



# Oregon Depreciation Schedule

# 2015

for Individuals, Partnerships, Corporations, and Fiduciaries

**Don't** complete schedule if your federal and state depreciation are the same.

Name				Social Security number (SSN), business identification number, or FEIN				
Property description (a)	Date (mm/dd/yy) placed into service in Oregon (b)	Cost or other basis (c)	Oregon depreciation allowed or allowable in earlier years (d)	Oregon depreciation method (e)	Property life or rate (f)	2015 Oregon depreciation (g)	2015 Federal depreciation (h)	
1. Totals.....						1	(g)	(h)
2. You have an <b>Oregon addition</b> if box 1(g) is <b>less</b> than box 1(h). Enter difference here.....						2		
3. You have an <b>Oregon subtraction</b> if box 1(g) is <b>more</b> than box 1(h). Enter difference here.....						3		

## Instructions for Oregon Depreciation Schedule

Figure your depreciation deduction for each asset. Oregon is generally tied to federal law. However, there are exceptions for assets placed into service during calendar years 2009 and 2010. Fill in the information for columns (a) through (h). In column (e), use abbreviations for the depreciation method you used, such as "MACRS" for Modified Accelerated Cost Recovery System, or "150% DB" for 150 percent declining balance. Use appropriate Oregon and federal depreciation methods.

### Addition or subtraction

#### Form 40 filers

If you have an amount on line 2 above, enter it on your Schedule OR-ASC, section 1, and use addition code 152.

If you have an amount on line 3 above, enter it on your Schedule OR-ASC, section 2, and use subtraction code 354.

#### Form 40N and 40P filers

- **Federal column** of Form 40N, *Individual Income Tax Return for Nonresidents*, 150-101-048 or Form 40P, *Individual Income Tax Return for Part-Year Residents*, 150-101-055—complete

an *Oregon Depreciation Schedule* for **all** assets both inside and outside of Oregon.

- **Oregon column** of Form 40N or 40P—complete another *Oregon Depreciation Schedule* only for property you owned while an Oregon resident, **or** property used to produce Oregon income.

If you have an amount on line 2 above, enter it on your Schedule OR-ASC-N/P, section 2, and use addition code 152.

If you have an amount on line 3 above, enter it on your Schedule OR-ASC-N/P, section 3, and use subtraction code 354.

### Partnerships, corporations, and fiduciaries

You may also use this form to figure the difference in depreciation you report on your Oregon:

- Form 65, *Partnership Return of Income*, 150-101-065.
- Form 20, *Corporation Excise Tax Return*, 150-102-020.
- Form 20-I, *Corporation Income Tax Return*, 150-102-021.
- Form 20-S, *S Corporation Tax Return*, 150-102-025.
- Form 20-INS, *Insurance Excise Tax Return*, 150-102-129.
- Form 41, *Fiduciary Income Tax Return*, 150-101-041.

—**Don't** include this form with your Oregon return. Keep it with your records. Complete a new schedule each year.—

**Assets placed into service on or after January 1, 1981 and before January 1, 1985**

Oregon depreciation didn't match federal depreciation for assets placed into service on or after January 1, 1981 and before January 1, 1985. If you are still depreciating assets placed into service during this period, contact the department to determine your correct reporting.

**Assets placed into service on or after January 1, 1985 and before January 1, 1987**

Oregon adopted the federal Accelerated Cost Recovery System (ACRS) method of depreciation for assets placed into service during these two years. There is no depreciation difference for these assets.

**Assets placed into service on or after January 1, 1987**

MACRS is effective for assets placed into service on or after January 1, 1987 (see exception below for assets placed into service during 2009 and 2010). The method and life will be the same as you used on the federal return. If you elect to expense the cost of qualifying assets under IRC Section 179, the election and amount is also effective for Oregon purposes.

Credits that reduce only your federal basis will cause a difference in depreciation for Oregon. This will be the only cause for a difference in depreciation for corporations.

**Exception: Assets placed into service on or after January 1, 2009 and before January 1, 2011**

Oregon didn't adopt changes made to IRC Section 168(k) (bonus depreciation) or to any expensing limits under IRC Section 179 for this period.

For more information on computing your Oregon depreciation amount, visit [www.oregon.gov/dor](http://www.oregon.gov/dor).

**Assets first placed into service outside of Oregon**

Did you bring an asset into Oregon after it was first placed into service outside of Oregon? If so, use a depreciation method available for the year the asset was first placed into service outside of Oregon.

The Oregon basis for depreciation is generally the lower of the federal unadjusted basis or the fair market value. The federal unadjusted basis is the original cost before any adjustments. Adjustments include: reductions for investment tax credits, depletion, amortization, or amounts expensed under IRC Section 179. The fair market value is figured when the asset is brought into Oregon.

Did you first place assets into service outside of Oregon before January 1, 1981? If so, your Oregon basis will be the same as your federal basis.

For assets placed into service outside of Oregon before 1985, the useful life is based on Oregon law in effect at the time the

asset was originally placed into service and is determined when the asset is brought into Oregon. For assets placed in service outside of Oregon after 1984, the useful life is determined when the asset is placed into service for Oregon tax purposes.

**Example 1.** Jeff has owned a business in Caldwell, Idaho since 1995 when he placed into service a building purchased for \$250,000. The building qualified for MACRS depreciation as 20-year real property. On June 1, 2011, Jeff bought a light truck for \$35,000. The truck qualified as five-year property depreciated under MACRS. On January 1, 2015, Jeff moved to Ontario, Oregon. Since Jeff brought his business assets into Oregon, he had to figure his Oregon basis in order to depreciate the assets for Oregon.

	<b>Building</b>	<b>Truck</b>
Cost (federal unadjusted basis)	\$250,000	\$35,000
Fair market value (as of 01/01/15)	\$495,000	\$22,000

The Oregon basis of the building is \$250,000.

The Oregon basis of the truck is \$22,000. Oregon adopted MACRS for assets first placed into service after December 31, 1986, so Jeff used MACRS for Oregon purposes as well. He began depreciating the building based on its original recovery period of 20 years and he began depreciating the truck based on its original recovery period of five years.

**Assets subject to apportionment**

The basis of an asset subject to apportionment rules when brought into Oregon is figured as if it had always been subject to Oregon tax. The original unadjusted basis is reduced by depreciation allowable in previous years, using a method acceptable to Oregon for the year the asset is placed into service. This adjusted basis is depreciated over the remaining useful life using the same allowable method.

**Example 2.** A California partnership started operation by purchasing a Los Angeles building on July 1, 1998 for \$950,000. For federal purposes, the partnership depreciated the building under MACRS as 20-year property. The partnership began doing business in Oregon on July 1, 2000. Since the partnership is subject to the apportionment rules, the basis of the building for Oregon is as if the building was depreciated for Oregon using MACRS 20-year (straight-line method) from the date of purchase.

Cost .....	\$950,000
1998 depreciation .....	(23,750)
1999 depreciation .....	(47,500)
2000 depreciation through June 30.....	<u>(23,750)</u> <u>(95,000)</u>
Oregon basis as of July 1, 2000 .....	<u>\$855,000</u>

For Oregon purposes, the building is depreciated using an Oregon basis of \$855,000 and is depreciated over the remaining useful life (18 years) using the same allowable method.