

FORM FIA-40N OREGON FARM INCOME AVERAGING 2003

| For Office Use Only | |
|---------------------|--|
| Date received | |

| | | | |
|-------------------------------------|-------|----------|--------------------------------------|
| Name(s) as shown on Oregon Form 40N | | | Social Security No. (SSN) — — |
| Current mailing address | | | Spouse's SSN, if joint return — — |
| City | State | ZIP code | Telephone number () |

| | Federal column | Oregon column |
|---|-------------------------|-------------------------|
| 1 Enter income after subtractions from your 2003 Oregon Form 40N, line 39 | 1a <input type="text"/> | 1b <input type="text"/> |
| 2 Enter your elected farm income from Oregon sources from federal Schedule J, line 2; or from Oregon Form 40N, line 19b | 2a <input type="text"/> | 2b <input type="text"/> |
| 3 Subtract line 2 from line 1 in both the federal and Oregon columns | 3a <input type="text"/> | 3b <input type="text"/> |
| 4 Recomputed Oregon percentage. Divide line 3b by line 3a (not more than 100%) | 4 <input type="text"/> | |
| 5 Multiply the allowable deductions and modifications from your 2003 Oregon Form 40N, line 47 worksheet (page 27, line 4) by the recomputed Oregon percentage shown above | 5 <input type="text"/> | |
| 6 Enter your deductions and modifications not multiplied by the Oregon percentage from Form 40N, line 48 | 6 <input type="text"/> | |
| 7 Add line 5 and 6 | | 7 <input type="text"/> |
| 8 Subtract line 7 from line 3b | | 8 <input type="text"/> |
| 9 Figure the tax on line 8 using the 2003 Tax Rate Charts | | 9 <input type="text"/> |
| 10 Divide line 2b by 3.0 | | 10 <input type="text"/> |
| 11 Enter the amount from your 2003 Schedule Z, Computation for Tax Year 2000, Computation A, B, or C, whichever applies | | 11 <input type="text"/> |
| 12 Enter the amount from your 2003 Schedule Z, Computation for Tax Year 2001, Computation A, B, or C, whichever applies | | 12 <input type="text"/> |
| 13 Enter the amount from your 2003 Schedule Z, Computation for Tax Year 2002, Computation A, B, or C, whichever applies | | 13 <input type="text"/> |
| 14 Add lines 9, 11, 12 and 13 | | 14 <input type="text"/> |
| 15 If you used FIA to figure your tax for 2002, enter the amount from your 2002 FIA-40, line 12; FIA-40N, line 13; or FIA-40P, line 11. Otherwise, enter the tax from your 2000 Form 40, line 30; Form 40S, line 16; Form 40N, line 52; or Form 40P, line 51 | | 15 <input type="text"/> |
| 16 If you used FIA to figure your tax for 2002, enter the amount from your 2002 FIA-40, line 16; FIA-40N, line 14; or FIA-40P, line 12. Otherwise, enter the tax from your 2001 Form 40, line 30; Form 40S, line 16; Form 40N, line 52; or Form 40P, line 51. | | 16 <input type="text"/> |
| 17 If you used FIA to figure your tax for 2002, enter the amount from your 2002 FIA-40, line 4; FIA-40N, line 10; or FIA-40P, line 8. Otherwise, enter the tax from your 2002 Form 40, line 30; Form 40S, line 16; Form 40N, line 52; or Form 40P, line 51 | | 17 <input type="text"/> |
| 18 Add lines 15, 16, and 17 | | 18 <input type="text"/> |
| 19 Subtract line 18 from line 14. Enter this amount on Form 40N, line 52 | | 19 <input type="text"/> |

—Attach your completed Form FIA-40N to your Oregon Form 40N—

FORM
FIA-40P OREGON FARM
 INCOME AVERAGING **2003**

| For Office Use Only | |
|-------------------------------------|--------------------------------------|
| Date received | |
| Name(s) as shown on Oregon Form 40P | Social Security No. (SSN) — — |
| Current mailing address | Spouse's SSN, if joint return — — |
| City | State |
| ZIP code | Telephone number () |

| | Federal column | Oregon column |
|---|-------------------------|-------------------------|
| 1 Enter income after subtractions from your 2003 Oregon Form 40P, line 39 | 1a <input type="text"/> | 1b <input type="text"/> |
| 2 Enter your elected farm income from Oregon sources from federal Schedule J, line 2; or from Oregon Form 40P, line 19b | 2a <input type="text"/> | 2b <input type="text"/> |
| 3 Subtract line 2 from line 1 in both the federal and Oregon columns | 3a <input type="text"/> | 3b <input type="text"/> |
| 4 Recomputed Oregon percentage. Divide line 3b by line 3a (not more than 100%) | 4 . | |
| 5 Enter allowable deductions and modifications from your 2003 Form 40P, line 48 | 5 <input type="text"/> | |
| 6 Subtract line 5 from line 3a | | 6 <input type="text"/> |
| 7 Figure the tax on line 6 using the 2003 Tax Rate Charts | | 7 <input type="text"/> |
| 8 Multiply line 7 by the recomputed Oregon percentage on line 4 | | 8 <input type="text"/> |
| 9 Divide line 2b by 3.0 | | 9 <input type="text"/> |
| 10 Enter the amount from your 2003 Schedule Z, Computation for Tax Year 2000, Computation A, B, or C, whichever applies | | 10 <input type="text"/> |
| 11 Enter the amount from your 2003 Schedule Z, Computation for Tax Year 2001, Computation A, B, or C, whichever applies | | 11 <input type="text"/> |
| 12 Enter the amount from your 2003 Schedule Z, Computation for Tax Year 2002, Computation A, B, or C, whichever applies | | 12 <input type="text"/> |
| 13 Add lines 8, 10, 11, and 12 | | 13 <input type="text"/> |
| 14 If you used FIA to figure your tax for 2002, enter the amount from your 2002 FIA-40, line 12; FIA-40N, line 13; or FIA-40P, line 11. Otherwise, enter the tax from your 2000 Form 40, line 30; Form 40S, line 16; Form 40N, line 52; or Form 40P, line 51 | | 14 <input type="text"/> |
| 15 If you used FIA to figure your tax for 2002, enter the amount from your 2002 FIA-40, line 16; FIA-40N, line 14; or FIA-40P, line 12. Otherwise, enter the tax from your 2001 Form 40, line 30; Form 40S, line 16; Form 40N, line 52; or Form 40P, line 51. | | 15 <input type="text"/> |
| 16 If you used FIA to figure your tax for 2002, enter the amount from your 2002 FIA-40, line 4; FIA-40N, line 10; or FIA-40P, line 8. Otherwise, enter the tax from your 2002 Form 40, line 30; Form 40S, line 16; Form 40N, line 52; or Form 40P, line 51 | | 16 <input type="text"/> |
| 17 Add lines 14, 15, and 16 | | 17 <input type="text"/> |
| 18 Subtract line 17 from line 13. Enter this amount on Form 40P, line 52 | | 18 <input type="text"/> |

—Attach your completed Form FIA-40P to your Oregon Form 40P—

Schedule Z

(Farm Income Averaging)

Computation of Tax

2003

COMPUTATION FOR TAX YEAR 2000

Computation A. Complete if you filed Form 40N in tax year 2000.

| | Federal column | Oregon column |
|--|----------------|---------------|
| 1 If you used Schedule Z to figure your tax for 2002, enter the amount from your 2002 Schedule Z, Computation for Tax Year 2000, Computation A, lines 3a & 3b. Otherwise, enter the amount shown on your 2000 40N, line 39 (if -0- or less, see instructions) 1a | | 1b |
| 2 Enter amount from 2003 Form FIA-40, line 6; FIA-40P, line 9; or FIA-40N, line 10 2a | | 2b |
| 3 Add lines 1 and 2 in both the federal and Oregon columns 3a | | 3b |
| 4 Recompute the Oregon percentage. Divide line 3b by line 3a (not more than 100%) 4 | | |
| 5 Enter allowable deductions and modifications from your 2000 Oregon Form 40N, line 47 5 | | |
| 6 Multiply the amount on line 5 by the recomputed Oregon percentage on line 4 6 | | |
| 7 Enter the amount from your 2000 Oregon Form 40N, line 49 7 | | |
| 8 Add line 6 and 7 8 | | |
| 9 Subtract line 8 from line 3b 9 | | |
| 10 Figure the tax on line 9 using the 2000 Tax Rate Charts. Enter the amount on Form FIA-40, line 8; Form FIA-40P, line 10; or Form FIA-40N, line 11 10 | | |

Computation B. Complete if you filed Form 40P in tax year 2000.

| | Federal column | Oregon column |
|--|----------------|---------------|
| 1 If you used Schedule Z to figure your tax for 2002, enter the amount from your 2002 Schedule Z, Computation for Tax Year 2000, Computation B, lines 3a & 3b. Otherwise, enter the amount shown on your 2000 40P, line 39 (if -0- or less, see instructions) 1a | | 1b |
| 2 Enter amount from 2003 Form FIA-40, line 6; FIA-40P, line 9; or FIA-40N, line 10 2a | | 2b |
| 3 Add lines 1 and 2 in both the federal and Oregon columns 3a | | 3b |
| 4 Recompute the Oregon percentage. Divide line 3b by line 3a (not more than 100%) 4 | | |
| 5 Enter the amount from your 2000 Oregon Form 40P, line 48 5 | | |
| 6 Subtract line 5 from line 3a 6 | | |
| 7 Figure the tax on line 6 using the 2000 Tax Rate Charts 7 | | |
| 8 Multiply line 7 by the Oregon percentage on line 4. Enter the amount on Form FIA-40, line 8; Form FIA-40P, line 10; or Form FIA-40N, line 11 8 | | |

Computation C. Complete if you filed Form 40 or Form 40S in tax year 2000.

| | Oregon column |
|--|---------------|
| 1 If you used FIA-40 to figure your tax for 2002, enter the amount from your 2002 FIA-40, line 11. If you used Schedule Z to figure your tax for 2002, enter the amount from the 2002 Schedule Z, Computation for Tax Year 2000, Computation C, line 3. Otherwise, enter the amount shown on your 2000 Form 40, line 28; or Form 40S, line 15 (if -0- or less, see instructions) 1 | |
| 2 Enter amount from 2003 Form FIA-40, line 6; FIA-40P, line 9; or FIA-40N, line 10 2 | |
| 3 Add lines 1 and 2 3 | |
| 4 Figure the tax on line 3 using the 2000 Tax Rate Charts. Enter the amount on Form FIA-40, line 8; Form FIA-40P, line 10; or Form FIA-40N, line 11 4 | |

COMPUTATION FOR TAX YEAR 2001

Computation A. Complete if you filed Form 40N in tax year 2001.

| | Federal column | Oregon column |
|--|----------------|---------------|
| 1 If you used Schedule Z to figure your tax for 2002, enter the amount from your 2002 Schedule Z, Computation for Tax Year 2001, Computation A, lines 3a and 3b. Otherwise, enter the amount shown on your 2001 40N, line 39 (if -0- or less, see instructions) 1a | | 1b |
| 2 Enter amount from 2003 Form FIA-40, line 6; FIA-40P, line 9; or FIA-40N, line 10 2a | | 2b |
| 3 Add lines 1 and 2 in both the federal and Oregon columns 3a | | 3b |
| 4 Recompute the Oregon percentage. Divide line 3b by line 3a (not more than 100%) 4 | | |
| 5 Enter allowable deductions and modifications from your 2001 Oregon Form 40N, line 47 5 | | |
| 6 Multiply the amount on line 5 by the recomputed Oregon percentage on line 4 6 | | |
| 7 Enter the amount from your 2001 Oregon Form 40N, line 49 7 | | |
| 8 Add line 6 and 7 8 | | |
| 9 Subtract line 8 from line 3b 9 | | |
| 10 Figure the tax on line 9 using the 2001 Tax Rate Charts. Enter the amount on Form FIA-40, line 12; Form FIA-40P, line 11; or Form FIA-40N, line 12 10 | | |

COMPUTATION FOR TAX YEAR 2001...continued...

Computation B. Complete if you filed Form 40P in tax year 2001.

| | Federal column | Oregon column |
|---|----------------|---------------|
| 1 If you used Schedule Z to figure your tax for 2002, enter the amount from your 2002 Schedule Z, Computation for Tax Year 2001, Computation B, lines 3a and 3b. Otherwise, enter the amount shown on your 2001 40P, line 39 (if -0- or less, see instructions) | 1a | 1b |
| 2 Enter amount from 2003 Form FIA-40, line 6; FIA-40P, line 9; or FIA-40N, line 10 | 2a | 2b |
| 3 Add lines 1 and 2 in both the federal and Oregon columns | 3a | 3b |
| 4 Recompute the Oregon percentage. Divide line 3b by line 3a (not more than 100%) | 4* | |
| 5 Enter the amount from your 2001 Oregon Form 40P, line 48 | 5 | |
| 6 Subtract line 5 from line 3a | | 6 |
| 7 Figure the tax on line 6 using the 2001 Tax Rate Charts | | 7 |
| 8 Multiply line 7 by the Oregon percentage on line 4. Enter the amount on Form FIA-40, line 12; Form FIA-40P, line 11; or Form FIA-40N, line 12 | | 8 |

Computation C. Complete if you filed Form 40 or Form 40S in tax year 2001.

| | Oregon column |
|---|---------------|
| 1 If you used FIA-40 to figure your tax for 2002, enter the amount from the 2002 FIA-40, line 15. If you used Schedule Z to figure your tax for 2002, enter the amount from the 2002 Schedule Z, Computation for Tax Year 2001, Computation C, line 3. Otherwise, enter the amount shown on your 2001 Form 40, line 28; or Form 40S, line 15 (if -0- or less, see instructions) | 1 |
| 2 Enter amount from 2003 Form FIA-40, line 6; FIA-40P, line 9; or FIA-40N, line 10 | 2 |
| 3 Add lines 1 and 2 | 3 |
| 4 Figure the tax on line 3 using the 2001 Tax Rate Charts. Enter the amount on Form FIA-40, line 12; Form FIA-40P, line 11; or Form FIA-40N, line 12 | 4 |

COMPUTATION FOR TAX YEAR 2002

Computation A. Complete if you filed Form 40N in tax year 2002.

| | Federal column | Oregon column |
|--|----------------|---------------|
| 1 If you used FIA-40N to figure your tax for 2002, enter the amounts from your 2002 FIA-40N, lines 3a and 3b. Otherwise, enter the amount shown on your 2002 40N, line 39 (if -0- or less, see instructions) | 1a | 1b |
| 2 Enter amount from 2003 Form FIA-40, line 6; FIA-40P, line 9; or FIA-40N, line 10 | 2a | 2b |
| 3 Add lines 1 and 2 in both the federal and Oregon columns | 3a | 3b |
| 4 Recompute the Oregon percentage. Divide line 3b by line 3a (not more than 100%) | 4* | |
| 5 Enter allowable deductions and modifications from your 2002 Oregon Form 40N, line 47 | | 5 |
| 6 Multiply the amount on line 5 by the recomputed Oregon percentage on line 4 | | 6 |
| 7 Enter the amount from your 2002 Oregon Form 40N, line 49 | | 7 |
| 8 Add line 6 and 7 | | 8 |
| 9 Subtract line 8 from line 3b | | 9 |
| 10 Figure the tax on line 9 using the 2002 Tax Rate Charts. Enter the amount on Form FIA-40, line 16; Form FIA-40P, line 12; or Form FIA-40N, line 13 | | 10 |

Computation B. Complete if you filed Form 40P in tax year 2002.

| | Federal column | Oregon column |
|--|----------------|---------------|
| 1 If you used FIA-40P to figure your tax for 2002, enter the amount from the 2002 FIA-40P, lines 3a and 3b. Otherwise, enter the amount shown on your 2002 40P, line 39 (if -0- or less, see instructions) | 1a | 1b |
| 2 Enter amount from 2003 Form FIA-40, line 6; FIA-40P, line 9; or FIA-40N, line 10 | 2a | 2b |
| 3 Add lines 1 and 2 in both the federal and Oregon columns | 3a | 3b |
| 4 Recompute the Oregon percentage. Divide line 3b by line 3a (not more than 100%) | 4* | |
| 5 Enter the amount from your 2002 Oregon Form 40P, line 48 | 5 | |
| 6 Subtract line 5 from line 3a | | 6 |
| 7 Figure the tax on line 6 using the 2002 Tax Rate Charts | | 7 |
| 8 Multiply line 7 by the Oregon percentage on line 4. Enter the amount on Form FIA-40, line 16; Form FIA-40P, line 12; or Form FIA-40N, line 13 | | 8 |

Computation C. Complete if you filed Form 40 or Form 40S in tax year 2002.

| | Oregon column |
|--|---------------|
| 1 If you used FIA-40 to figure your tax for 2002, enter the amount from your 2002 FIA-40, line 3. Otherwise, enter the amount shown on your 2002 Form 40, line 28; or Form 40S, line 15 (if -0- or less, see instructions) | 1 |
| 2 Enter amount from 2003 Form FIA-40, line 6; FIA-40P, line 9; or FIA-40N, line 10 | 2 |
| 3 Add lines 1 and 2 | 3 |
| 4 Figure the tax on line 3 using the 2002 Tax Rate Charts. Enter the amount on Form FIA-40, line 16; Form FIA-40P, line 12; or Form FIA-40N, line 13 | 4 |

You may elect to figure your 2003 tax by averaging, over the previous three years (base years), all or part of your 2003 taxable farm income.

You will need copies of your original or amended Oregon income tax returns for tax years 2000, 2001, and 2002 to figure your tax on Form FIA-40P or Form FIA-40N. You can obtain copies of prior years' returns for a fee from the Oregon Department of Revenue. See Taxpayer Assistance on page 8 for numbers to call.

Elected farm income

Your elected farm income is the amount of your taxable income from farming that you elect to include on Form FIA-40P or FIA-40N, line 2. Do not enter more than the amount on line 1.

To figure elected farm income, first figure your taxable income from farming. Taxable income from farming includes all income, gains, losses, and deductions attributable to any farming business. However, it does not include gain from the sale or other disposition of land. Gains and losses must be from property (other than land) regularly used by you in the farm business for a substantial period of time. Oregon source farm income includes income or loss received from an Oregon farm while you were a nonresident and farm income or loss received during any portion of the year you were an Oregon resident.

You do not have to include all of your taxable income from farming on Form FIA-40P or FIA-40N, line 2.

Your elected farm income cannot exceed your Oregon taxable income. Also, the portion of your elected farm income treated as a net capital gain cannot exceed the smaller of your total net capital gain or your net capital gain attributable to your farming business.

If your elected farm income includes net capital gain, you must allocate an equal portion of the net capital gain to each of the base years.

If, for any base year, you had a capital loss that resulted in a capital loss carryover to the next tax year, do not reduce the elected farm income allocated to that base year by any part of the carryover.

Farming business

A farming business is the trade or business of cultivating land or raising or harvesting any agricultural or horticultural commodity. This includes:

- Operating a nursery or sod farm.
- Raising or harvesting trees bearing fruits, nuts, or other crops.
- Raising ornamental trees (but not evergreen trees that are more than 6 years old when severed from the roots).
- Raising, shearing, feeding, caring for, training, and managing animals.
- Leasing land to a tenant engaged in a farming business, but **only** if the lease payments are based on a share of the tenant's production (not a fixed amount).
- Wages and other compensation you received as a shareholder in an S corporation engaged in a farming business.

A farming business does not include:

- Contract harvesting of an agricultural or horticultural commodity grown or raised by someone else, or
- Merely buying or reselling plants or animals grown or raised by someone else.

Instructions for Schedule Z

You will need to complete Form FIA-40N through line 10 or Form FIA-40P through line 9 before you can complete Schedule Z. You will need the figure from line 2(b) of Form FIA-40N or FIA-40P to recalculate Oregon tax for tax years 2000, 2001, and 2002. On Schedule Z, complete either Computation A, B, or C for each tax year. Figures from Schedule Z are needed to complete Form FIA-40, lines 8, 12, and 16; Form FIA-40N, lines 11 through 13; or Form FIA-40P, lines 10 through 12.

If you were a part-year resident or a nonresident for 2000, 2001, or 2002 and if your income after subtractions (line 39) for either federal or Oregon was zero or less for any of these three tax years, use the worksheets below to figure the amount to enter on Schedule Z, Computation A or B, line 1.

NOL means *net operating loss* and applies to the year of the actual loss. **NOLD** means *net operating loss deduction* and applies to the year the NOL is carried to.

2000 Taxable Income Worksheet

Part-Year or Nonresident Return for 2000

- | | Federal (a) | Oregon (b) |
|--|-------------|------------|
| 1. Figure income after subtractions for either federal or Oregon, or both, from your 2000 Form 40P or Form 40N without limiting it to -0-. Include any NOLD carryovers or carrybacks if you did not have a NOL in 2000. Do not include any NOLD carryover or carryback from other years if you had a NOL in 2000. Enter the result here | \$ _____ | \$ _____ |
| 2. You must make an additional computation if you have a capital loss and a NOL in either or both columns on Form 40P or Form 40N. If there is a loss on your 2000 federal Schedule D, line 18, add that loss (as a positive amount) and your 2000 capital loss carryover to 2001. Subtract from that sum the amount of the loss on your 2000 federal Schedule D, line 17. Enter the result here | \$ _____ | \$ _____ |
| 3. If you had an NOL for 2000 for federal only, enter | | |

it as a positive amount in the federal column. If you had an NOL for 2000 for both federal and Oregon enter it in both columns as a positive amount. If you had an NOL for Oregon only, enter it as a positive amount in the Oregon column. Otherwise, enter as a positive amount the portion (if any) of the NOLD carryovers and carrybacks to 2000 that were not used in 2000 and were carried to tax years after 2000 \$ _____ \$ _____

4. Add lines 2 and 3 \$ _____ \$ _____

5. Add line 1 and line 4 for each column. Enter the result here and on your 2003 Schedule Z, tax year 2000, Computation A or B, line 1 \$ _____ \$ _____

Full-Year Return for 2000

6. Figure the taxable income from your 2000 tax return without limiting it to -0-. Include any NOLD carryovers or carrybacks if you did not have a NOL in 2000. Do not include any NOLD carryover or carryback from other years if you had a NOL in 2000. Enter the result here \$ _____

7. If there is a loss on your 2000 federal Schedule D, line 18, add that loss (as a positive amount) and your 2000 capital loss carryover to 2001. Subtract from that sum the amount of the loss on your 2000 federal Schedule D, line 17. Enter the result here..... \$ _____

8. If you had an NOL for 2000, enter it as a positive amount here. Otherwise, enter the portion (if any) of the NOLD carryovers and carrybacks to 2000 that were not used in 2000 and were carried to tax years after 2000 as a positive amount here \$ _____

9. Add lines 7 and 8 \$ _____

10. Add line 6 and line 9. Enter the result here, and on your 2003 Schedule Z, tax year 2000, Computation C, line 1 \$ _____

2001 Taxable Income Worksheet

Part-Year or Nonresident Return for 2001

11. Figure income after subtractions for either federal or

Oregon, or both, from your 2001 Form 40P or Form 40N without limiting it to -0-. Include any NOLD carryovers or carrybacks if you did not have a NOL in 2001. Do not include any NOLD carryover or carryback from other years if you had a NOL in 2001. Enter the result here \$ _____ \$ _____

12. You must make an additional computation if you have a capital loss and a NOL in either or both columns on Form 40P or Form 40N. If there is a loss on your 2001 federal Schedule D, line 18, add that loss (as a positive amount) and your 2001 capital loss carryover to 2002. Subtract from that sum the amount of the loss on your 2001 federal Schedule D, line 17. Enter the result here \$ _____ \$ _____

13. If you had an NOL for 2001 for federal only, enter it as a positive amount in the federal column. If you had an NOL for 2001 for both federal and Oregon enter it in both columns as a positive amount. If you had an NOL for Oregon only, enter it as a positive amount in the Oregon column. Otherwise, enter as a positive amount the portion (if any) of the NOLD carryovers and carrybacks to 2001 that were not used in 2001 and were carried to tax years after 2001 \$ _____ \$ _____

14. Add lines 12 and 13 \$ _____ \$ _____

15. Add line 11 and line 14. Enter the result here and on your 2003 Schedule Z, tax year 2001, Computation A or B, line 1 \$ _____ \$ _____

Full-Year Return for 2001

16. Figure the taxable income from your 2001 tax return without limiting it to -0-. Include any NOLD carryovers or carrybacks if you did not have a NOL in 2001. Do not include any NOLD carryover or carryback from other years if you had a NOL in 2001. Enter the result here \$ _____

17. If there is a loss on your 2001 federal Schedule D, line 18, add that loss (as a positive amount) and your 2001 capital loss carryover to 2002. Subtract from that

| | Federal (a) | Oregon (b) |
|---|-------------|------------|
| sum the amount of the loss on your 2001 federal Schedule D, line 17. Enter the result here..... | \$ _____ | \$ _____ |
| 18. If you had an NOL for 2001, enter it as a positive amount here. Otherwise, enter the portion (if any) of the NOLD carryovers and carrybacks to 2001 that were not used in 2001 and were carried to tax years after 2001 as a positive amount here | \$ _____ | \$ _____ |
| 19. Add lines 17 and 18..... | \$ _____ | \$ _____ |
| 20. Add line 16 and line 19. Enter the result here, and on your 2003 Schedule Z, tax year 2001, Computation C, line 1 | \$ _____ | \$ _____ |

2002 Taxable Income Worksheet

Part-Year or Nonresident Return for 2002

| | | |
|---|----------|----------|
| 21. Figure income after subtractions for either federal or Oregon, or both, from your 2002 Form 40P or Form 40N without limiting it to -0-. Include any NOLD carryovers or carrybacks if you did not have a NOL in 2002. Do not include any NOLD carryover or carryback from other years if you had a NOL in 2002. Enter the result here | \$ _____ | \$ _____ |
| 22. You must make an additional computation if you have a capital loss in either or both columns on Form 40P or Form 40N. If there is a loss on your 2002 federal Schedule D, line 18, add that loss (as a positive amount) and your 2002 capital loss carryover to tax year 2003. Subtract from that sum the amount of the loss on your 2002 federal Schedule D, line 17. Enter the result here..... | \$ _____ | \$ _____ |
| 23. If you had an NOL for 2002 for federal only, enter it as a positive amount in the federal column. If you had an NOL for 2002 for both federal and Oregon, enter it in both columns as a positive amount. If you had an NOL for Oregon only, enter it as a positive amount in the Oregon column. Otherwise, enter as a positive amount the | | |

| | Federal (a) | Oregon (b) |
|--|-------------|------------|
| portion (if any) of the NOLD carryovers and carrybacks to 2002 that were not used in 2002 and were carried to tax years after 2002 | \$ _____ | \$ _____ |
| 24. Add lines 22 and 23 | \$ _____ | \$ _____ |
| 25. Add line 21 and line 24. Enter the result here and on your 2003 Schedule Z, tax year 2002, Computation A or B, line 1 | \$ _____ | \$ _____ |

Full Year Return for 2002

| | | |
|--|----------|----------|
| 26. Figure the taxable income from your 2002 tax return without limiting it to -0-. Include any NOLD carryovers or carrybacks if you did not have a NOL in 2002. Do not include any NOLD carryover or carryback from other years if you had a NOL in 2002. Enter the result here | \$ _____ | |
| 27. If there is a loss on your 2002 federal Schedule D, line 18, add that loss (as a positive amount) and your 2002 capital loss carryover to 2003. Subtract from that sum the amount of the loss on your 2002 federal Schedule D, line 17. Enter the result here..... | \$ _____ | \$ _____ |
| 28. If you had an NOL for 2002, enter it as a positive amount here. Otherwise, enter the portion (if any) of the NOLD carryovers and carrybacks to 2002 that were not used in 2002 and were carried to tax years after 2002 as a positive amount here | \$ _____ | \$ _____ |
| 29. Add lines 27 and 28 | \$ _____ | \$ _____ |
| 30. Add line 26 and line 29. Enter the result here, and on your 2003 Schedule Z, tax year 2002, Computation C, line 1 | \$ _____ | \$ _____ |

Example: John Farmington owns a farm in Ontario, Oregon but is a resident of Idaho. John files as a nonresident for Oregon each year. John did not use farm income averaging for 2000, 2001, or 2002. For tax year 2003, John has elected farm income of \$18,000 on line 2 of Form FIA-40N. His 2000 income after subtractions shown on line 39 of Form 40N is \$25,906 in the federal column and \$6,150 in the Oregon column.

John had a NOL for tax year 2001 of \$22,950 for Oregon only, which he elected to carryback five years. Of the \$22,950 loss, \$9,000 was carried back to tax year 2000 and completely absorbed. John combines the \$9,000 NOLD with his Oregon income after subtractions of \$6,150. The result is a negative \$2,850 and is entered in the Oregon column on line 1(b) of the 2000 worksheet. John enters \$25,906 in the federal column on line 1(a) of the 2000 worksheet.

When John filed his 2000 federal tax return, he had a \$3,000 net capital loss deduction on Schedule D, line 18 (which was also entered on Form 1040, line 13), a \$7,000 loss on Schedule D, line 17, and a \$4,000 capital loss carryover to 2001. The capital losses are not Oregon source. Since the NOL is for Oregon only, no adjustment is necessary for the capital loss deduction or for the capital loss carryover to 2001. John enters -0- in both columns on line 2 of the 2000 worksheet.

John had no net operating losses for tax year 2000 for either federal or Oregon. Because the NOL from 2001 is completely absorbed in 2000, there is no carryover to tax years after 2000. John enters -0- in both columns on line 3 of the worksheet. John adds the amounts on lines 2 and 3, both of which are -0-. He subtracts -0- from the negative \$2,850 and enters the result, a negative \$2,850, in the Oregon column on Schedule Z, Computation A, line 1(b). John subtracts -0- from the \$25,906 and enters the result, a positive \$25,906, in the federal column on Schedule Z, Computation A, line 1(a). These figures represent John's recomputed federal and Oregon income after subtractions for tax year 2000.

For tax year 2001, John's income after subtractions is \$10,850 for federal and a negative \$27,250 for Oregon. John enters \$10,850 in the federal column and a negative \$27,250 in the Oregon column on line 11 of the 2001 worksheet.

John had a \$3,000 net capital loss deduction on Schedule D, line 18 and a \$7,000 loss on Schedule D, line 17, the carryover from 2000 to 2001. Because the NOL is for Oregon only, no adjustment is necessary on line 12 in the federal column and no adjustment is made in the Oregon column since the capital loss deduction is not Oregon source. John enters -0- in both columns on line 12 of the 2001 worksheet. John enters the Oregon only NOL of \$22,950 on line 13 in the Oregon column of the worksheet and -0- in the federal column. John adds lines 12 and 13 and enters \$22,950 in the Oregon column and -0- in the federal column.

In the federal column on line 15, John enters a positive \$10,850. For the Oregon column, John adds the \$22,950 on line 14 and the negative \$27,250 on line 11 of the worksheet and enters a negative \$4,300 in the Oregon column on line 15. These figures represent John's recomputed federal and Oregon income after subtractions for tax year 2001. John enters both of these figures on Schedule Z, Computation A, line 1 in the federal and Oregon columns.

For tax year 2002, John's income after subtractions is not negative in either the federal or Oregon columns. Therefore, John can complete Schedule Z without using the worksheets.

Taxpayer assistance

Internet

www.dor.state.or.us



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

Correspondence



Write to: Oregon Department of Revenue, 955 Center St NE, Salem OR 97301-2555. Include your Social Security number and a daytime telephone number for faster service.

To get forms

Income tax booklets are available at many post offices, banks, and libraries. For booklets and other forms and publications, you can also access our Web site, order by telephone, or write to: Forms, Oregon Department of Revenue, PO Box 14999, Salem OR 97309-0990.

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 2003 personal income tax refund (beginning March 15).



For help from Tax Services, call one of the numbers above:

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.–9:00 p.m.
April 3 and April 10 9:00 a.m.–5:00 p.m.
Wait times may vary.

TTY (hearing or speech impaired; machine only): 503-945-8617 (Salem) or 1-800-886-7204 (toll-free within Oregon).

Americans with Disabilities Act (ADA). This information is available in alternative formats. Call 503-378-4988 (Salem) or 1-800-356-4222 (toll-free within Oregon).

Asistencia en español. Llame al 503-945-8618 en Salem o llame gratis al 1-800-356-4222 en Oregon.