150-101-608
- Residential Energy Tax Credit 150-101-641
- Retirement Income 150-101-673
- Senior Citizen's Property Tax Deferral 150-310-675
- What To Do if You are Audited 150-101-607
- Your Rights as an Oregon Taxpayer 150-800-406
- List of other printed information: Forms/Publications Request 150-800-390

Send to: Forms
Oregon Department of Revenue
PO Box 14999
Salem OR 97309-0990

Please print

Your name _____

Address _____

City _____

State _____ ZIP _____

