

Guide to Using the Data

Adjusted Gross Income

Oregon personal income tax is tied to federal adjusted gross income (AGI), which equals federally taxable gross income minus federal adjustments such as IRA contributions, moving expenses, and forfeited interest. Gross taxable income does not include welfare payments, gifts and bequests, nontaxable interest, or the federally nontaxable portion of Social Security.

For full-year residents, Oregon AGI is the same as federal AGI. The adjusted gross income of part-year residents and non-residents reported in this publication includes only the Oregon portion of their income. For example, a return reporting federal AGI of \$100,000 and Oregon AGI of \$5,000 would appear in the \$4,000 – \$6,000 AGI category in the tables.

Report Organization

The report consists of seven sections and three appendices. Section 1 contains historical tables and graphs comparing 1997 personal income tax data to previous years. The tables use nominal dollars (not adjusted for inflation).

Section 2 provides a summary of personal income tax law effective in 1997 along with the 1997 tax rate charts. A flowchart of the components of Oregon personal income taxes follows Section 2.

Sections 3 through 7 contain 1997 detailed tables in the following order: all returns filed; full-year resident returns, part-year resident and non-resident returns, all returns by county, and returns for individual counties and other states. In the county tables, the county is assigned based on the address on the tax return. Except for the four aggregate county tables in section 6, where each row contains data for one county, the rows in the detailed tables each present data for one AGI level.

The tables are based on information reported on tax returns. The number of tax returns in an AGI group or a county isn't identical to the number of households. In some cases, no one in a household may be required to file a tax return. In other cases, more than one person in the same household may file a tax return.

The tables for all returns in section 3 of this report include information for full-year residents, part-year residents, and non-residents. Only the Oregon portion of the income of part-year residents and non-residents is taken into account in determining their AGI level. Because the tables for all returns contain within one AGI level a mix of returns with a wide range of total income, the full-year resident tables represent the strongest base for statistical inference. A

larger selection of tables with more detailed information is provided for full-year resident returns, including tables by tax status (taxable or nontaxable), by deduction type (standard or itemized), and by filing status (single, joint, head of household, or married filing separately), and family size. Family size is based on the number of exemptions on the tax return, excluding disability exemptions. Zero exemption returns are those filed by persons who can be claimed as dependents by another taxpayer, usually a parent.

Detailed Tables

The publication provides multiple tables with the same letter designation, each containing the same data elements for all or a subset of the returns. For example, there are many tables designated "Table A," each for a different set of returns. In tables A and B, "Tax after Credits" is tax after subtracting credits but before subtracting surplus refund, while "Tax Due" is tax liability after subtracting both credits and surplus refund (in years where there is no surplus refund, only the "Tax Due" column appears).

Tables D, E, and F report more detailed information for full-year returns than for part-year resident and non-resident returns, due to data availability. The components of adjusted gross income are reported in Tables D and E for full-year residents, but only total Oregon income and adjustments are reported for part-year resident and non-resident returns. The same is true of the additions and subtractions in table F. In tables F and F3, the new Oregon subtraction for reinvested capital gains is combined with "Other Subtractions" to avoid disclosure of confidential information.

In the reports for 1995, 1996, and 1997, Table I contains distributions of returns reporting additional standard deductions for age 65 or over or for blindness only for standard deduction returns. In the reports for 1994 and earlier, Table I included all returns that indicated age 65 or over or blindness.

Appendices

The three appendices contain a synopsis of significant tax law changes from 1980 to 1997, charts of tax rates and personal exemption deductions and credits over the years, and a glossary of terms used in this report.