

PART-YEAR RESIDENT & NONRESIDENT

Top 10 ways to get your refund faster

1. File electronically.
See page 3 for details.
2. Use direct deposit.
See page 4 for details.
3. Use the correct form.
4. Type or clearly print your name,
address, and correct Social
Security number.
5. Claim your correct federal tax
subtraction.
6. Double-check your math.
7. Sign your return.
8. Attach every Form W-2 and 1099
that shows Oregon tax withheld.
9. Attach a copy of the front and
back of your federal return.
10. File early.



OREGON 2001

Personal Income Tax Forms
40P & 40N with Instructions

Get your refund even faster with...



Direct Deposit



FAST *No trips to the bank.*

SAFE *No lost or stolen checks.*

EASY *Your refund will be deposited directly into
your checking or savings account.*

Source: Direct Deposit and Direct Payment Coalition, www.directdeposit.org and www.directpayment.org.

Visit www.dor.state.or.us for tax information.

Oregon Department of Revenue
955 Center Street NE
Salem OR 97301-2555

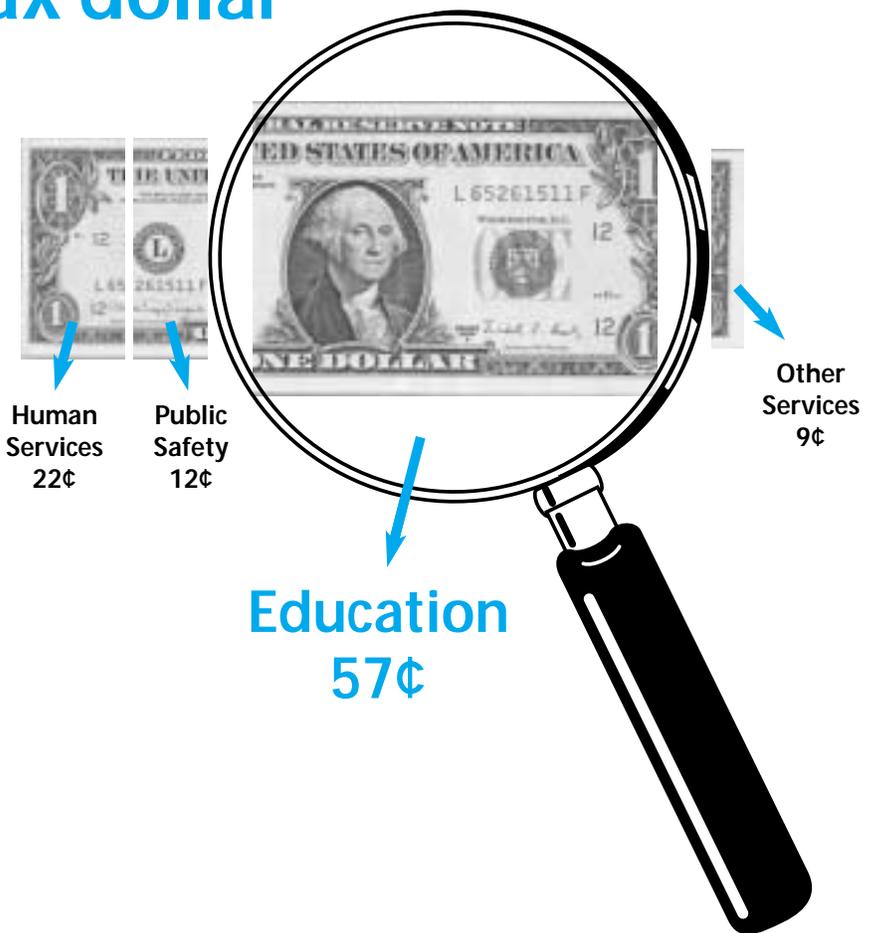
PRSRT STD
U.S. POSTAGE
PAID
Oregon Department
of Revenue

Services paid for with your income tax dollar

Your tax dollars support many important state services. Three years ago we gave you an overview of the services that are paid for with your tax dollar. Over the past two years, we have given you more in-depth information about programs for public safety and human services.

This year we want to give you a closer look at education. Fifty-seven cents of every tax dollar goes to support educational programs in Oregon. This money is at work every day, in every community, throughout the state.

To help manage these programs, the Department of Education oversees the state's massive K-12 system. The Department of Community Colleges and Workforce Development administers programs for Oregon's 17 community colleges. And the Oregon State System of Higher Education governs the state's seven public universities.



The Department of Education is responsible for the 570,000 students in the K-12 system. Its mission is to raise academic achievement to measurable standards.

The agency develops goals and content standards for all of Oregon's public schools. It is responsible for the state's student assessment program.

Its overriding aim is to prepare students for successful transitions to employment, further education, and adult responsibilities.

"The relentless pursuit of each student's success" is the vision of the Oregon Department of Education.

The Department of Community Colleges and Workforce Development works to increase skills, knowledge, and career opportunities for Oregonians. It is responsible for the planning, contracting, and overall supervision of statewide projects.

Oregon's community colleges serve nearly 400,000 people a year through instruction on campus, at outreach sites, via the Internet and television, and at business locations.

You can prepare for a job. Complete courses that transfer to a four-year university. Or even earn a complete certificate or degree through your local community college.

The Oregon State System of Higher Education is made up of seven distinguished public universities. These schools reach more than 1 million people each year. They do this through on-campus classes, statewide public services, distance learning technologies, and research to aid Oregon's future.

The main campuses are located in Ashland, Corvallis, Eugene, Klamath Falls, LaGrande, Monmouth, and Portland. The new Cascades Branch Campus in Bend and educational centers in Beaverton and Coos Bay provide additional educational opportunities for Oregonians.

To find out more about these and other state agencies that work to serve Oregon and its 3.4 million citizens, visit the state of Oregon Web site 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.

Contents

Electronic filing	3
New information	3
Residency	5
Filing information	5
Extensions	6
Estimated tax	6
Elderly Rental Assistance (ERA)	6
Form 40N	7
General instructions for	
Forms 40N and 40P	11
Form 40N instructions	15
Standard deduction	17
Oregon tax	18
Credits	19
Tax payments, penalties, and interest	21
Form 40P instructions	22
Standard deduction	24
Oregon tax	25
Credits	25
Tax payments, penalties, and interest	28
Tax rate charts	30
Form 40P	31
Taxpayer assistance	36
To order forms and publications	36

Electronic filing



Electronic filing is a fast, efficient, and accurate way to file. After March 1, 2002, when processing begins, you may receive your Oregon refund in as few as 10 to 12 business days. You do not need to mail anything to the department unless you owe tax. If you owe tax, you can file your return electronically any time before the due date. You will have until April 15, 2002, to pay the tax.

There are three options for filing your return electronically:

1. **Tax preparer.** Ask your preparer if he or she offers electronic filing or check the yellow pages to find one located in your area.
2. **Tax software.** You can purchase tax software that gives you the option to file your return electronically. Read the software package carefully to see if the electronic filing option is available. Additional fees for electronic filing may be charged.
3. **Internet.** Many companies provide online return preparation and transmission for a fee. For a list of companies offering Oregon electronic filing, visit the department's Web site at www.dor.state.or.us and click on "Electronic Filing."

Free offer. Several software companies will prepare and electronically file your return for free if your income is under a certain level. See our Web site.

Direct deposit. You can now have your refund deposited directly into your bank account. See page 22 or 30 for instructions.

Electronic payment—not available. The department cannot accept electronic fund withdrawal, direct debit, debit cards, or credit cards to pay your current tax due.

New information

Were you an Oregon nonresident, working on the Columbia River waterway between 1986 and 2000? Did you pay tax to Oregon on that income? If so, you may be entitled to a refund. Contact the Department of Revenue for more information. See page 36.

Were you an Oregon nonresident, working on a federal dam spanning the Columbia River between 1997 and 2000? Did you pay tax to Oregon on that income? If so, you may be entitled to a refund. Contact the Department of Revenue. See page 36.

Like-kind exchanges. Did you exchange Oregon property for property outside Oregon during the tax year? If so, Oregon's tax treatment will now be the same as your federal tax treatment in all cases.

In the year that the gain is finally recognized for federal purposes, you will need to file a return and

report the portion of the gain that is subject to Oregon taxation.

This law change applies to tax years 1998 or later. Please call the department for forms if you need to amend a prior-year return.

Were you taxed by another state on income previously taxed by Oregon? If you paid additional tax to another state because you filed a return, amended a return, or were audited, you may be able to claim a credit for those taxes. Call us for more information. See page 36.

Oregon College Savings Plan. Contributions you make to a qualified state tuition program may be tax deferred on your Oregon return. The deduction is limited to \$2,000 per tax year. See page 16 or 23 for more information. Call 1-866-772-8464 toll-free to receive an enrollment packet. Or visit www.oregoncollegesavings.com.

Oregon now offers direct deposit. Your income tax refund can now be directly deposited into your account at a bank or other financial institution, including credit unions.

If you are filing a joint return, both spouses must sign the tax return. **Without both signatures, the department cannot process your request for direct deposit of your refund into your account.**

Some banks may not permit the deposit of a joint refund into an individual account or accept direct deposits into accounts that are payable through another bank.

Please check with your bank before requesting direct deposit. The Department of Revenue is not responsible if your bank rejects a direct deposit for these reasons.

If your direct deposit request cannot be processed or is rejected by your bank, a check will be issued and sent to the mailing address shown on your return.

If you choose direct deposit, contact your bank to make sure that your deposit will be accepted and to get your correct routing and account numbers.

See page 22 or 30 for further instructions.

Authorization box. An authorization box is now included on your Oregon tax return. Check “Yes” if you wish to authorize the Department of Revenue to discuss information about the initial processing of your tax return with your preparer.

General information

Should I file an Oregon return?

File if you have **any** income taxable by Oregon. Also file if you want a refund of the Oregon tax that was withheld from your wages.

What income does Oregon tax?

Full-year residents. Oregon taxes your income from all sources.

Part-year residents. Oregon taxes your income from all sources earned or received while you were an Oregon resident. Oregon also taxes your income from Oregon sources while you were a nonresident.

Nonresidents. Oregon taxes only your income from Oregon sources.

What does income from Oregon sources include?

It includes income shown on your federal return from wages, fees, or income for services performed in Oregon.

If you have wages from an Oregon employer for services performed in another state while you are a nonresident and your Oregon wages are not stated separately on your W-2, compute your Oregon source income using the following formula:

$$\frac{\text{Days actually worked in Oregon}}{\text{Days actually worked everywhere}} \times \text{Total wages} = \text{Oregon wages}$$

Do not include holidays, vacation days, and sick days as actual work days. **Do** include sick pay, holiday pay, and vacation pay in total wages.

Example: Jordan lives in Washington but works in Oregon. Out of 220 work days, she worked 132 days in Oregon and 88 days from her home in Washington.

She earned \$50,000 in wages. She figured her compensation subject to Oregon tax as follows:

Total days paid	260
Less: Vacation days	(27)
Sick days	(5)
Holidays	(8)
Total days worked everywhere	220

$$\frac{\text{Days actually worked in Oregon}}{\text{Days actually worked everywhere}} \times \frac{\$50,000}{\text{(Total wages)}} = \$30,000$$

Jordan’s compensation reported in the Oregon column of Form 40N is \$30,000.

Other income from Oregon sources:

- Businesses, S corporations, partnerships, and limited liability companies taxed as partnerships located or doing business in Oregon.
- Oregon farms.
- Oregon estates and trusts.
- Sales of Oregon property.
- Rents and royalties for use of Oregon property.
- Community property income. If you are a resident of Oregon and your spouse is a resident of a state with community property laws, you may be subject to tax on part of your spouse’s income.

Community property laws in the state where your spouse lives determine if you are taxed on any of your spouse’s income. You may need more information from the state where your spouse resides.

What income is not included in Oregon sources?

- Interest and dividends, unless they are from an Oregon business you own.
- Interstate transportation wages from an interstate railroad company, interstate motor carrier, or private motor carrier. You must be a nonresident and have regularly assigned duties in more than one state. See page 36 to order the information circular, *Interstate Transportation Wages*.

- Oregon retirement income received while you were a nonresident unless you were domiciled in Oregon. See “Pensions and annuities” on page 13.
- Columbia River waterway or hydroelectric dam compensation, if you are a nonresident working on the Columbia River or on a dam that spans the Columbia River between Oregon and Washington.
- Compensation for military active duty of a nonresident.

Residency

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

- You are a full-year **Oregon resident**, even if you live outside Oregon, if **all** of the following are true:
 - You think of Oregon as your permanent home; and
 - Oregon is the center of your financial, social, and family life; and
 - Oregon is the place you intend to come back to when you are away.
 You are still a **full-year resident** if:
 - You temporarily moved out of Oregon, or
 - You moved back to Oregon after a temporary absence.
 You may also be considered a full-year resident if you spend more than 200 days in Oregon during the tax year.
- 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 2001. You are not a part-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** of the following are true:

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

Oregon residents living abroad. 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.

Military personnel

Nonresidents stationed in Oregon. Oregon doesn’t tax your military pay while you are stationed in Oregon. File 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 reserve units or the Oregon National Guard may only exclude active duty pay.

Residents stationed in Oregon. If you are an Oregon resident stationed in Oregon, file Form 40 from the *Full-Year Resident* tax booklet.

Residents stationed outside Oregon. If you are an Oregon resident stationed outside Oregon, you may file Form 40N if you meet the requirements for special-case Oregon residents or Oregon residents living abroad. See “Residency” on this page.

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

If you don’t meet the listed requirements, file Form 40 in the *Full-Year Resident* tax booklet.

Need more information? See page 36 to order forms and the information circular, *Military Personnel Filing Information*. Or, see the military information under “Q & A” on our Web site.

What form do I use?

Use Form 40N if:

- You are a nonresident, or
- You are a special-case Oregon resident (see “Residency” on this page), or
- You and your spouse are filing a joint return and one (or both) of you is a nonresident, or
- You meet the military nonresident requirements explained above, or
- You qualified as an Oregon resident living abroad for the entire year.

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 jointly and both spouses are part-year Oregon residents, or
- You qualified as an Oregon resident living abroad for part of the year.

Use Form 40 or 40S if:

- You are a full-year resident, or
- You and your spouse are both full-year residents filing jointly.

Forms 40 and 40S are available on our Web site and at many post offices, banks, and libraries in Oregon and southwest Washington. To order Forms 40S and 40 and instructions, see page 36.

When should I file my return?

File as soon as possible. The filing deadline for calendar year 2001 is **April 15, 2002**. If you can’t pay all of your tax by the due date, file your return anyway to avoid additional penalty. Payment plans are available. See page 35.

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

What if I 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 federal extension Form 4868 by the filing deadline. Write “For Oregon Only” across the top in **blue or black** ink and use Oregon amounts on the form. We’ll notify you only if your extension is denied.

Send your extension form and payment by April 15, 2002, 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 you expect to owe when you file 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 15, 2002, until the date you pay. The current interest rate is 8 percent per year (.6667 percent per month). If the tax is not paid within 60 days of our bill, the interest rate increases to 12 percent per year.

Were you stationed in a designated combat zone? Did you receive additional time to file your 2001 federal return? If so, Oregon allows the same additional time to file. Write “combat zone” in **blue or black** ink at the top of the form.

Penalties

You will owe a 5 percent penalty on any 2001 tax not paid by April 15, 2002.

If you file more than three months after the due date or extension date, an additional 20 percent penalty will be added; that is, you will owe a penalty of 25 percent of any tax not paid.

There is an exception to paying penalty. See the instructions for line 68, page 21.

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.

Estimated tax

Oregon estimated tax laws are not the same as federal estimated tax laws. Use Oregon instructions to determine if you need to make Oregon estimated tax payments for 2002.

You may owe interest on underpayment of estimated tax if:

- You owe \$1,000 or more on your return; and
- You paid less than 90 percent of the tax due on each estimated tax payment date for 2001. Please see the instructions for line 69 on page 21.

You can avoid interest on underpayment of estimated tax for 2002 by paying estimated tax equal to 100 percent of your 2001 Oregon tax liability on the estimated tax due dates.

The first payment is due April 15, 2002. For more information, order the estimated tax coupons and instructions or the information circular, *Estimated Tax*.

Elderly Rental Assistance (ERA)

You may qualify for an ERA refund if: 1) you were a renter who resided in Oregon on December 31, 2001; 2) you were age 58 or older on December 31, 2001; 3) you have household income less than \$10,000; 4) you 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.

Filing for a deceased person

See “Should I file an Oregon return?” on page 4 to determine if a return must be filed for an individual who is deceased. If you are filing a return and claiming a refund for someone who is now deceased, file Form 243, *Claim to Refund Due a Deceased Person*, with the return. This will allow the department to issue the refund check in your name. If you are a court-appointed or certified personal representative, the form is not needed.

Federal pension income

If you received federal pension income in 2001, some or all of it may be subtracted from Oregon income. Please carefully follow the instructions on page 23 for line 38 to ensure that your return is processed without unnecessary delays.

Blue or black ink

Please use blue or black ink to make the information on the forms easier to read and make processing faster. Equipment to scan documents cannot read certain colors of ink, especially red. We appreciate your cooperation.

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.

Form 40N Front

The tax forms are a separate download. You will find them at:

<http://www.dor.state.or.us/formspit.html>

Form 40N Back

The tax forms are a separate download. You will find them at:

<http://www.dor.state.or.us/formspit.html>

Form 40N Front

The tax forms are a separate download. You will find them at:

<http://www.dor.state.or.us/formspit.html>

Form 40N Back

The tax forms are a separate download. You will find them at:

<http://www.dor.state.or.us/formspit.html>

Instructions for Forms 40N and 40P

Step 1: Select the appropriate form.

Please determine which form was designed for your situation. This will help ensure the proper calculation of your Oregon income, deductions, credits, and tax. The result will be the correct Oregon tax or refund without unnecessary delays. If you are unsure whether to use Form 40N or 40P, please review “What form do I use?” on page 5. If you need more help, please visit our Web site or call us.

Step 2: Fill out your federal form.

Your Oregon tax is determined using the ratio of your Oregon-related income to your entire federal income. **Fill out your federal return first**, then your Oregon return. You must attach a copy (front and back) of your federal Form 1040, 1040A, or 1040EZ, or TeleFile Tax Record to your Oregon tax return. **Don't attach** federal Schedule A, B, C, or D, or Form 2441, etc.

Keep a complete copy of both your federal and state returns. Also, keep all receipts, canceled checks, statements, and other records you used to prepare your return for at least three years after you file your return. Save records for property and investments you purchased for at least three years after you report the sale of the property.

Step 3: Start the Oregon form.

Fiscal year filers

Write the ending date of your fiscal year in the space provided. Please use **blue or black** ink.

Address section

Please type or clearly print your name, address, telephone number, 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.

ITIN. If the IRS has issued you an Individual Taxpayer Identification Number (ITIN) because you do not have a Social Security number (SSN), enter it on your Oregon tax return wherever your SSN is requested.

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

Filing status

Check the box next to your filing status. If filing as **head of household**, enter the name of the qualifying person from your federal return next to box 4.

Generally, you must check the **same filing status** you checked on your federal return. **Exception:** If you and your spouse don't have the same residency status, you may file separate returns for Oregon even if you filed your federal return as married filing jointly.

How to file separate returns for Oregon:

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

If you **file separate returns for Oregon only**, report your own share of federal adjusted gross income (AGI) and deductions. Also, report your share of any Oregon additions or subtractions. To figure your share of federal tax subtraction or itemized deductions, determine your adjusted gross income (AGI) and use the following formula:

$$\frac{\text{Your share of federal AGI}}{\text{Joint federal AGI}} = \text{Your percentage (not to exceed 100\%)}$$

Write “MFS for Oregon only” at the top of the form in **blue or black** ink. Attach the following to both Oregon returns:

- A federal Form 1040, 1040A, or 1040EZ prepared as if you had filed married filing separately, and
- A copy of the joint Form 1040, 1040A, or 1040EZ you actually filed.

If possible, mail both spouse's Oregon returns in the same envelope. **Do not** staple the returns together.

For assistance or to order the information circular, *Married Persons Filing Separate Returns*, see page 36.

Exemptions

6a & 6b Yourself and spouse. Check “Yourself” and other boxes that apply. If someone else can claim you as a dependent, you can't claim an exemption for yourself. Enter -0- in the total box on 6a.

Severely disabled. If you had a severe disability at the end of 2001, 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, or
- You permanently lost the use of both hands, or
- You are permanently blind, or
- 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, contact lenses, ordinary crutches, or hearing aids.

You don't qualify for this exemption if either of the following applies:

- 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 loss of use of limbs. See “Other credits,” page 20.

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 you claimed on your federal return.

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

- Qualify as your dependent, and
- Have been age 17 or younger on December 31, 2001, and
- Be eligible for “early intervention services” or receive special education as defined by the Oregon Department of Education (learning disabilities or communication disorders alone don’t qualify), and
- Have been considered to have a disability as of December 31, 2001, under the federal Individuals with Disabilities Education Act and related Oregon laws. Eligible disabilities include:
 - Autism.
 - Visual impairment.
 - Mental retardation.
 - Serious emotional disturbance.
 - Traumatic brain injury.
 - Hearing impairment.
 - Orthopedic impairment.
 - Other health impairment.
 - Multiple disabilities.
 - Deaf-blind.

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), or
- The child’s Individualized Family Service Plan (IFSP).

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

7a Age 65 or older, or blind. Check the boxes on line 7a if you or your spouse were age 65 or older, or

were blind on December 31, 2001. You are entitled to a larger standard deduction. If you or your spouse are blind, you may also qualify for an additional personal exemption credit. See the instructions for lines 6a and 6b.

Step 4: Income line instructions.

The following instructions are for lines 8–30, Form 40N or 40P, if 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.

The forms have two columns for figures. These lines are used to compare the portion of your federal adjusted gross income that Oregon taxes to your total federal adjusted gross income.

Federal column income

The first column is labeled “Federal column.” In this column, lines 8 through 28, follow the instructions on the form to fill in the same amounts you reported on your federal return. Line 30, “Income after adjustments,” must match your 2001 federal adjusted gross income from Form 1040, line 33; Form 1040A, line 19; Form 1040EZ, line 4; or TeleFile Tax Record, line I. If it does not match, please check your figures, then see page 36 for numbers to call.

Oregon column income

The second column is labeled “Oregon column.” List the amount that Oregon taxes in this column.

Nonresidents. Oregon taxes only your income from **Oregon sources**. See “What does income from Oregon sources include?” on page 4.

Full-year residents. Oregon taxes your income from **all sources**. All amounts included in the federal column should also be included in the Oregon column.

Part-year residents. Oregon taxes your income from **all sources** earned or received while you were an Oregon resident. Oregon also taxes your income from **Oregon sources** while you were a nonresident.

8 Wages, salaries, and other pay for work. Nonresidents—fill in the amount earned while working in Oregon. If that amount differs from the Oregon wages on your W-2 form, you must attach an explanation from your employer to the back of your return. If your Oregon wages are not stated separately on your W-2, compute your Oregon source income using the following formula:

$$\frac{\text{Days actually worked in Oregon}}{\text{Days actually worked everywhere}} \times \text{Total wages} = \text{Oregon wages}$$

Do not include holidays, vacation days, and sick days as days actually worked. **Do** include sick pay, holiday pay, and vacation pay in total wages. See the example on page 4.

Part-year residents—fill in amounts you earned while an Oregon resident and any amounts you earned working in Oregon while you were a nonresident.

Full-year residents—fill in all income included in the federal column.

Exceptions:

- See “Interstate transportation wages,” page 4, to see if you qualify to exclude this income.
- Nonresidents who work on Bonneville, The Dalles, John Day, or McNary dams should exclude this income from the Oregon column. Write the name of the dam you work on at the top left corner of the return. Please use **blue or black ink**.
- Nonresidents who work on the Columbia River waterway should exclude this income from the Oregon column. Write “Columbia River” at the top left corner of the return. Please use **blue or black ink**.

9 Taxable interest and dividend income.

9a Interest. Determine the amount of interest income you received while you were a nonresident on funds used for business activity in Oregon. Add to that any interest included on your federal return that you received during the portion of the year you were an Oregon resident.

9b Dividends. Determine the amount of dividends received from an Oregon business activity source while you were a nonresident. This includes dividends passed through to you from an S corporation or partnership doing business only in Oregon. These are dividends your S corporation or partnership received on the stock of another corporation. Add to that any dividend income included on your federal return that you received during the portion of the year you were an Oregon resident.

Add lines 9a and 9b. Fill in the total on line 9 in the Oregon column.

10 State and local income tax refunds. Fill in the portion of the amount reported on your federal return that is: 1) a refund from Oregon or any other state or locality for which you claimed a deduction on an Oregon return in a prior year; or 2) a refund received during the portion of the year you were an Oregon resident.

11 Alimony received. Fill in alimony you received for the part of the year you were an Oregon resident.

12 Business income or loss. Determine the amount of income or loss from an Oregon business activity. This includes apportioned business income and allocated nonbusiness income from sole proprietorships. Add to that all business income or losses incurred for the portion of the year you were a resident of Oregon.

13 Capital gain or loss. Determine the amount of gain or loss from Oregon sources and capital gain distributions from Oregon sources. Add to that the amount of your capital gains and losses received during the portion of the year you were an Oregon resident. Limit losses to \$3,000 (\$1,500 if married filing separately).

14 Other gains or losses. Determine the amount of gain or loss from Oregon sources. Add to that the gain received or loss incurred for the portion of the year you were an Oregon resident.

15 Total IRA distributions. Determine the amount of any taxable individual retirement arrangement (IRA) distributions received for the portion of the year you were an Oregon resident. Include any amounts you converted from a regular IRA into a Roth IRA while you lived in Oregon. You may need more information. Please see page 36 for telephone numbers to call.

16 Pensions and annuities. Report in the Oregon column the amount of taxable pensions and annuities (including federal pensions) you received while you were an Oregon resident. If you are domiciled in Oregon, you must also include any Oregon source pensions you received. This is true even though you may qualify as a nonresident under the special-case Oregon resident or Oregon resident living abroad tests. See page 5.

For example, if you lived in Oregon before you retired **and have not changed your permanent home to another state**, you must report the pension you earned while you worked in Oregon. If you need more information, see page 36 for telephone numbers to call. If you receive a federal pension, see the instructions for line 38 on page 23.

17 Rents, royalties, partnerships, limited liability companies, real estate investment trusts (REITs), estates, trusts, etc., from federal Schedule E. Determine the amount of income you received from Oregon sources during the portion of the year you were not a resident. Add to that the amount received for the portion of the year you were an Oregon resident. Call us for more information. See page 36.

18 Farm income or loss. Determine the amount of income or loss received from an Oregon farm while you were a nonresident. Add to that the amount of farm income or loss received during the portion of the year you were an Oregon resident.

19 Unemployment benefits, taxable Social Security, and all other taxable income. Don't fill in any Social Security, railroad retirement benefits, or railroad unemployment benefits. Oregon doesn't tax this income. Determine the amount of any unemployment benefits and any other taxable income you received during the portion of the year you were an Oregon resident. Add to that figure any unemployment benefits received

because of an Oregon job and any other Oregon income you received while you were a nonresident.

Include in the Oregon column all payments received from the Oregon Lottery. Oregon Lottery includes Powerball tickets you purchased in Oregon. See “Oregon Lottery” on page 16 or 23 to determine whether you can subtract some or all of this amount.

Adjustments to income

21 **IRA or self-employed SEP and SIMPLE contributions.** Oregon follows the federal definition of earned income and compensation used to calculate your IRA and other retirement plan deductions. Determine the amount you paid during the portion of the year you were an Oregon resident. Add to that the amount calculated for the time you were a nonresident.

IRA. For the part of the year you were a nonresident, multiply your federal IRA deduction by the amount of compensation earned in Oregon divided by your compensation from all sources.

$$\frac{\text{Oregon compensation}}{\text{Total compensation}} \times \text{Federal IRA deduction} = \text{Oregon deduction}$$

This deduction cannot exceed the amount of Oregon compensation included in the Oregon column.

Self-employed SEP, SIMPLE, and qualified plans. For the part of the year you were a nonresident, multiply your federal deduction by the amount of earned income from Oregon sources divided by your earned income from all sources.

$$\frac{\text{Oregon earned income}}{\text{Total earned income}} \times \text{Federal deduction} = \text{Oregon deduction}$$

The deduction cannot exceed the amount of earned income included in the Oregon column.

22 **Student loan interest.** For any part of the year you were a nonresident, multiply your interest paid for that time period by the Oregon income divided by the total income for that same period.

$$\frac{\text{Oregon source income while a nonresident}}{\text{Total income from all sources while a nonresident}} \times \text{Student loan interest paid while a nonresident} = \text{Nonresident deduction}$$

Add to that all interest paid during the portion of the year you were an Oregon resident. Enter the lesser of the result or the amount deducted on your federal return.

23 **Archer MSA contributions.** Use the formula for IRA deductions above to figure the portion of the federal deduction allowed for Oregon while you were a nonresident. Add to that the federal deduction

amount for the part of the year you were an Oregon resident. The deduction can't be more than your Oregon income, Oregon column, line 20.

24 **Moving expenses.** Fill in moving expenses only if they are connected with gaining employment in Oregon or moving to Oregon to take a job in another state. Otherwise, enter -0-. For example, if you moved from California to Washington **to take a job in Oregon**, fill in your allowable moving expenses in the Oregon column. If you left Oregon to take a job in another state, you cannot deduct your moving expenses.

25 **Deduction for self-employment tax.** Determine the amount of your self-employment tax on earnings from Oregon sources for the part of the year you were not a resident. Use the following formula:

$$\frac{\text{Oregon self-employment earnings}}{\text{Total self-employment earnings}} \times \text{Federal deduction for self-employment tax} = \text{Oregon deduction}$$

Add to that the portion of your federal self-employment tax deduction related to income earned during the part of the year you were an Oregon resident.

The Oregon deduction cannot exceed the federal deduction.

26 **Self-employed health insurance deduction.** Total Oregon source health insurance premiums are those premiums paid for by an Oregon business. The deduction is limited to the income earned from the business for which the insurance plan was established. Use the following formula:

$$\text{Total Oregon source health insurance premiums} \times 60\% (.60) = \text{Oregon deduction}$$

27 **Penalty on early withdrawal of savings.** Fill in the amount of penalty related to savings used by an Oregon business.

28 **Alimony paid.** Determine if the alimony you pay is taxable (for federal purposes) to your former spouse. If so, for the part of the year you were not an Oregon resident, figure the Oregon deduction as follows:

$$\frac{\text{Oregon source income}}{\text{Total income}} \times \text{Alimony paid} = \text{Oregon deduction}$$

Add the alimony you paid while you were a resident.

40P filers go to page 22 to complete Form 40P.

40N filers continue on next page (15).

Form 40N, lines 31–82 instructions

For general Form 40N instructions and lines 1 through 30, see page 11.

Additions

Additions increase your federal adjusted gross income.

31 Interest and dividends on government bonds of states other than Oregon.

Federal column. If you didn't include this income in your federal income, fill in the interest you received from state and local governments outside of Oregon.

Oregon column. Nonresidents—don't fill in any amount. Full-year and part-year residents—if you didn't include this interest on line 9 of the Oregon column, fill in the amount of interest you received from state and local governments outside of Oregon while you were an Oregon resident.

32 Federal election on interest and dividends of a minor child. Did you choose to report the interest and 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 your Oregon income.

Federal column. Fill in the smaller of line 7 or 8 from federal Form 8814. Add to that any interest or dividends your child received from state and local governments outside of Oregon.

Oregon column. Nonresidents—don't fill in any amount. Full-year and part-year residents—fill in interest and dividends received while the minor child was an Oregon resident. This includes interest and dividends from state and local governments other than Oregon that your child received while an Oregon resident.

33 Other additions. You may need to report one or more other additions explained below. Please identify the addition(s) in the space on the form using the title shown in bold or the abbreviation shown in brackets. If you have more than one, show the type and amount of each addition. Fill in the total amount of other additions on line 33.

- **Difference in depreciation for Oregon [Dif dep].** You may need the *Oregon Depreciation Schedule*. See page 36 to order the schedule.

Federal column. Is your Oregon depreciation **less** than your federal depreciation? If so, on line 33, fill in the amount from the *Oregon Depreciation Schedule*, line 2. If not, see the instructions for line 38.

Oregon column. On line 33, fill in the amount from the *Oregon Depreciation Schedule* relating to income taxable by Oregon.

- **Unused business credits [UBC].** If you claimed a deduction on your federal return for unused business credits, you must add this amount to Oregon income. Include it in both the federal and Oregon columns.
- The following additions apply to only a few people and are not explained in this booklet. Make the additions in **both** the federal and Oregon columns. If you need help, see page 36 for telephone numbers to call.
 - Claim of right [COR].
 - Depletion in excess of basis [Dep].
 - Federally deferred gain taxed by Oregon [Fed defer].
 - Fiduciary adjustments from Oregon estates and simple or complex trusts [Fid].
 - Gain or loss on the sale of depreciated property with an Oregon basis that is different from the federal basis [Basis dif].
 - Gain on sale of inherited Oregon farm or forest property acquired from a decedent who died before January 1, 1987 [Inher F/F].
 - Individual Development Account [IDA].
 - Long-term care insurance premiums [LTCIP].
 - Lump-sum distributions [Lump-sum].
 - Passive activity losses [PAL].

Subtractions

Subtractions reduce your federal adjusted gross income.

37 Subtract Social Security and tier 1 railroad retirement benefits **only** if you included them on line 19.

38 Other subtractions. You may qualify for one or more other subtractions explained below. Please identify the subtraction in the space on the form using the title shown in bold or the abbreviation shown in brackets. If you have more than one, show the type and amount of each subtraction. Fill in the total amount of "Other subtractions" on line 38.

- **Difference in depreciation for Oregon [Dif dep].** You may need the *Oregon Depreciation Schedule*. See page 36 to order the schedule.

Federal column. Is your Oregon depreciation **more** than your federal depreciation? If so, on line 38a, fill in the amount from the *Oregon Depreciation Schedule*, line 2. If not, see the instructions for line 33.

Oregon column. On line 38b, fill in the amount from the *Oregon Depreciation Schedule*, line 2, relating to income taxable by Oregon.

- **Federal pension [Fed pen].** If you have federal pension income, see page 23 for Form 40P, line 38 instructions.
- **Interest and dividends from the U.S. government [US int].**

Federal column. Fill in interest and dividends from the U.S. government that you included on your federal

return. Include U.S. government interest you received through partnerships or grantor trusts.

Examples: You may subtract interest from U.S. Series EE and HH bonds and Treasury bills and 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. U.S. government interest must be reduced by any interest expense relating to U.S. government obligations you deducted on your federal Schedule A. Don't include interest on federal tax refunds in either column.

If you elected to report interest or dividends of your minor child on your federal return, you may subtract any U.S. government interest included.

Oregon column. If you included interest and dividends from the U.S. government on line 9 of the Oregon column, fill in this amount of U.S. government interest on line 38.

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

- **Local government bond interest [LGBI].**

Federal column. The U.S. government taxes certain types of local government bond interest such as private activity bond interest. If you included income from Oregon bonds on your federal return, deduct it on this line.

Oregon column. Fill in Oregon local government bond interest if you included it in Oregon income on line 9.

- **Military active duty pay [Military].** Did you report U.S. military active duty pay in income on line 8? If so, you may qualify for a subtraction.

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 reserves and your Form W-2 doesn't show a separate amount for active duty, contact your paymaster.

Federal column. From the wages you reported on line 8 of the federal column you may subtract:
— All active duty pay earned outside of Oregon, and
— Up to \$3,000 active duty pay earned in Oregon.

Oregon column. Nonresidents—don't fill in any amount. Military active duty pay of a nonresident is not Oregon source income and should not be reported. There is nothing to subtract. Full-year and part-year residents—from the wages you reported on line 8 of the Oregon column you may subtract:
— All active duty pay earned outside of Oregon, and
— Up to \$3,000 active duty pay earned in Oregon.

Drill pay and weekend meeting pay for members of reserve units or the Oregon National Guard may not

be subtracted. Report that pay in the Oregon column, line 8.

Note: Your total active duty pay subtractions cannot exceed your total active duty pay income.

- **Oregon College Savings Plan [Col sav].** You may deduct up to \$2,000 a year of contributions you make to a qualified state tuition program. Keep a copy of your account statement with your tax records.

Federal column and Oregon column. Deduct the qualified contributions you made during the year to the Oregon College Savings Plan.

- **Oregon Lottery [OR lott].** Oregon does not tax Oregon Lottery winnings of \$600 or less per ticket. Oregon Lottery includes Powerball tickets you purchased in Oregon.

Federal column and Oregon column. From the winnings you reported on line 19 you may subtract:

- Winnings of \$600 or less from each single ticket, and
- Annual payments from tickets purchased prior to 1998.

Are you claiming gambling losses as an itemized deduction? If so, you also may need to reduce them. See instructions for line 46, page 18. If you need help, see page 36 for telephone numbers to call.

- **Oregon tax refund included in federal income [OR ref].** This subtraction is for **Oregon** income tax refunds only.

Federal column. Fill in your Oregon income tax refund **only** if you included it on line 10 of the federal column.

Oregon column. Fill in your Oregon income tax refund **only** if you included it on line 10 of the Oregon column.

- **Railroad retirement benefits [RR].**

Federal column. Fill in your tier 2, supplemental, windfall, and dual-vested railroad retirement benefits included on line 16 of the federal column. Fill in railroad unemployment benefits included on line 19.

Oregon column. Don't fill in any amount. These benefits are not included in Oregon income. See page 13, line 19. Oregon does not tax railroad retirement benefits or railroad unemployment benefits.

- The following subtractions apply to only a few people and are not explained in this booklet. See page 36 for telephone numbers to call. Make the subtraction in **both** the federal and Oregon columns if the related income was included in both columns.
 - Business expenses reduced because of federal tax credits (e.g., targeted jobs, work opportunities) [Fed exp].
 - Certain pension distributions when the contributions were taxed by another state [Prev tax].
 - Claim of right [COR].
 - Federal gain previously taxed by Oregon [Fed gain].

- Fiduciary adjustments from Oregon estates and simple or complex trusts [Fid].
- Gain or loss on the sale of depreciated property with an Oregon basis that is different from the federal basis [Basis dif].
- Income earned by an enrolled member of an American Indian tribe while living on and working on an Oregon reservation or land held in trust by the United States for a tribe [Indian].
- Individual Development Accounts [IDA].
- Land donation to an educational institution [Land].
- Logging and construction commuting costs [LCCC].
- Passive activity losses [PAL].
- Public Safety Memorial Fund payments [Memorial].
- Taxable employee benefits of a same-sex domestic partner [Partner].
- Scholarship awards used for housing expenses [Sch housing].

40 **Oregon percentage.** Divide the amount on line 39b by the amount on line 39a. Round the decimal to three places. Write the percentage on line 40. Don't fill in more than 100 percent or less than -0-.

Example	Line 39b	Line 39a	Oregon percentage Line 40
1	\$8,000 ÷	\$30,000 =	.266666 Round to .267 (26.7%)
2	(1,000) ÷	15,000 =	-0- (0%)
3	20,000 ÷	15,000 =	1.000 (100.0%)

Deductions and modifications

You may claim either net itemized deductions or Oregon's standard deduction, whichever is larger, but not both.

41 **Itemized deductions.** Generally, you may claim your total itemized deductions after federal limitations shown on federal Schedule A, line 28. You may itemize 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. Use your federal adjusted gross income to figure the Schedule A limitations. Keep the Schedule A with your tax records.

Note: Married people filing separate returns must itemize deductions if their spouse itemizes. Are you filing separate returns for Oregon only? If so, determine your share of itemized deductions by multiplying your total joint deductions by the percentage you figured on page 11. You may separate each spouse's itemized deductions if you can clearly identify your own itemized deductions.

42 **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. Also, if you claim a credit for income taxes paid to another state, include the other state's tax

after credits or the other state's tax claimed as an itemized deduction, whichever is less. See part-year instructions for line 59 on page 28.

Did you limit itemized deductions on your federal return because your adjusted gross income (AGI) exceeded \$132,950 (\$66,475 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*.

44 **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	
If spouse claims standard deduction	1,500
If spouse claims itemized deductions	-0-
Head of household	2,640
Qualifying widow(er)	3,000

Exception 1: If someone else can claim you as a dependent, your standard deduction is limited to the **greater of**:

- Your earned income plus \$250, but no more than the maximum allowed for your filing status as shown above, or
- \$750.

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

Exception 2: Each taxpayer and each spouse who is age 65 or older is allowed an additional deduction amount. Each taxpayer and each spouse who is blind is also allowed an additional deduction amount. The additional amount is based on your filing status, as follows:

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

45 **2001 federal tax liability.** Carefully follow the instructions below. Don't confuse your **federal tax liability** from your federal return with the **federal tax withheld** on your Form(s) W-2. They aren't 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 1. _____
Form 1040, line 52**; Form 1040A,
line 34; Form 1040EZ, line 11;
or TeleFile Tax Record, tax from
second box, line K.
2. Fill in \$3,000 (\$1,500 if married filing 2. _____
separately).
3. Fill in the lesser of line 1 or line 2 3. _____
here and on Form 40N, line 45.

* *Did you claim a **rate reduction credit** on your federal return? If so, do not include this credit with any other tax*

credits you may have to reduce your federal tax liability. Need help? See page 36 for numbers to call.

Did you claim both a rate reduction credit and a refundable child tax credit? If so, you must subtract the refundable child tax credit from the rate reduction credit in determining your correct federal tax subtraction.

** Did you have tax on qualified retirement plans, Form 1040, line 55? If so, include it in your federal tax subtraction amount on line 1 above.

Caution: Don't add:

- Self-employment tax, Form 1040, line 53.
- Social Security and Medicare tax on tips, Form 1040, line 54.
- Advance earned income credit payments, Form 1040, line 56; or Form 1040A, line 35.
- Household employment taxes, Form 1040, line 57.

If you file married filing separately for Oregon only, multiply your joint federal tax liability (after credits) by the percentage calculated on page 11. Each spouse is limited to a maximum subtraction of \$1,500.

Did you pay additional federal tax in 2001 because you were audited or you filed an amended return? If so, read the instructions for line 46 below.

46 Other deductions and modifications. Only a few people have other deductions and modifications. Some of these items are multiplied by the Oregon percentage. Enter these amounts on Form 40N, line 46. Others are not multiplied by the Oregon percentage. Enter these amounts on line 49. Please identify the deduction or modification in the space on the form using the title shown in bold or the abbreviation shown in brackets. If you have more than one, show the type and amount of each. Modifications can be either additions or subtractions. Net the total amount of these items and enter that amount on this line. If it is an addition, please clearly bracket it. For example, "[200]."

- **Federal income tax refunds [Fed ref].** Did you get a federal tax refund in 2001 because you filed an amended federal return for a prior year or you were audited? If so, fill in and clearly bracket the amount on line 46 if you subtracted that amount on a prior Oregon return.
- **Federal tax from a prior year [Prior fed].** Did you pay additional federal tax in 2001 because you were audited or because you amended a prior year return? If so, you may be able to deduct the additional tax. This deduction 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 deduction 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 40N, line 45; or Form 40P, line 46.

Step 2: On Form 40N, line 46; or Form 40P, line 47, fill in the lesser of:

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

- **Foreign tax [Foreign].** Did you pay tax to a foreign country in 2001? You may deduct this tax if you:
 - Took a foreign tax credit on your federal return, **or**
 - Didn't take a foreign tax credit **and** didn't itemize deductions on your federal return.

To figure your foreign tax deduction, follow these steps:

Step 1: From \$3,000 (\$1,500 if married filing separately) **subtract**:

- Your federal tax, Form 40N, line 45; or Form 40P, line 46; and
- Your federal tax from a prior year, if any (see instructions above).

Step 2: On Form 40N, line 46; or Form 40P, line 47, fill in the lesser of:

- The amount you figured in step 1, **or**
- Your foreign tax.

Caution: If you claim foreign tax as an itemized deduction on your federal return, don't claim an additional deduction on your Oregon return.

The sum of your foreign tax deduction and your federal tax deduction can't be more than \$3,000.

- **Gambling losses claimed as an itemized deduction [Gambling].** Did you have winnings from the Oregon Lottery and claim gambling losses on your federal Schedule A? If so, fill in and clearly bracket on line 46 the gambling losses that exceed gambling winnings **taxed** by Oregon.
- **Special Oregon medical deduction [OR med].** You may qualify for an additional Oregon itemized deduction for medical expenses. You or your spouse must be age 62 or older by December 31, 2001. **You must itemize your deductions for Oregon.** Fill in the lesser of line 1 or line 3 from your federal Schedule A.

49 Deductions and modifications not multiplied by the Oregon percentage. Artists who make a charitable art donation may take a full deduction. Label it "Charitable art donation" or [Art]. See page 36 to order the information circular, *Art Contribution Subtraction*.

Oregon tax

52 Oregon tax. Figure the tax on your Oregon taxable income, line 51. Use the rate charts on page 30. Fill in the amount of tax on line 52.

Example: A married couple's Oregon taxable income, line 51, is \$19,500. They are filing jointly. They use chart B for married filing jointly. They figure their tax like this:

Oregon taxable income	\$ 19,500
Subtract	— 12,600
	<u>6,900</u>

Multiply by 9%	×	<u>.09</u>
		621
Then add	+	<u>782</u>
Their Oregon tax is	\$	<u><u>1,403</u></u>

53 **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 for federal. The current interest rate is 8 percent per year.

See page 25, Form 40P, line 52 instructions for more information. Enter the amount on line 53.

Credits

When claiming an Oregon tax credit, you must claim the maximum credit allowed each year, up to your tax liability.

You must prorate some Oregon credits on your return. This means you need to multiply your total credit by your Oregon percentage, line 40, to figure the amount you can claim on your Oregon return. The credits that must be prorated are:

- Adoption.
- Child and dependent care.
- Earned income.
- Elderly or the disabled.
- Exemption.
- Farmworker housing.
- Fish habitat improvements.
- Fish screening devices.
- Long-term care insurance premiums.
- Residential energy devices.
- Rural medical practitioners, dentists, or optometrists.
- Working family child care.

56 **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 from Form 1040EZ, line 9a; Form 1040A, line 39a; Form 1040, line 61a; or TeleFile Tax Record, line L(2). 1. _____
2. Decimal amount. 2. .05
3. Multiply line 1 by line 2. Enter result here. 3. _____
4. Multiply line 3 by the Oregon percentage (Form 40N, line 40). Enter here and on Form 40N, line 56. 4. _____

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

57 **Working family child care credit.** This credit is available to low-income families with **qualifying** child care expenses. You qualify for this credit if all of the following are true:

- Your adjusted gross income (Form 40N, line 30a) is less than the limit for your household size (see tables on page 27); and
- Your child care expenses are for your child under age 13 (or for your child with a disability, see page 12); and
- Care is not provided by the child's parent or guardian (unless provided in a licensed or registered child care facility); and
- Care is not provided by the qualifying child's brother or sister under age 19; and
- You have earned income of at least \$6,550; and
- You have less than \$2,450 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, 2001.

Use the following worksheet to figure your credit:

Household size

1. Enter the number of exemptions reported on your federal return. 1. _____
2. Add your children who live with you whose exemption is claimed by the other parent. 2. _____
3. Line 1 plus line 2. This is your household size. 3. _____

Credit amount

4. Enter your adjusted gross income from Form 40N, line 30a. 4. _____
5. Enter total qualifying child care expenses you paid in 2001. 5. _____
6. Enter the decimal amount from the correct table on page 27. The tables are based on household size (line 3 above). For example, if the amount on line 3 is 7, use Table 7. 6. _____
7. Multiply line 5 by line 6. 7. _____
8. Multiply line 7 by the Oregon percentage (Form 40N, line 40). Enter here and on Form 40N, line 57. 8. _____

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

58 **Credit for income taxes paid to another state.** Oregon will allow a credit for income taxes paid to another state or U.S. territory on Form 40N if you meet all of the following:

- You are a nonresident of Oregon; and
- You are a resident of Arizona, California, Indiana, or Virginia; and
- You have income that is taxed by both Oregon and your resident state.

See page 28 of the Form 40P instructions to figure your credit.

If your income is taxed by Oregon and a state not listed above, you may be eligible for a credit from your resident state. For more information, contact your resident state.

59 **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. In most cases, you cannot claim the credit if you are married filing separately. Use the following worksheet to figure your credit for Oregon.

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 25 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 the amount on line 1 above by the decimal amount on line 2. Enter here. 3. _____

4. Multiply line 3 by the Oregon percentage from Form 40N or Form 40P, line 40. Enter the result on Form 40N, line 59; or Form 40P, line 58. 4. _____

Did you pay 2000 child care expenses in 2001? If so, multiply prior year expenses included in the computation of your federal credit by the decimal amount that applies to your prior year federal taxable income.

Multiply this amount by the Oregon percentage from your prior year return. Enter the result on Form 40N, line 59; or Form 40P, line 58.

Carryforward. Your total 2001 child and dependent care credit can't be more than your 2001 tax liability for Oregon. Any excess 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 60.

60 **Other credits.** You may qualify for other credits explained below. **Please** identify the credit in the space on line 60 using the title shown in bold or the abbreviation shown in brackets. **Do not attach a separate sheet.** If you have more than one, show the type and amount of each credit.

- **Child and dependent care credit carryover from prior years [C/O-CDC].** Fill in the amount of the carryover on Form 40N or Form 40P, line 60. The amount of prior year carryover plus your current year's credit can't exceed your Oregon tax liability. If it does, the excess credit can be carried forward over the next five years. If the excess isn't used within five years, it's lost.

- **Elderly or the disabled [OR CED].** The credit is 40 percent of the federal credit. Multiply the amount from federal Schedule R, line 20; or Form 1040A, Schedule 3, line 20, by 40 percent (.40). Then multiply the result by the Oregon percentage on Form 40N, line 40. You may claim this credit or the retirement income credit, **but not both.**

- **Political contribution [PCC].** Include your total political contributions but not more than \$100 on a joint return, or \$50 on all others. The contributions must have been made during 2001. They must have been donations 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; or a political action committee certified in Oregon.

- **Retirement income [RIC].** Nonresidents are eligible for this credit **only** if they are including an Oregon source pension in the Oregon column. The credit can be claimed by an eligible full-year or part-year resident when filing jointly with a nonresident spouse on Form 40N. See part-year instructions, line 57, on page 26.

The following credits apply to only a few people. Some are prorated and some aren't. See page 36 for telephone numbers to call for instructions.

- Adoption [Adopt].
- Bone marrow donation program [Marrow].
- Business energy [Bus en].
- Child development [Ch dev].
- Claim of right [COR].
- Dependent care assistance [DCA].
- Donated crops [Crops].
- 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].

- Home care of a person age 60 or older [HCE].
- Involuntary moving of an Oregon mobile home [Mobile hm].
- Long-term care insurance premiums [LTCIP].
- Loss of use of limbs [Limbs].
- Pollution control facilities [Poll fac].
- Pollution prevention credit [Poll prev].
- Reclaimed plastics (investment in capital assets) [Rec plas].
- Reforestation of underproductive forest lands [Reforest].
- Residential energy devices [Res en].
- Rural medical practitioners, dentists, or optometrists [Rural med].

Tax payments, penalties, and interest

63 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 or 1099. Don't use the FICA (Social Security) tax withheld from your pay. 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 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 Oregon tax withheld. Proof may include a final paycheck stub or a letter from your employer. If you file before February 1, 2002, we can accept only Form(s) W-2 or 1099 as proof of Oregon tax withheld.

64 Estimated tax payments for 2001. Fill in the total Oregon estimated tax payments you made before filing your 2001 Oregon return. Include any payments made with your extension. Also, include any refund applied from your 2000 income tax return.

68 Penalty and interest. Your return is due April 15, 2002, unless you file for an extension.

Penalty. Include a penalty payment if you:

- Mail your tax payment after April 15 (even if you have an extension), or
- File your return showing tax-to-pay after the due date or extension due date.

The 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.

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 15, 2002.
3. Pay the balance of tax due when you file by the extension deadline.
4. Pay the interest on the balance of tax when you file or within 30 days of our billing date.

Interest. If you are paying your tax after April 15, 2002, include interest on any unpaid tax. An interest period is each full month starting with the day after the due date. For example, April 16, 2002, through May 15, 2002, is a full month. The current interest rate is .6667 percent per month (8 percent per year).

Interest is figured daily for periods of less than a month.

$$\text{Tax} \times .000219 \times \text{number of days}$$

If the tax is not paid within 60 days of our bill, the interest rate increases to 12 percent per year.

69 Interest on underpayment of estimated tax. You have an underpayment if you pay less than 90 percent of the tax due on each estimated tax payment date. If you have an underpayment, you must file Oregon Form 10, *Underpayment of Oregon Estimated Tax*. See page 36 to order this form.

Use Form 10 to figure the amount of interest you owe or to see if you qualify for an exception to the payment of this interest.

You don't have an underpayment if you owe less than \$1,000 tax on your 2001 return after you subtract your credits and Oregon tax withheld.

71 Amount-you-owe. Make your check or money order payable to "**Oregon Department of Revenue.**" Write your Social Security number and "2001 Oregon Form 40N" on it. Please use **blue or black** ink. Do not use red ink. Do not make your payment out to "IRS," "Treasury," or "Internal Revenue Service." **Don't send cash or a postdated check.** Staple your payment to your return on top of the Form(s) W-2. If the amount is less than \$1, no payment is required.

We cannot accept credit cards or withdraw funds from your bank account for your payment.

Special instructions. Do you owe interest on line 69 and have an overpayment on line 66? If your overpayment is less than the interest due, fill in the result of line 70 minus line 66.

Stop here on the form.

72 Refund. You must have a refund of \$1 or greater on line 72 to use lines 73–79.

73 Estimated tax. If your refund on line 72 is \$1 or more, you may apply part or all of it to your 2002 estimated tax. Fill in the amount you want to apply. But don't fill in less than \$1 or more than the amount on line 72.

74–78 Charitable checkoff. You may donate all or part of your refund to the charities listed on the form. Donations will reduce your refund. You may donate to any or all of the charities on lines 74–78. See page 29 for charity descriptions. If you don't have a refund on line 72 but you want to contribute, mail your donations to the addresses shown on page 29.

79 Other charity. You may donate all or part of your refund to one of the charities listed on page 29. Enter the code of the charity on line 79. Only one code may be entered. Check the box for the amount you want to donate and write it on line 79.

Or, you can mail your donations to the addresses shown on page 29.

81 Net refund. You must **reduce your refund** by any amounts applied to 2002 estimated tax and donations on lines 73–79. 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.

82 Direct deposit. Complete line 82 if you want us to deposit your refund directly to your bank account instead of sending you a check. Contact your bank to make sure your deposit will be accepted and to get your correct routing and account number. **Check** the appropriate box for account type. **Enter your nine-digit routing number.** The routing number must begin with 01 through 12, or 21 through 32. **Enter the account number** of the account to which you want your refund deposited. The account number can be up to 17 characters (both numbers and letters). Include hyphens, but don't include spaces and special symbols. Enter the

number left to right and leave any unused boxes blank. See page 4 for more information.

Authorization box. Check “Yes” if you wish to authorize the Department of Revenue to discuss information about the initial processing of your tax return with your preparer or any member of his or her firm. Otherwise, check “No.”

Preparer signature block. Any person who prepares, advises, or assists in the preparation of personal income tax returns for another person in exchange for payment, gifts, or other compensation must be licensed and must sign the return. Contact these agencies for more information on licensing or to check the status of your Oregon tax practitioner:

- State Board of Tax Practitioners at 503-378-4034 for licensed tax consultants.
- State Board of Accountancy at 503-378-4181 for public accountants and certified public accountants.

License number. Licensed tax consultants please enter your license number. Certified public accountants, please enter your certificate number. Tax-Aide volunteers, please enter your TCE site number.

To avoid processing delays,
see page 35.

Form 40P, lines 31–82 instructions

For general Form 40P instructions and lines 1 through 30, see page 11.

Additions

Additions increase your federal adjusted gross income.

31 Interest and dividends on government bonds of states other than Oregon.

Federal column. If you didn't include this income in your federal income, fill in the amount you received from state and local governments outside of Oregon.

Oregon column. Fill in the amount of interest and dividends you got from state and local governments outside of Oregon while you were an **Oregon resident**.

32 Federal election on interest and dividends of a minor child. Did you elect to report the interest and dividends of your minor child on your federal return? If so, see instructions for line 32 on page 15.

33 Other additions. You may need to report one or more other additions explained below. Please identify the addition in the space on the form using the title shown in bold or the abbreviation shown in brackets. If you have more than one, show the type and

amount of each addition. Fill in the total amount of other additions on line 33.

Difference in depreciation for Oregon [Dif dep]. Did you move into Oregon with depreciable property located in another state? You may need the *Oregon Depreciation Schedule*. See page 36 to order it.

There are also additions that apply to only a few people. They are listed on page 15 of the Form 40N instructions. Make the addition in **both** the federal and Oregon columns. If you need help, see page 36 for telephone numbers to call.

Subtractions

Subtractions reduce your federal adjusted gross income.

37 Subtract Social Security and tier 1 railroad retirement benefits **only** if you included them on line 19.

38 Other subtractions. You may qualify for one or more other subtractions explained below. Please identify the subtraction in the space on the form using the title shown in bold or the abbreviation shown in brackets. If you have more than one, show the type and amount of each subtraction. Fill in the total amount of “Other subtractions” on line 38.

- **Difference in depreciation for Oregon [Dif dep].** Did you move into Oregon with depreciable property located in another state? You may need the *Oregon Depreciation Schedule*. See page 36 to order the form.
- **Federal pension income [Fed pen].** You may be able to subtract some or all of the pension included in 2001 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. Subtract your entire federal pension if all your months of federal service occurred before October 1, 1991. 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 not change from year to year.

Example: Quang began working for the U.S. Postal Service February 5, 1965, and retired November 16, 1995. He worked 320 months before October 1, 1991, and a total of 370 months. Quang moved to Oregon May 31, 2001. He can subtract 86.5 percent ($320 \div 370$) of his federal pension included in the Oregon column. He will continue to subtract 86.5 percent of his federal pension from Oregon income in future years.

Use the following worksheet to determine your subtraction amount:

Federal column

- | | |
|---|----------|
| 1. Federal pension included in federal column. | 1. _____ |
| 2. Divide months of service before October 1, 1991, by total months of service. | 2. _____ |
| 3. Multiply line 1 by line 2. Enter here and on line 38a. | 3. _____ |

Oregon column

- | | |
|---|----------|
| 4. Federal pension included in Oregon column. | 4. _____ |
| 5. Percentage from line 2 above. | 5. _____ |
| 6. Multiply line 4 by line 5. Enter here and on line 38b. | 6. _____ |

To avoid processing delays or adjustments, double-check that you reported your pension income on the correct line and attach your federal return.

- **Interest and dividends from the U.S. government [US int].** If you received interest and dividends from the U.S. government that you included on your federal return, see page 15 of Form 40N instructions.
- **Local government bond interest [LGBI].**

Federal column. The U.S. government taxes certain types of local government bond interest such as

private activity bond interest. If you included income from Oregon bonds on your federal return, deduct it on this line.

Oregon column. Fill in Oregon local government bond interest if you included it in Oregon income on line 9.

- **Military active duty pay [Military].** Military active duty pay qualifies for a subtraction. See page 16 of the Form 40N instructions.
- **Oregon College Savings Plan [Col sav].** You may deduct up to \$2,000 a year of contributions you make to a qualified state tuition program. Keep a copy of your account statement with your tax records.

Federal column and Oregon column. Deduct the qualified contributions you made during the year to the Oregon College Savings Plan.

- **Oregon Lottery [OR lott].** Oregon does not tax Oregon Lottery winnings of \$600 or less per ticket. Oregon Lottery includes Powerball tickets you purchased in Oregon.

Federal column and Oregon column. From the winnings you reported on line 19 you may subtract:
 — Winnings of \$600 or less from each single ticket, and
 — Annual payments from tickets purchased prior to 1998.

You may also need to reduce your gambling losses claimed on Schedule A. See instructions for line 47 on page 25.

- **Oregon tax refund included in federal income [OR ref].** This subtraction is for **Oregon** income tax refunds only.

Federal column. Fill in your Oregon income tax refund **only** if you included it on line 10 of the federal column.

Oregon column. Fill in your Oregon income tax refund **only** if you included it on line 10 of the Oregon column.

- **Railroad retirement benefits [RR].**

Federal column. Fill in your tier 2, supplemental, windfall, and dual-vested railroad retirement benefits included on line 16 of the federal column. Fill in railroad unemployment benefits included on line 19.

Oregon column. Don't fill in any amount. Oregon does not tax railroad retirement or railroad unemployment benefits.

There are also subtractions that apply to only a few people. They are listed on page 16 of Form 40N instructions. Make the subtraction in **both** the federal and Oregon columns if the related income was included in both columns.

- **40 Oregon percentage.** Divide the amount on line 39b by the amount on line 39a. Round the

decimal to three places. Write the percentage on line 40. Don't fill in more than 100 percent or less than -0-.

Example	Line 39b	Line 39a	Oregon percentage Line 40
1	\$8,000 ÷	\$30,000 =	.266666 Round to .267 (26.7%)
2	(1,000) ÷	15,000 =	-0- (0%)
3	20,000 ÷	15,000 =	1.000 (100.0%)

Deductions and modifications

You may claim either net itemized deductions or Oregon's standard deduction, whichever is larger, but not both.

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

Note: Married people filing separate returns must itemize deductions if their spouse itemizes. Are you filing separate returns for Oregon only? If so, see Form 40N instructions, page 11.

43 **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. Also, if you claim a credit for income taxes paid to another state, include the other state's tax after credits or the other state's tax claimed as an itemized deduction, whichever is less. See instructions for line 59, page 28.

Did you limit itemized deductions on your federal return because your adjusted gross income exceeded \$132,950 (\$66,475 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*.

45 **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	
If spouse claims standard deduction	1,500
If spouse claims itemized deductions	-0-
Head of household	2,640
Qualifying widow(er)	3,000

Exception 1: If someone else can claim you as a dependent, your standard deduction is limited to the greater of:

- Your earned income plus \$250, but no more than the maximum allowed for your filing status as shown above, or
- \$750.

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

Exception 2: Each taxpayer and each spouse who is age 65 or older is allowed an additional deduction amount. Each taxpayer and each spouse who is blind is also allowed an additional deduction amount. The additional amount is based on your filing status, as follows:

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

46 **2001 federal tax liability.** Carefully follow the instructions below. Don't confuse your **federal tax liability** from your federal return with the **federal tax withheld** on your Form(s) W-2. They aren't 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 1040, line 52**; Form 1040A, line 34; Form 1040EZ, line 11; or TeleFile Tax Record, tax from second box, line K. 1. _____
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 Form 40P, line 46. 3. _____

* *Did you claim a rate reduction credit on your federal return? If so, do not include this credit with any other tax credits you may have to reduce your federal tax liability. Need help? See page 36 for numbers to call.*

Did you claim both a rate reduction credit and a refundable child tax credit? If so, you must subtract the refundable child tax credit from the rate reduction credit in determining your correct federal tax subtraction.

** *Did you have tax on qualified retirement plans, Form 1040, line 55? If so, include it in your federal tax liability on line 1 above.*

Caution: Don't add:

- Self-employment tax, Form 1040, line 53.
- Social Security and Medicare tax on tips, Form 1040, line 54.
- Advance earned income credit payments, Form 1040, line 56; or Form 1040A, line 35.
- Household employment taxes, Form 1040, line 57.

If you file married filing separately for Oregon only, multiply your joint federal tax liability (after credits) by the percentage calculated on page 11. Each spouse is limited to a maximum subtraction of \$1,500.

Did you pay additional federal tax in 2001 because you were audited or you filed an amended return? If so, read the instructions for line 47 on page 25.

47 **Other deductions and modifications.** Please identify the deduction or modification in the space on the form using the title shown in bold or the abbreviation shown in brackets. If you have more than one, show the type and amount of each. Modifications can be either additions or subtractions. Net the total of these items and enter that amount on this line. If the net amount is an addition, please clearly bracket it. For example, “[200].”

- **Artists who make a charitable art donation [Art].** To order the information circular, *Art Contribution Subtraction*, please visit our Web site or call us. See page 36 for telephone numbers.
- **Federal income tax refunds [Fed ref].** Did you get a federal tax refund in 2001 because you filed an amended federal return for a prior year or you were audited? If so, fill in and clearly bracket the amount on line 47 if you subtracted that amount on a prior Oregon return. For example, “[150].”
- **Federal tax from a prior year [Prior fed].** If you paid additional federal tax in 2001 because you were audited or you amended a prior year return, you may be able to deduct the additional tax. See page 18, Form 40N, line 46 instructions, to figure your deduction.
- **Foreign tax [Foreign].** If you paid tax to a foreign country in 2001, you may be able to deduct these taxes. See page 18, Form 40N, line 46 instructions.
- **Gambling losses claimed as an itemized deduction [Gambling].** Did you have winnings from the Oregon Lottery and claim gambling losses on your federal Schedule A? If so, fill in and clearly bracket on line 47 the gambling losses that exceed gambling winnings taxed by Oregon. For example, “[300].”
- **Special Oregon medical deduction [OR med].** If you itemize your deductions, you may qualify for an additional medical expense deduction for Oregon. See page 18, Form 40N, line 46 instructions, to figure your deduction.

Oregon tax

50 **Tax.** Figure the tax on taxable income, line 49. Use the rate charts on page 30. Fill in the amount of tax on line 50. Please double-check the tax you figured.

Example: A single taxpayer’s taxable income is \$19,500. Use tax rate chart A for single taxpayers. The tax is figured like this:

Taxable income	\$19,500
Subtract	<u>- 6,300</u>
	13,200
Multiply by 9%	× .09
Then add	<u>+ 391</u>
The tax is:	<u>\$1,579</u>

52 **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 for federal. The current interest rate is 8 percent per year.

- For the part of the year that you were a nonresident, use only those installment obligations that arose from dispositions of Oregon property.
- For the part of the year that you were a resident, consider all installment obligations.

Enter the total of parts a and b on line 52.

Credits

When claiming an Oregon tax credit, you must claim the maximum credit allowed each year, up to your tax liability.

You must prorate some Oregon credits on your return. This means you need to multiply your total credit by your Oregon percentage, line 40, to figure the amount you can claim on your Oregon return. The credits that must be prorated are:

- Adoption.
- Child and dependent care.
- Earned income.
- Elderly or the disabled.
- Exemption.
- Farmworker housing.
- Fish habitat improvements.
- Fish screening devices.
- Long-term care insurance premiums.
- Residential energy devices.
- Rural medical practitioners, dentists, or optometrists.
- Working family child care.

55 **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:

- Enter your federal earned income credit from Form 1040EZ, line 9a; Form 1040A, line 39a; Form 1040, line 61a; or TeleFile Tax Record, line L(2). 1. _____
- Decimal amount. 2. .05
- Multiply line 1 by line 2. Enter result here. 3. _____
- Multiply line 3 by the Oregon percentage (Form 40P, line 40). Enter here and on Form 40P, line 55. 4. _____

The Oregon earned income credit is limited to your tax liability. There is no carryover.

56 Working family child care credit. This credit is available to low-income families with qualifying child care expenses. You qualify for this credit if **all** of the following are true:

- Your adjusted gross income (Form 40P, line 30a) is less than the limit for your household size (see tables on page 27); and
- Your child care expenses are for your child under age 13 (or for your child with a disability, see page 12); and
- Care is not provided by the child's parent or guardian (unless provided in a licensed or registered child care facility); and
- Care is not provided by the qualifying child's brother or sister under age 19; and
- You have earned income of at least \$6,550; and
- You have less than \$2,450 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, 2001.

Use the following worksheet to figure your credit:

Household size

- | | |
|--|----------|
| 1. Enter the number of exemptions reported on your federal return. | 1. _____ |
| 2. Add your children who live with you whose exemption is claimed by the other parent. | 2. _____ |
| 3. Line 1 plus line 2. This is your household size. | 3. _____ |

Credit amount

- | | |
|---|----------|
| 4. Enter your adjusted gross income from Form 40P, line 30a. | 4. _____ |
| 5. Enter total qualifying child care expenses you paid in 2001. | 5. _____ |
| 6. Enter the decimal amount from the correct table on page 27. The tables are based on household size (line 3 above). For example, if the amount on line 3 is 7, use Table 7. | 6. _____ |
| 7. Multiply line 5 by line 6. | 7. _____ |
| 8. Multiply line 7 by the Oregon percentage (Form 40P, line 40). Enter here and on Form 40P, line 56. | 8. _____ |

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

57 Retirement income credit. If you were age 62 or older on December 31, 2001, and receiving retirement income, you may qualify for a credit. You don't qualify for this credit if your household income is \$22,500 or more (\$45,000 or more if married filing jointly), **or** if you received more than \$7,500 (\$15,000 if married filing jointly) in Social Security and/or tier 1 railroad retirement benefits. Retirement income includes payments contained in Oregon taxable income from:

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

Use the following worksheet to figure your credit.

- | | |
|---|-----------|
| 1. Enter the retirement income of the eligible individual(s) from the Oregon column, lines 15 and 16. | 1. _____ |
| 2. Enter any federal pension income subtracted on line 38b. | 2. _____ |
| 3. Net Oregon taxable pension. Line 1 minus line 2. | 3. _____ |
| 4. Enter \$7,500 (\$15,000 if married filing jointly). | 4. _____ |
| 5. Enter both spouses' total 2001 Social Security and tier 1 railroad retirement benefits. | 5. _____ |
| 6. Line 4 minus line 5, but not less than -0-. | 6. _____ |
| 7. Enter your household income. See below to determine your household income. | 7. _____ |
| 8. Household income base. Enter \$15,000 (\$30,000 if married filing jointly). | 8. _____ |
| 9. Line 7 minus line 8, but not less than -0-. | 9. _____ |
| 10. Line 6 minus line 9, but not less than -0-. | 10. _____ |
| 11. Enter the lesser of line 3 or line 10. | 11. _____ |
| 12. Multiply line 11 by 9% (.09). Enter the result here and on Form 40P, line 57; or Form 40N, line 60. | 12. _____ |

What is included in household income? Household income includes all taxable and nontaxable income of each spouse, except Social Security and tier 1 railroad retirement benefits. Include gross income reduced by adjustments on the federal form. Do not include your state tax refund, pension income excluded from federal AGI that

Working Family Child Care Credit—2001 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:	
—	\$17,200	.40
\$17,200	18,050	.36
18,050	18,900	.32
18,900	19,750	.24
19,750	20,600	.16
20,600	21,500	.08
21,500	—	.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:	
—	\$23,200	.40
\$23,200	24,400	.36
24,400	25,550	.32
25,550	26,700	.24
26,700	27,850	.16
27,850	29,050	.08
29,050	—	.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:	
—	\$29,250	.40
\$29,250	30,700	.36
30,700	32,200	.32
32,200	33,650	.24
33,650	35,100	.16
35,100	36,600	.08
36,600	—	.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:	
—	\$35,300	.40
\$35,300	37,050	.36
37,050	38,850	.32
38,850	40,600	.24
40,600	42,350	.16
42,350	44,150	.08
44,150	—	.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:	
—	\$41,350	.40
\$41,350	43,400	.36
43,400	45,450	.32
45,450	47,550	.24
47,550	49,600	.16
49,600	51,700	.08
51,700	—	.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:	
—	\$47,400	.40
\$47,400	49,750	.36
49,750	52,100	.32
52,100	54,500	.24
54,500	56,850	.16
56,850	59,250	.08
59,250	—	.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:	
—	\$53,400	.40
\$53,400	56,100	.36
56,100	58,750	.32
58,750	61,450	.24
61,450	64,100	.16
64,100	66,800	.08
66,800	—	.00

Table 8, household size = 8		
If the amount on line 4 is:		Enter this decimal amount on line 6:
at least:	but less than:	
—	\$59,450	.40
\$59,450	62,450	.36
62,450	65,400	.32
65,400	68,400	.24
68,400	71,350	.16
71,350	74,350	.08
74,350	—	.00

is a return of contributions, or pensions that are rolled over into an IRA. Any losses claimed are limited to \$1,000 for each activity. Depreciation is limited to \$5,000. If you need help, see page 36 for numbers to call.

Note: The credit can't be more than your tax liability. There is no carryforward. You may claim this credit or the credit for the elderly or the disabled, but not both.

58 **Child and dependent care credit.** You are allowed an Oregon credit **only** if you qualify for the federal child and dependent care credit. Use the worksheet on page 20 of Form 40N instructions to figure your credit.

59 **Credit for income taxes paid to another state.** If you paid 2001 income tax to another state or U.S. territory on income also taxed by Oregon, you may claim a credit.

You must claim the credit on your nonresident return or on your part-year return for the part of the year you were a nonresident if the income is taxed by both Oregon and one of the following: Arizona, California, Indiana, or Virginia.

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.

If you are a shareholder in an Oregon S corporation that paid taxes to another state, you may qualify for this credit. See page 36 to order the information circular.

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

- The other state's tax after credits.
- Your Oregon tax after all other credits.
- The amount figured using Formula 1.
- The amount figured using Formula 2.

Formula 1: Divide your adjusted gross income (AGI) taxed by both states by your modified AGI. Your modified AGI is your income on Form 40P or Form 40N, line 39b. Multiply the result by your Oregon tax after all other credits. The result can't be more than your Oregon tax after credits.

$$\frac{\text{Your AGI taxed by both states}}{\text{Your modified AGI}} \times \text{Your Oregon tax after all other credits}$$

Formula 2: Divide your AGI taxed by both states by your total income on the other state's return. Multiply the result by the other state's tax after all other credits. "Total income" means income before subtracting itemized deductions and exemptions. The result can't be more than the other state's tax after credits.

$$\frac{\text{Your AGI taxed by both states}}{\text{Your total income on the other state's return}} \times \text{The other state's tax after all other credits}$$

Caution: You can't claim this credit and also benefit from the itemized deduction for the tax paid to the other state. If you claim the tax as an itemized deduction, fill in either your tax liability to the other state or the amount of that state's tax claimed as an itemized deduction, whichever is less, on line 43 (Form 40N, line 42).

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

60 **Other credits.** You may qualify for one or more of the credits explained below. **Please** identify the credit(s) you are claiming on line 60 using the title shown in bold or the abbreviation shown in brackets. **Do not attach a separate sheet.** If you have more than one, show the type and amount of each credit. Fill in the amount of all "Other credits" on line 60.

- **Child and dependent care credit carryover from prior years [C/O-CDC].** If you have a child and dependent care credit carryover, see page 20 of Form 40N instructions.
- **Elderly or the disabled [OR CED].** The credit is 40 percent of the federal credit. Multiply the amount from federal Schedule R, line 20; or Form 1040A, Schedule 3, line 20, by 40 percent (.40). Then multiply the result by the Oregon percentage on Form 40P, line 40. You may claim this credit or the retirement income credit, **but not both.**
- **Political contribution [PCC].** Fill in your total political contributions, but not more than \$100 on a joint return or \$50 on all others. The contributions must have been made during 2001. They must have been donations 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; or a political committee certified in Oregon.

Note: Oregon has some credits that apply to only a few people. These credits are listed on page 20.

Tax payments, penalties, and interest

63 **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 or 1099. Don't use the FICA (Social Security) tax withheld from your pay. 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 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 Oregon tax withheld. Proof may include a final paycheck stub or a letter from your employer. If you file before February 1, 2002, we can accept only Form(s) W-2 or 1099 as proof of Oregon tax withheld.

64 **Estimated tax payments for 2001.** Fill in the total Oregon estimated tax payments you made before filing your 2001 Oregon return. Include any payments made with your extension. Also, include any refund applied from your 2000 income tax return.

68 **Penalty and interest.** See 40N instructions on page 21.

69 **Interest on underpayment of estimated tax.** You have an underpayment if you pay less than 90 percent of the tax due on each estimated tax payment date. If you have an underpayment, you must file Oregon Form 10, *Underpayment of Oregon Estimated Tax*. See Form 40N instructions on page 21.

71 **Amount-you-owe.** Make your check or money order payable to “**Oregon Department of Revenue.**” Write your Social Security number and “2001 Oregon Form 40P” on it. Please use **blue or black** ink. Do not use red ink. Do not make your payment out to “IRS,” “Treasury,” or “Internal Revenue Service.” **Don’t send cash or a postdated check.** Staple your payment to your return on top of the Form(s) W-2. If the amount is less than \$1, no payment is required.

We cannot accept credit cards or withdraw funds from your bank account for your payment.

Special instructions. Do you owe interest on line 69 and have an overpayment on line 66? If your overpayment is less than the interest due, fill in the result of line 70 minus line 66.

Stop here on the form.

72 **Refund.** You must have a refund of \$1 or greater on line 72 to use lines 73–79.

73 **Estimated tax.** If your refund on line 72 is \$1 or more, you may apply part or all of it to your 2002 estimated tax. Fill in the amount you want to apply. Don’t fill in less than \$1 or more than the amount on line 72.

74–79 **Charitable checkoff.** You may donate all or part of your refund to the charities listed below. Donations will reduce your refund. You may donate to any or all of the charities on lines 74–78. You also may donate to one of the charities listed under the instructions for line 79. If you don’t have a refund on line 72 but you want to contribute, mail your donations to the addresses shown.

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

Oregon Department of Fish and Wildlife
PO Box 59
Portland OR 97207

75 **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
1410 SW Morrison St, Suite 502
Portland OR 97205

76 **Alzheimer’s Disease Research.** Your donation goes to the Alzheimer’s Research Alliance of Oregon for research on Alzheimer’s and related disorders.

Alzheimer’s Research Alliance
PO Box 10051
Portland OR 97296

77 **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

78 **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
1650 NW Naito Parkway, Suite 185
Portland OR 97209-8428

79 **Other charity.** You may donate all or part of your refund to one of the charities listed below. Enter the code of the charity on line 79. **Only one code may be entered.** Check the box for the amount you want to donate and write it on line 79. Or, you can mail your donations to the addresses shown.

Habitat for Humanity of Oregon (Code 1). Your donation will help Habitat for Humanity build simple, decent, and affordable housing for low-income families.

Habitat for Humanity of Oregon
PO Box 3402
Salem OR 97302-9998

Oregon Head Start Association (Code 2). Your donation will help Head Start provide services to the lowest-income, highest-need children and families.

Oregon Head Start Association
Administrative Services
PO Box 1455
Tualatin OR 97062

American Diabetes Association (Code 3). Your donation will help continue diabetes research and advocacy programs in Oregon.

American Diabetes Association
380 SE Spokane St, Suite 110
Portland OR 97202

Oregon Coast Aquarium (Code 4). Your donation will help fund educational programs, conservation efforts, and animal rehabilitation.

Oregon Coast Aquarium
2820 SE Ferry Slip Road
Newport OR 97365

SMART (Code 5). Your donation will help fund the Start Making A Reader Today early literacy program for Oregon’s most vulnerable children.

Oregon Children’s Foundation/SMART
219 NW 12th Avenue, Suite 203
Portland OR 97209

SOLV (Code 6). Your donation helps fund thousands of projects to clean up beaches, forests, rivers, and neighborhoods across Oregon.

SOLV
PO Box 1235
Hillsboro OR 97123

St. Vincent de Paul Society of Oregon (Code 7). Your donation will help provide services leading to self-sufficiency for low-income Oregonians.

St. Vincent de Paul Society of Oregon
PO Box 24608
Eugene OR 97402

The Nature Conservancy (Code 8). Your donation will help purchase and restore critical habitats for Oregon's at-risk plants, fish, and wildlife.

The Nature Conservancy
821 SE 14th Avenue
Portland OR 97214

81 Net refund. You must **reduce your refund** by any amount applied to your 2002 estimated tax and donations on lines 73–79. 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.

82 Direct deposit. Complete line 82 if you want us to deposit your refund directly to your bank account instead of sending you a check. Contact your bank to make sure your deposit will be accepted and

to get your correct routing and account number. **Check** the appropriate box for account type. **Enter your nine-digit routing number.** The routing number must begin with 01 through 12, or 21 through 32. **Enter the account number** of the account to which you want your refund deposited. The account number can be up to 17 characters (both numbers and letters). Include hyphens, but don't include spaces and special symbols. Enter the number left to right and leave any unused boxes blank. See page 4 for more information.

Authorization box. Check "Yes" if you wish to authorize the Department of Revenue to discuss information about the initial processing of your tax return with your preparer or any member of his or her firm. Otherwise, check "No."

Preparer signature block. Any person who prepares, advises, or assists in the preparation of personal income tax returns for another person in exchange for payment, gifts, or other compensation must be licensed and must sign the return. Contact these agencies for more information on licensing or to check the status of your Oregon tax practitioner:

- State Board of Tax Practitioners at 503-378-4034 for licensed tax consultants.
- State Board of Accountancy at 503-378-4181 for public accountants and certified public accountants.

License number. Licensed tax consultants, please enter your license number. Certified public accountants, please enter your certificate number. Tax-Aide volunteers, please enter your TCE site number.

Tax Rate Charts

Tax Rate Chart A:

For persons filing
Single or Married filing separately

<i>If your taxable income is:</i>	<i>Your tax is:</i>
Not over \$2,500	5% of taxable income
Over \$2,500 but not over \$6,300	\$125 plus 7% of the excess over \$2,500
Over \$6,300	\$391 plus 9% of the excess over \$6,300

Tax Rate Chart B:

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

<i>If your taxable income is:</i>	<i>Your tax is:</i>
Not over \$5,000	5% of taxable income
Over \$5,000 but not over \$12,600	\$250 plus 7% of the excess over \$5,000
Over \$12,600	\$782 plus 9% of the excess over \$12,600

Form 40P Front

The tax forms are a separate download. You will find them at:

<http://www.dor.state.or.us/formspit.html>

Form 40P Back

The tax forms are a separate download. You will find them at:

<http://www.dor.state.or.us/formspit.html>

Form 40P Front

The tax forms are a separate download. You will find them at:

<http://www.dor.state.or.us/formspit.html>

Form 40P Back

The tax forms are a separate download. You will find them at:

<http://www.dor.state.or.us/formspit.html>

To avoid processing delays, remember to:

File electronically. See page 3. File only once. Do not send a paper return if you have filed electronically.

Type or clearly 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. Please double-check the tax you figured. Errors will slow the processing of your return.

If you have tax to pay, be sure to read line 71 instructions.

Verify your bank account information if you are requesting direct deposit.

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, we will work with you to set up a payment plan. File now and pay what you can. Write your Social Security number, tax year, and "2001 Oregon Form 40P" or "2001 Oregon Form 40N" on your check. You will receive a billing notice showing tax, interest, penalty, and the balance due. When you receive the billing notice, immediately call the telephone number on the notice to set up your payment plan. Otherwise, collection activity may begin.

Before you file

Should I put my return together in a special order?

Yes. To speed processing, put your Oregon return together as follows:

1. Start with Form 40N or Form 40P.
2. Staple Form(s) W-2 and any Form(s) 1099 showing Oregon tax withheld to the lower front of your Form 40N or Form 40P.

3. Staple your payment on top of Form(s) W-2.

4. Place a copy of the front and back of federal Form 1040, 1040A, or 1040EZ, or TeleFile Tax Record behind your Form 40N or Form 40P.

5. If applicable, place Oregon Form 10, *Underpayment of Oregon Estimated Tax*, behind your federal form.

6. If applicable, place proof to claim credit for income taxes paid to another state behind the entire packet.

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

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

Be sure the second page of your return is the same form as the first page. *Example:* If you file Form 40N, be sure that "Page 2—Form 40N 2001" is printed at the top of the second page.

I'm getting an income tax refund this year. How long will it take?

- If you file your return electronically and request direct deposit of your refund:
 - After processing begins March 1, you may receive your refund in as few as 7–10 business days.
- If you file your return electronically and request a check to be mailed:
 - After processing begins March 1, you may receive your refund in as few as 10–12 business days.
- If you file your return before April 1 and request direct deposit or a check:
 - Allow 6–8 weeks.
- If you file your return on or after April 1 and request direct deposit or a check:
 - Allow 8–11 weeks.

If there is a mistake on your return, your refund will 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.

What if I am 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.

Taxpayer assistance

Internet

www.dor.state.or.us



The Department of Revenue Web site is a quick and easy way to download forms and information circulars, get up-to-the-minute tax information, and learn about electronic filing.

Printed information (free)

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. Other printed information is available by returning the form below.



Check individual boxes to order. Clip on the dotted line, then mail in the entire list with your return address. **Most of 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 Schedule 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 of a Person Age 60 or Older 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
- Long-Term Care Insurance Premiums Credit 150-101-622
- Married Persons Filing Separate Returns 150-101-656
- Military Personnel Filing Information 150-101-657
- 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 150-490-675
- Underpayment of Oregon Estimated Tax, Form 10 and instructions 150-101-031
- 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 and Publications Order 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 _____

Correspondence



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

Telephone

Salem 503-378-4988
 Toll-free within Oregon 1-800-356-4222

If you have a touch-tone telephone, call our 24-hour voice response system at one of the numbers above to:

- Hear recorded tax information.
- Order tax forms.
- Check on the status of your 2001 personal income tax refund (beginning February 1).



Call one of the numbers above for help from a representative during the following hours:

Monday, Tuesday, Thursday, Friday 7:30 a.m.–5:10 p.m.
 Wednesday 10:00 a.m.–5:10 p.m.
Closed on holidays.

April 1–April 15, Monday–Friday 7:00 a.m.–7:00 p.m.
Wait times may be 20 minutes or more.

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.

Americans with Disabilities Act (ADA)

In compliance with ADA, this information is available in alternative formats upon request. The toll-free number within Oregon is 1-800-356-4222. In Salem, it is 503-378-4988.

Field offices

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

Bend 951 SW Simpson Dr, Suite 100

Eugene 1600 Valley River Dr, Suite 310

Medford 24 West 6th St

Newport 119 NE 4th St, Suite 4

North Bend ... 3030 Broadway

Pendleton 700 SE Emigrant, Suite 310

Portland 800 NE Oregon St, Suite 505

Portland* Federal Building Lobby, 1220 SW Third Ave

Salem Revenue Building, 955 Center St NE, Room 135

Salem 4275 Commercial St SE, Suite 180

Tualatin 6405 SW Rosewood St, Suite A

* January 2–April 15: Walk-in help is available from 9:00 a.m.–4:00 p.m., Monday–Friday, except holidays.

