

# Oregon 2016 S Corporation Tax Form OR-20-S Instructions

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Information contained herein is a guide. For complete details of law, refer to Oregon Revised Statutes (ORS) and Oregon Administrative Rules (OAR).

## Important

If your registered corporation or insurance company isn't doing business in Oregon and has no Oregon-source income, then you don't need to file a corporation tax return.

## Go electronic!

**Fast • Accurate • Secure**

File corporate tax returns through the Federal/State e-filing program. If you're mandated to e-file your federal return, you're required to e-file for Oregon.

With approved third-party software, you can e-file your return complete with all schedules, attachments, and required federal return. **You can also conveniently include an electronic payment with your e-filed original return.** See "E-file".

Visit us online: **[www.oregon.gov/dor](http://www.oregon.gov/dor)**

- Registration and account status.
- Online payments.
- Forms, instructions, and law.
- Announcements and common questions.



## What's new?

### General

#### Tie to federal tax law

In general, Oregon income tax law is based on federal income tax law. Oregon is tied to the federal definition of taxable income as of December 31, 2015; however, Oregon is still disconnected from:

- **Federal subsidies** for prescription drug plans (IRC §139A; ORS 317.401).
- **Domestic production** activities (QPAI) (IRC §199; ORS 317.398).
- **Deferral of certain deductions** for tax years beginning on or after January 1, 2009 and before January 1, 2011 may require subsequent Oregon modifications (IRC §108; §168(k); and §179; ORS 317.301).

#### Corporation due dates

Oregon corporation returns are due on the 15th day of the month following the due date of the federal return. Oregon's C corporation return due dates have changed because of changes to the due date of federal C corporation returns, which moved federal due dates one month forward. For calendar year filers, the due date for 2016 Oregon C corporation returns is May 15, 2017.

**Note:** S corporation due dates haven't changed. For S corporations that file on a calendar year basis, the Oregon due date is April 17, 2017. For S corporation fiscal year filers, the due date is the 15th day of the month following the federal due date.

Under a special rule, C corporations with a fiscal year ending June 30th will retain their current federal due date for 10 more years, so they won't be impacted by the new due date until tax years beginning after December 31, 2025 (7/1/2026–6/30/2027).

Entities not impacted by the changes to return due dates include:

- S corporations (Federal Form 1120-S).
- Exempt or non-profits (Federal Forms 990 & 990-T).
- Cooperatives (Federal Form 1120-C).
- Overseas Corporations, without a U.S. office (Federal Form 1120-F).
- IC-DISC (Federal Form 1120-IC-DISC).

#### Minimum tax can't be offset by credits

S corporation taxpayers may not apply any corporation tax credits against the minimum tax. See "Credits" under "Line instructions" below.

#### Exemption for emergency service providers

An out-of-state emergency service provider is exempt from tax when operating solely for the purposes of performing disaster or emergency-related work on critical infrastructure. Disaster or emergency-related work

conducted by an out-of-state business may not be used as the sole basis for determining that a corporation is doing business in Oregon.

#### Listed foreign jurisdictions

For tax years beginning on or after January 1, 2016, the list of foreign jurisdictions that must be included in the Oregon corporate excise tax return has changed. The list changed to include Guatemala and the Republic of Trinidad and Tobago. Monaco is deleted from the list. The list has also been updated to include the island nations of Bonaire, Curacao, Saba, Sint Maarten and Sint Eustatius (formerly the Netherlands Antilles) (ORS 317.716 and corresponding administrative rules.)

#### Additions and subtractions

##### Marijuana businesses—deduction of expenses

ORS 317.763 allows Oregon taxpayers filing a corporate excise or income tax return to deduct business expenses otherwise barred by Internal Revenue Code (IRC) §280E if the taxpayer is engaged in marijuana-related activities authorized by ORS 475B.010 to 475B.395.

#### Credits

**Important:** Corporations must include copies of **all** credit certifications with your return when claiming any certified credit.

##### Biomass production/collection credit

The amount allowed for animal manure decreased per wet ton. Contact the Oregon Department of Energy for more information.

##### Individual Development Accounts

The Individual Development Accounts (IDA) contribution credit has been modified. The total credit allowed to a taxpayer in any tax year may not exceed \$500,000 (ORS 315.271).

##### Child Care Office contribution credit

Starting with tax years beginning on or after January 1, 2016, the calculation of the Child Care Office fund contribution credit is revised. The amount of credit is reduced from 75 percent to no more than 50 percent of the amount contributed to the fund (ORS 315.213). Additionally, the credit is extended to tax years beginning before January 1, 2022.

##### Qualified Research credit

The Qualified Research credit may be calculated using any method allowed under Internal Revenue Code (IRC) §41. This presently includes both the Standard Method and the Alternative Simplified Credit Method. The Oregon applicable percentage is 5% regardless of the method used to calculate the credit. (ORS 317.152 and OAR 150-317.152)

## University Venture Fund credit

This credit has changed beginning with tax year 2016. The credit is now 60% of the contributions made to the fund, not to exceed \$600,000. The credit is claimed up to taxpayer's tax liability, with a three year carryforward for unused amounts.

### Credits that sunset on December 31, 2015

- Dependent care assistance (ORS 315.204).
- Dependent care information and referral (ORS 315.204).
- Energy transportation projects (ORS 315.336).
- Qualified equity investment (ORS 315.533).

## Form changes

### All corporation forms and schedules

We have changed all our forms and schedules to provide a more consistent format and to include a shorthand name so they're easier to find. We also renamed our Form 20-I to Form OR-20-INC. Read each form and publication carefully as other items may have changed. For more information, visit us at [www.oregon.gov/dor](http://www.oregon.gov/dor).

### Form OR-DRD

Oregon has a new Dividends-Received Deduction form (Form OR-DRD) that's required to be filed by all corporations claiming a dividends-received deduction. This new form is very similar in format to the federal schedule C for dividends but it isn't identical. Refer to the form for more details.

### Schedule OR-ASC-CORP

This schedule is used to claim additions, subtractions, and credits. For 2016, it has been redesigned to separate credits that have a carryforward provision and those that don't. All corporation credit codes have changed for 2016. Use Appendix A from the specific tax year you're filing to ensure you're using the proper code number for all credits.

### Forms OR-20, OR-20-INC, and OR-20-INS

These forms have been redesigned to move most of the additions, subtractions, and credits onto Schedule OR-ASC-CORP. See the specific forms.

### Form OR-20-V

When making a payment with your return, be sure to include a Form OR-20-V.

### New checkboxes

**Federal Form 5471.** Forms OR-20, OR-20-INC, OR-20-INS, and OR-20-S have a new checkbox for taxpayers who file Federal Form 5471. Check this box if you file for affiliates

incorporated in any of the listed foreign jurisdictions in ORS 317.716, also shown in Appendix C.

**Alternative apportionment.** See Appendix D for complete information.

## Looking ahead

### Interstate broadcasters

For tax years beginning on or after January 1, 2017, an interstate broadcaster's method of apportionment of business income will revert to pre-January 1, 2014 law and will be based on an estimate of Oregon's national audience or subscribers' share (ORS 314.680 and 314.684).

## Estimated tax payments

### Requirements

Oregon estimated tax laws aren't the same as federal estimated tax laws. You must make estimated tax payments if you expect to owe tax of \$500 or more with your return. This includes Oregon's minimum tax. This requirement also applies if you're an S corporation paying tax on income from built-in gains or excess net passive investment income.

If you don't make estimated payments as required, you may be subject to interest on underpayment of estimated tax (UND). If you have an underpayment of estimated tax, refer to Form OR-37.

### Payment due dates

Estimated tax payments are due quarterly, as follows:

- **Calendar year filers:** April 15, June 15, September 15, and December 15.
- **Fiscal year filers:** The 15th day of the 4th, 6th, 9th, and 12th months of your fiscal year.
- If the due date falls on a Saturday, Sunday, or legal holiday, use the next regular business day.

### Payment options

**Important:** For details about making payments **with your return**, see "Filing checklist."

Estimated payments may be made by electronic funds transfer (EFT), online, or by mail.

**EFT.** You **must** make your Oregon estimated payments by EFT if you're required to make your federal estimated payments by EFT. We may grant a waiver from EFT payments if you would be disadvantaged by the requirement (ORS 314.518 and accompanying rules).

If you don't meet the federal requirements for mandatory EFT payments, you may still make voluntary EFT payments.

For more information, visit [www.oregon.gov/dor/business](http://www.oregon.gov/dor/business).

You can make EFT payments through Revenue Online, our self-service site, or through your financial institution. To learn more about Revenue Online or to make an EFT payment, visit [www.oregon.gov/dor](http://www.oregon.gov/dor). If you pay by EFT, **don't** send Form OR-20-V.

**Online.** See [www.oregon.gov/dor](http://www.oregon.gov/dor) for more information.

**Mail.** If paying by mail, send each payment with a Form OR-20-V payment voucher.

## Worksheet to calculate Oregon estimated tax

(Keep for your records—don't file with payment.)

- |  |          |
|--|----------|
| 1. Oregon net income expected in upcoming tax year.  | 1. _____ |
| 2. Tax on Oregon net income (see Appendix B).  | 2. _____ |
| 3. Subtract tax credits allowable in upcoming tax year. Tax credits can't be used to reduce the \$150 minimum excise tax for S corporations. | 3. _____ |
| 4. Net tax (line 2 minus line 3).  | 4. _____ |

If the amount on line 4 is less than \$500, **stop**. You don't have to make estimated tax payments.

**Caution: If your final tax liability when you file your return is \$500 or more, you may be subject to UND.**

- |   |          |
|---|----------|
| 5. Amount of each payment. (Divide line 4 by the number of payments you need to make. This is usually 4.) | 5. _____ |
|---|----------|

If your expected net tax changes during the year, divide the amended net tax amount by the number of required payments (usually four) to determine the correct amount of each required payment.

To avoid additional charges for UND, you must pay the amount of any prior underpayment plus the amount of the current required payment (ORS 314.515 and accompanying rules).

**Example:** During the year, Corporation A's expected net tax increased from \$2,000 to \$6,000. Corporation A made timely first and second quarter estimated payments of \$500 before its expected net tax increased.

Corporation A should make four payments of \$1,500 each during the year. Because of its increased net tax, Corporation A will be subject to UND charges for the first and

second quarters. To avoid UND charges for the third and fourth quarters, Corporation A must make timely payments of \$3,500\* for the third quarter and \$1,500 for the fourth quarter. (ORS 314.525 and corresponding administrative rules).

\*\$1,000 for the first-quarter underpayment, plus \$1,000 for the second-quarter underpayment, plus \$1,500 for the required third-quarter installment equals \$3,500.

## Filing information

### Who must file with Oregon?

S corporations doing business in Oregon or receiving income from Oregon sources are required to file Form OR-20-S, *Oregon S Corporation Tax Return*, under the excise or income tax provisions in ORS Chapters 317 and 318. S corporation tax statutes and rules are in Chapter 314 of the Oregon Revised Statutes and Oregon Administrative Rules (ORS 314.730 to 314.784).

**Note:** Oregon follows the **federal entity classification regulations**. If an entity is classified or taxed as an S corporation for federal income tax purposes, it will be treated as an S corporation for Oregon tax purposes.

For Oregon tax purposes, S corporation income generally is taxable to the shareholders rather than the corporation. However, S corporations do pay Oregon tax on income from built-in gains or excess net passive income if such income is subject to tax on the federal corporation return.

The income or loss of an S corporation is reported to each shareholder on the federal form, Schedule K-1. See "Shareholder information" below.

**Minimum tax requirements.** All S corporations **doing business** in Oregon must pay the \$150 minimum excise tax. The minimum tax isn't passed through to the shareholders, but is payable by the S corporation.

### Excise or income tax?

Oregon has two types of corporate taxes: excise and income. **Excise tax is the most common.** Most corporations don't qualify for Oregon's income tax.

**Excise tax requirements.** Excise tax is a tax for the privilege of **doing business** in Oregon. It's measured by net income. S corporations doing business in Oregon must file a Form OR-20-S to report and pay the \$150 minimum excise tax. If the S corporation has an **Oregon address**, generally the S corporation will file and pay excise tax.

"**Doing business**" means carrying on or **being engaged in any profit-seeking activity** in Oregon not protected by Federal Public Law 86-272. A taxpayer having one or more of the following in this state is doing business in Oregon:

- A stock of goods.
- An office.
- A place of business (other than an office) where affairs of the corporation are regularly conducted.
- Employees or representatives providing services to customers as the primary business activity (such as accounting or personal services), or services incidental to the sale of tangible or intangible personal property (such as installation, inspection, maintenance, warranty, or repair of a product).
- An economic presence through which the taxpayer regularly takes advantage of Oregon's economy to produce income.

**Income tax requirements.** S corporations may still be subject to the Oregon corporation income tax if they have income from an Oregon source. S corporations that derive income from sources within Oregon but whose income producing activity doesn't actually constitute doing business must file Form OR-20-S under the **income tax provisions** in ORS Chapter 318.

Income is from an Oregon source if it's derived from:

- Tangible or intangible property located in Oregon;
- Any activity carried on in Oregon, whether intrastate, interstate, or foreign commerce that doesn't otherwise constitute doing business in Oregon.

There is no minimum tax for a corporate **income tax** filer.

Corporations with **no business activity** in Oregon, even if registered to do business in the state, aren't subject to the minimum tax and aren't required to file a return.

**Important:** Don't file a Form OR-20-S unless you're required to do so. Filing an unnecessary return may result in a billing for minimum tax.

## Shareholder information

Shareholders who meet Oregon filing requirements must file an Oregon tax return. Refer to the appropriate Oregon tax returns and instructions for an explanation of those requirements, based on shareholder classification (individual, corporation, trust, or estate).

**Resident** shareholders are taxed on their pro rata share of S corporation income, loss, and deductions from the federal K-1s. Those amounts are modified by Oregon additions and subtractions.

**Nonresident** shareholders are taxed on their share of business income from the federal K-1s, multiplied by the S corporation's apportionment percentage from Schedule OR-AP-1, *Apportionment of Income for Corporations and Partnerships* (ORS 314.734). Nonresident shareholders are also taxed on their share of nonbusiness income from Oregon sources.

Each individual shareholder of an S corporation may claim their pro rata share of the corporation's business

tax credits unless the shareholder is included on a composite return (ORS 314.752 and accompanying rules). The credit is allowable for the tax year of the individual in which the S corporation's tax year ends.

## Composite returns

Pass-through entities with distributive income attributable to Oregon sources must file a composite return on behalf of its nonresident owners who elect to participate in the composite filing. A nonresident owner is an individual who isn't a resident of Oregon, a business entity that has a commercial domicile outside of Oregon, a nonresident trust, or a qualified funeral trust. The pass-through entity reports the nonresident owners' share of Oregon-source distributive income on one tax return, Form OR-OC, *Oregon Composite Return*.

## Withholding requirement

An S corporation with one or more nonresident owners who have no other Oregon source income is required to withhold tax on the owner's distributive share of S corporation income. The requirement is waived if the owner makes an election to join in the filing of a composite return, sends us a signed Form OR-19-A, 150-101-175, or meets another exception listed in ORS 314.775 and accompanying rules.

Each quarter, the S corporation will complete a Form OR-19, *Payment of Tax for Nonresident Owners*, 150-101-182 (located with Form OR-19, *Annual Report of Nonresident Owner Tax Payments*, 150-101-182). Send in any required payments with a completed Form OR-19. At the end of the year, complete Form OR-19 to show how much of each quarterly payment belongs to each nonresident shareholder.

## E-file

If you're required to e-file with the IRS, you're also required to e-file for Oregon. We accept calendar year, fiscal year, short year, and amended electronic corporation tax returns utilizing the IRS Modernized e-file platform (MeF). Beginning January 2017, we'll accept e-filed returns for tax year 2016, and will continue accepting returns for 2015 and 2014.

Your tax return software also allows you to make electronic payments when e-filing your **original** return.

For a list of software vendors or for more information, search "e-filing" at [www.oregon.gov/dor](http://www.oregon.gov/dor).

## Federal or other state audit changes

If the IRS or other taxing authority changes or corrects your return for any tax year, you **must** notify us. File an amended Oregon return and include a copy of the federal or other state audit report. Mail this separately from your current year's return to:

Oregon Department of Revenue  
PO Box 14777  
Salem OR 97309-0960

If you don't amend or send a copy of the federal or other state report, we have two years from the date we're notified of the change by the IRS to issue a deficiency notice. To receive a refund, you must file a claim for refund of tax within two years of the date of the federal or other state report.

### Amended returns

Oregon doesn't have an amended return form for corporations. Use the form for the tax year you're amending and check the "Amended" box. **Always use your current address.** If the address for the year you're amending has changed, **don't** use the old address or our system will incorrectly change your information.

Fill-in all amounts on your amended return, even if they're the same as originally filed. If you're amending to change additions, subtractions, or credits, include detail of all items and amounts, including carryovers.

If you change taxable income by filing an original or amended federal or other state return, you must file an amended Oregon return within **90 days** of when the original or amended federal or other state return is filed. Include a copy of your original or amended federal or other state return with your amended Oregon return and explain the adjustments made.

If you filed Form OR-20-S and later determined you should file Form OR-20, *Oregon Corporation Excise Tax Return*, check the "Amended" box on Form OR-20.

You may make payments online for any amended return at [www.oregon.gov/dor](http://www.oregon.gov/dor).

Don't make payments for amended returns with electronic funds transfer (EFT). This also applies to e-filed amended returns. For paper returns, you may pay online or include a check or money order with your return. For e-filed returns, you may pay online or send a check or money order separately. If you mail your payment separate from your return, write "Amended" on the payment and include a completed Form OR-20-V with the "Amended" box checked.

Don't amend your Oregon return if you amend the federal return to carry a net operating loss back to prior years. Oregon allows corporations to **carry net operating losses forward only**.

On the **estimated tax payments** line on your amended Form OR-20-S, enter the net excise tax per the original return or as previously adjusted. Don't include any penalty or interest portions of payments already made.

If paying additional tax with your amended return, you must include interest with your payment. Interest is figured from the day after the due date of your original

return up to the day we receive your full payment. See "Interest rates."

Pay all tax and interest due when you file an amended return or within 30 days after receiving a billing notice from us to avoid being charged a 5 percent late payment penalty.

**Note:** If a deficiency is assessed against any taxpayer because of a retroactive adoption of federal law changes, we'll cancel any penalty or interest pertaining to the changes. If a taxpayer files an amended return showing a refund due based on the retroactive adoption of federal law changes, we won't pay interest.

### Protective claims

An amended return may be filed as a protective claim to extend the statute of limitations for a refund request for a tax year while an issue is being litigated. Check the "Amended" box at the top of the form. Also check the box in Question F for "Protective claim."

We'll also accept a written letter in place of an amended return. Include the same information in the letter as is required on an amended return. We'll hold your protective claim until you notify us that the litigation has been completed.

## Filing checklist and reminders

**Rounding to whole dollars.** Enter amounts on the return and accompanying schedules as whole dollars only. Example: \$4,681.55 becomes \$4,682; and \$8,775.22 becomes \$8,775.

- **Due date of your return.** Returns are due by the 15th day of the month following the due date of your federal corporation return. When the 15th falls on a Saturday, Sunday, or legal holiday, the due date is the next business day. See "What's new" for more information.
- **Extensions.** See the instructions for the extension checkbox below. Include your extension as the final page of your return when you file.
- **Estimated payments and prepayments.** Identify all estimated payments claimed by completing Schedule ES on your return. List all payments that were submitted prior to filing your return. Include the corporation name and Federal employer identification number (FEIN) if a payment was made by an affiliate of the filing corporation.
- **Online payments.** You may pay online for any return at [www.oregon.gov/dor](http://www.oregon.gov/dor).
- **Making electronic payments with your e-filed return.** We accept electronic payments when e-filing your **original** return.
- **Making check or money order payments with your paper return.** Make your check or money order payable

to Oregon Department of Revenue. Write the following on your check or money order:

- FEIN.
- Tax year 2016.
- Daytime phone.

#### To speed processing:

- Use Form OR-20-V payment voucher.
- Don't staple payment to the return or to the voucher.
- Don't send cash or postdated checks.
- Don't use red or purple or any gel ink.

**Sending check or money order payments separate from filing your return.** Follow the instructions above except don't include with your return.

#### • **Assembling and submitting your return.** Submit your Oregon return forms in the following order:

1. Form OR-20-S, *Oregon S Corporation Income Tax Return*;
2. Schedule OR-AP, *Apportionment of Income for Corporations and Partnerships*;
3. Schedule OR-ASC-CORP, *Oregon Adjustments*;
4. Form OR-37, *Underpayment of Corporation Estimated Tax*;
5. Form OR-24, *Like-Kind Exchanges/Involuntary Conversions*;
6. Schedule OR-FCG-20, *Farm Liquidation Long-Term Capital Gain Tax Adjustment*;
7. Other Oregon statements;
8. Oregon credit forms including notice of credit transfers and certifications;
9. Copy of federal tax return and schedules;
10. Federal Schedule K-1s, if less than 11 shareholders during the year, or K-1 Summary (see below); and
11. Form 7004, Federal extension.

#### • **K-1 Summary.** If you had more than 10 shareholders, include a summary of shareholder information. Your summary must include each shareholder's name, SSN or FEIN, address, profit/loss sharing percentage, and Oregon modifications and credits. We prefer summaries and K-1s on CD. Label the CD with the entity's EIN, name, and tax year. If your CD is password protected, mail the password separately or email it to [s.corporation@dor.state.or.us](mailto:s.corporation@dor.state.or.us). Include the S corporation name and identification number with the password.

#### **Tax-due returns, mail to:**

Oregon Department of Revenue  
PO Box 14790  
Salem OR 97309-0470

#### **Refunds or no tax-due returns, mail to:**

Oregon Department of Revenue  
PO Box 14777  
Salem OR 97309-0960

## Form instructions

### Heading and checkboxes

- **Excise or income tax checkbox.** Oregon has two types of corporate taxes: excise and income. **Excise tax is the most common.** Most corporations don't qualify for Oregon's income tax. See "Excise or income tax."

Do you pay an excise tax or income tax to Oregon? One box must be checked:

- Excise tax if you do business in Oregon.
- Income tax if you don't do business in Oregon, but you have taxable income from an Oregon source.

- **OR-FCG-20 checkbox.** A reduced tax rate is available if you sold or exchanged capital assets used in farming.

Complete Schedule OR-FCG-20 and check the box in the header of the form.

- **Extension checkbox.** For an Oregon extension when you're also filing for a federal extension: Send the federal extension with the Oregon return when you file. Check the "Extension" box on your Oregon return and include the extension after all other enclosures. The Oregon extension due date is the 15th day of the month following the federal extension's due date. Don't send the extension until you file your Oregon return.

For an "Oregon only" extension: Answer question 1 on federal extension Form 7004, write "**For Oregon Only**" at the top of the form, and include it with your Oregon return when you file. Check the "Extension" checkbox on the Oregon return. The Oregon extension due date is the 15th day of the month following what would be the federal extension's due date. Don't send the extension until you file your Oregon return.

More time to file doesn't mean more time to pay your tax. To avoid penalty and interest, pay your tax due online, or by mail with Form OR-20-V, by the original due date of your return. **Note:** Filing Form OR-20-V isn't an extension of time to file or to pay tax.

- **Form OR-37 checkbox.** If you have an underpayment, you must include a completed Form OR-37. Check the "Form OR-37" box in the header of your return.

Use Form OR-37 to:

- Calculate the amount of underpayment of estimated tax;
- Compute the amount of interest you owe on the underpayment; or
- Show you meet an exception to the payment of interest.

- **Form OR-24, Deferred gain checkbox.** Corporations may defer, for Oregon tax purposes, all gains realized in the exchange of like-kind property and involuntary conversions under IRC §1031 or §1033, even though the replacement property is outside Oregon. Oregon will

tax the deferred gain when it's included in federal taxable income.

Include a copy of your Oregon Form OR-24, *Like-Kind Exchanges/Involuntary Conversions*, 150-800-734, with your Oregon return and check the "Form OR-24" box if all of the following apply:

- The corporation reported deferred gain on a federal Form 8824;
- All or part of the property exchanged or given up was located in Oregon; and
- All or part of the acquired property was located outside of Oregon.

For a more detailed explanation, see ORS 314.650 and 314.665 and accompanying rules regarding apportionment of deferred gain.

- **Amended checkbox.** Check the "Amended" box if this is an amended return.
- **Federal Form 8886 checkbox, REIT/RIC checkbox, and reportable transactions.** If you participate in listed or reportable transactions, you must report it on your Oregon tax return.

If you're required to report listed or reportable transactions to the IRS on federal Form 8886 or if you participated in a real estate investment trust (REIT) or regulated investment company (RIC), you must check the appropriate boxes in the header area of the Oregon tax return.

We'll assess penalties if you don't comply with this requirement.

- **Accounting period change checkbox (Excise tax return filers only.)** Check this box only if both of the following apply:
  - The excise tax return covers a period of less than 12 months, **and**
  - The short-period return is due to a qualified change in accounting period per IRC §441 to §444.

**Note:** A short-period return doesn't automatically constitute a qualified change in accounting period. A taxpayer that isn't in existence for the entire year shouldn't check this box. This includes subsidiaries that join or leave a consolidated filing group and newly formed or dissolved corporations.

If you file a short-period return due to a qualified change in accounting period and you're subject to the minimum tax, apportion the \$150 minimum tax by multiplying the \$150 minimum tax by the total number of months in the short period and dividing by 12.

- **Federal Form 5471.** If your corporation files a federal Form 5471 for an affiliate incorporated in any of the

listed foreign jurisdictions in Appendix C, check this box.

- **Alternative apportionment.** See Appendix D for complete information.

**Name.** Enter your company name as listed on your business registration with the Oregon Secretary of State's office.

- **Legal name.** Enter the corporation's current legal name as set forth in the articles of incorporation or other legal document.
- **FEIN.** Enter the FEIN of the corporation named as the filer on the consolidated Oregon return.
- **DBA/ABN.** If the corporation is doing business under a different name, for example, DBA or ABN, enter that name.
- **Current address.** Always enter the corporation's current address. If the address for the year you're filing was different, **don't** use the old address or our system will incorrectly change your information.

## Questions

**Questions A–C.** Complete only if this is your first return or the answer changed during the tax year.

**Question D.** Refer to the current list of North American Industry Classification System (NAICS) codes found with your federal tax return instructions. Only enter the code if this is your first return or the current code is different than you reported for last year.

**Question F. Protective claim.** Check this box if this is an amended return filed as a protective claim pending litigation.

**Question H.** If this is the corporation's first return, check the box and provide all information as requested. If the corporation is a successor to a previously existing business in Oregon, check the box and provide all information as requested. You would only check one of the boxes.

**Question I.** Final returns: A final tax return is required when a corporation has ceased to exist, withdrawn from doing business in Oregon, dissolved, merged, or reorganized. Check the box and provide requested information.

**Question K. Utility or telecommunications companies.** Taxpayers primarily engaged in utilities or telecommunications may elect to apportion income using double-weighted sales factor formula (ORS 314.280 and accompanying rules). Check the box if making this election.

**Question L. Nonapportioned returns.** S corporations doing business only within Oregon will calculate Oregon sales by adding:

- Gross receipts from sales of inventory (less returns and allowances), equipment, and other assets;



- Gross rent and lease payments received;
- Gross receipts from the performance of services;
- Gross receipts from the sale, exchange, redemption, or holding of intangible assets derived from the taxpayer's primary business activity and included in the taxpayer's business income; and
- Net gain from the sale, exchange, or redemption of intangible assets not derived from the taxpayer's primary business activity but included in the taxpayer's business income.

## Line instructions

Do **not** complete lines 1–7 unless you have taxable income **and** tax on federal Form 1120S.

S corporations **without federal taxable income, built-in gains, or excess net passive income:**

- Skip lines 1 through 7,
- Enter -0- calculated tax on line 8,
- Enter -0- total calculated tax on line 10,
- Then skip to line 11, "Minimum tax" (see instructions on page 10).

**Line 1. Income taxed on federal Form 1120S.**

**S corporations with federal taxable income, built-in gains, or excess net passive income: Taxable income.**

**Line 1(a).** Enter the amount from Form 1120-S, Schedule D, Part III, line 18.

**Line 1(b).** Refer to federal Form 1120-S instructions, "Worksheet for line 22a." On Oregon Form OR-20-S, enter the total of lines 1(a) and 1(b) on line 1.

### Additions

**Important:** Additions for S corporations with federal taxable income or LIFO benefit recapture only (**S corporations without federal taxable income, start on line 8**).

**Line 2. Total additions.** The amount by which any item of gross income is greater under Oregon law than under federal law, or the amount by which any allowable deduction is less under Oregon law than under federal law, is an addition on your Oregon return. **Enter only additions that apply to taxable income included in line 1.**

Use Schedule OR-ASC-CORP, to report the amount and description of each addition. Use the numeric description code from the list in Appendix A. The total of all additions is entered on Form OR-20-S, line 2.

**Additions include:**

- **Charitable donations not allowed for Oregon.** Donations to a charitable organization that has received a disqualifying order from the Attorney General aren't deductible as charitable donations for Oregon tax purposes. Such organizations are required to provide a

disclosure to a donor to acknowledge this. The Attorney General will publish and otherwise make publicly available information identifying the charitable organizations receiving a disqualification order. If you claimed a federal deduction, an addition must be made on your Oregon return for donations to such charitable organizations (ORS 317.491).

- **Deferred gain recognized from out-of-state disposition of property acquired in an IRC §1031 or §1033 exchange.** See ORS 317.327 regarding the computation of the addition if gain or loss is recognized for federal tax purposes but not taken into account in the computation of Oregon taxable income.

- **Depreciation differences.** If your Oregon depreciation isn't the same as your federal depreciation, the difference is a required modification to your Oregon return (ORS 317.301). Use *Schedule OR-DEPR* to determine the Oregon modification.

- **Gain or loss on the disposition of depreciable property.** Add the difference in gain or loss on sale of business assets when your Oregon basis is less than your federal basis (ORS 317.356).

- **Income from sources outside the United States.** Add income from sources outside the United States, as defined in IRC §862, not included in federal taxable income under IRC §861 to §864 (ORS 317.625).

- **Interest income excluded on the federal return.** Oregon gross income includes interest on all state and municipal bonds or other interest excluded for federal tax purposes. Reduce the addition by any interest incurred to carry the obligations and by any expenses incurred in producing this interest income (ORS 317.309).

- **Listed foreign jurisdictions—income.** Taxable income of any unitary corporation that's incorporated in a listed foreign jurisdiction shall be included in Oregon income as an addition if the income isn't otherwise included (ORS 317.716). Use the subject corporation's net income as reported on line 18, Schedule C of federal Form 5471. Report each subject corporation's income or loss as a separate amount on Schedule OR-ASC-CORP; don't combine amounts of multiple corporations. If a subject corporation's income has been excluded from your federal consolidated taxable income as carried to your Oregon return, it's a positive addition to arrive at Oregon taxable income (ORS 317.716 and corresponding administrative rules).

- **Listed foreign jurisdictions—loss.** Taxable loss of any unitary corporation that's incorporated in a listed foreign jurisdiction shall be included in Oregon income as a negative addition if the income isn't otherwise included (ORS 317.716). Use the subject corporation's net loss as reported on line 18, Schedule C of federal Form 5471. Report each subject corporation's income or

loss as a separate amount on Schedule OR-ASC-CORP; don't combine amounts of multiple corporations. If a subject corporation's loss or item of expense has been excluded from your federal consolidated taxable income as carried to your Oregon return, it is a negative addition to arrive at Oregon taxable income (ORS 317.716 and corresponding administrative rules).

- **Listed foreign jurisdictions**—previously included loss or expense. If any portion of loss or expense of a foreign corporation (subject corporation) that's required to be included in the determination of federal taxable income per ORS 317.716 was already included in your Oregon taxable income, it won't be included again. Reduce the addition loss for the portion of the loss or expense that was previously included. Include a schedule with your return to explain how each amount is determined (ORS 317.716 and corresponding administrative rules).
- **Oregon excise tax and other state or foreign taxes on or measured by net income.** Oregon excise tax may not be deducted on the Oregon return. Taxes of other states or foreign governments on or measured by net income or profits may not be deducted on the Oregon return. If you subtracted these taxes on your federal return, you must add them back on your Oregon return. However, the Oregon minimum tax and local taxes, such as the Multnomah County Business Income tax, are deductible, and aren't required to be added back (ORS 317.314).
- **QPAI deduction.** Add to federal taxable income the amount of QPAI deduction per IRC §199 claimed on the federal return. Agricultural or horticultural cooperatives, reduce the addition by the amount passed through to cooperative patrons under IRC §199(d)(3)(A) (ORS 317.398).

## Subtractions

**Important:** Subtractions for S corporations with federal taxable income or LIFO benefit recapture only (S corporations without federal taxable income, start on line 8).

**Line 3. Total subtractions.** The amount by which an item of gross income is less under Oregon law than federal law, or the amount by which an allowable deduction is greater under Oregon law than federal law, is a subtraction on your Oregon return. **Enter only subtractions that apply to taxable income included in line 1.**

Use Schedule OR-ASC-CORP to report the amount and description of each subtraction. Use the numeric description code from the list in Appendix A. The total of all subtractions is entered on Form OR-20-S, line 3.

Subtractions include:

- **Cancellation of debt (COD) income IRC §108(i).** Taxpayers with income that arose from cancellation of debt for the reacquisition of a debt instrument after

December 31, 2008, and before January 1, 2011, for less than its adjusted issue price, were allowed to elect deferral of income recognition for federal purposes, but not for Oregon. The exclusion from federal income created an addition on the Oregon return. As this income is subsequently recognized on your federal return you may subtract for Oregon the amount that was previously included in Oregon income (ORS 317.301).

- **Deferred gain recognized from out-of-state disposition of property acquired in an IRC §1031 or §1033 exchange.** See ORS 317.327 regarding the computation of the subtraction if gain or loss is recognized for federal tax purposes but not taken into account in the computation of Oregon taxable income.
- **Depreciation differences.** If your Oregon depreciation isn't the same as your federal depreciation, the difference is a required modification to your Oregon return (ORS 317.301). Use *Schedule OR-DEPR* to determine the Oregon modification.
- **Film production labor rebate.** Subtract the amount received as a labor rebate and included in federal taxable income in determining your Oregon taxable income (ORS 317.394).
- **Gain or loss on the sale of depreciable property.** The difference in gain or loss on the sale of business assets when your Oregon basis is greater than your federal basis (ORS 317.356).
- **Interest on obligations** of the United States and its instrumentalities included in Form OR-20-S, line 1. **This applies to income tax filers only. Reduce the subtraction by any expenses incurred to produce this interest income.**
- **Listed foreign jurisdictions—previously included income.** Taxable income of any unitary corporation that's incorporated in a listed foreign jurisdiction and isn't otherwise required to file a consolidated federal return (subject corporation) shall be included in Oregon income (ORS 317.716). If a portion of income of a subject corporation was previously included in Oregon taxable income, claim a separate subtraction for the portion of the income that was previously included. Don't combine previously included income with additions. See additions for more information. **Note: Don't** report losses from a subject corporation as a subtraction. See additions for how to report a loss (ORS 317.716 and corresponding administrative rules).
- **Losses from outside the United States.** Subtract losses from sources outside the United States, as defined in IRC §862, not included in federal taxable income under IRC §861 to §864 (ORS 317.625).
- **Manufactured dwelling park tenant payments** made under ORS 90.505 to 90.840 to compensate a tenant for costs incurred due to the closure of the park may be subtracted (ORS 317.092).

- **Marijuana businesses expenses.** ORS 317.763 allows Oregon taxpayers filing a corporate excise or income tax return to deduct business expenses otherwise barred by Internal Revenue Code (IRC) §280E if the taxpayer is engaged in marijuana-related activities authorized by ORS 475B.010 to 475B.395.
- **Sale of manufactured dwelling park.** The taxable gain attributable to the sale of a manufactured dwelling park to a tenant's association, facility purchase association or tenant's association supported non-profit organization is exempt from tax (Note following ORS 317.401).
- **State of Oregon interest income included on line 1 (income filers only).** Interest income from obligations of the state of Oregon isn't taxable if the obligation was issued after May 24, 1961. Reduce the subtraction by any expenses incurred to produce this interest income.

### Net loss deduction

- Use **line 5** for Oregon net loss carried over from a year the S corporation was a C corporation.
- Net losses are allowed as a deduction against built-in gain income only.
- The Oregon deduction is the sum of unused net losses assigned to Oregon for preceding taxable years.
- A net operating loss carryforward is required to be reduced by the entire Oregon taxable income of intervening tax years [ORS 317.476(4)(b)].
- Net losses can be carried forward up to 15 years to offset built-in gain income (ORS 314.740).
- Oregon doesn't allow net losses to be carried back.
- **Include a schedule** showing your computations.

**Line 6.** Apportionment percentage. Enter the apportionment percentage from Schedule OR-AP, part 1, line 22. If you have income only in Oregon and don't apportion, enter 100.0000.

**Line 7. Oregon taxable income.** Complete this line **only** if you are an S corporation with federal taxable income, built-in gains, or excess net passive income. **Most S corporations don't complete this line and begin on line 8.**

### Tax

**Line 8. Calculated tax. Don't enter the minimum tax on this line.**

All S corporations **without** federal taxable income, built-in gains, or excess net passive income enter -0- on lines 8 through 10 and go to line 11. S corporations **with** federal taxable income, built-in gains, or excess net passive income must determine and enter the calculated tax as follows:

- Is Oregon taxable income \$1 million or less? If so, multiply Oregon taxable income by 6.6 percent and enter the result. Enter -0- if the result is negative or zero.

- Is Oregon taxable income greater than \$1 million? If so, multiply the amount that's greater than \$1 million by 7.6 percent, and add \$66,000. Enter the result.

**Line 9. Schedule OR-FCG-20 adjustment.** A reduced tax rate is available if you sold or exchanged capital assets used in farming. Subtract the amount of adjustment for tax on net long-term capital gain from farm property from line 9 of Schedule OR-FCG-20 (ORS 317.063).

**Line 10. Total calculated tax** (line 8 minus line 9).

### Line 11. Minimum tax.

**Excise tax filers.** S corporations doing business in Oregon enter **\$150 minimum tax.**

**Reminder:** The minimum tax isn't apportionable for a short tax year (except a change of accounting period).

**Income tax filers.** S corporations not doing business in Oregon, but with Oregon-source income don't pay minimum tax. Enter -0- for minimum tax.

**Line 12. Tax** (greater of line 10 or line 11). Oregon tax is the greater of total calculated tax or minimum tax.

**Line 13. Tax adjustment for installment sales interest.** If you owe interest on deferred tax liabilities with respect to installment obligations under ORS 314.302, enter the amount of interest. Include a schedule showing how you figured the interest.

**Line 14. Tax before credits** (line 12 plus line 13).

### Credits

#### Important:

- Only credits carried forward from C corporation years are allowed on the S corporation return.
- No credits are allowed to offset the tax on excess net passive income or minimum tax. Credit carryforwards are only allowed to offset the tax on built-in gains [ORS 314.740(5)(b)].
- List credits and codes on the OR-ASC-CORP in the order you want them used.
- Remember to include any documentation required to be submitted to claim credits, including certifications.

**Line 15. Total credits.** Use Schedule OR-ASC-CORP to report the amount and description of credits. Use the numeric description code from the list in Appendix A. The total of all credits is entered on Form OR-20-S, line 15. These credits can apply to tax on recognized built-in gains only.

For a complete list and description of all Oregon corporation credits, visit [www.oregon.gov/dor/business](http://www.oregon.gov/dor/business).

**Line 16. Tax after credits** (line 14 minus line 15).

**Line 17. LIFO benefit recapture addition.** Oregon has adopted the provisions of IRC §1363(d) for S corporations. LIFO benefits are included in taxable income for the last year of the C corporation under these provisions. On the LIFO benefits line of each of the first three returns of the new S corporation, add one-third of the tax that was deferred from the last year of the C corporation. The tax on LIFO benefit recapture is in addition to all other taxes, including the Oregon corporate minimum tax for excise tax filers. Include the computation schedule with the Oregon return (ORS 314.750).

**Net tax**

**Line 18. Net tax.** Enter line 16 plus line 17.

**Payments, penalty, interest, and UND**

**Line 19. Estimated tax and prepayments.**

**Estimated tax paid for the tax year.** Fill in the total estimated tax payments made before filing your Oregon return.

**Schedule ES—Estimated payments or other prepayments.** Fill in the total estimated tax payments and any payments made with Form OR-20-V. Also include any refund applied from your previous year’s tax return or an Oregon amended return on line 5. List name and FEIN of the payer only if different from the corporation filing this return. On line 6, enter payments made with your extension or other prepayments.

**Total.** On line 7, enter the total of lines 1 through 6, then carry total to Form OR-20-S, line 19.

**Line 22. Penalty.** To avoid penalty and interest, you must mail any tax payment owed by the **original** due date of the tax return. You must also mail your tax return by the original due date, or by the extended due date if you file with a valid extension included.

Enter the following penalties on your return if they apply.

- **5 percent failure-to-pay penalty.** Include a penalty payment of 5 percent of your unpaid tax if you don’t pay by the original due date, even if you have an extension of time to file.

**Exception:** You won’t be charged the 5 percent failure-to-pay penalty if you meet all of the following requirements:

- You have a valid federal or Oregon extension, and
- You pay at least 90 percent of your tax after credits by the original due date of the return, and
- You file your return within the extension period, and
- You pay the balance of tax due when you file your return, and
- You pay the interest on the balance of tax due when you file your return or within 30 days of the date of the bill you receive from us.

If you filed with a valid extension but didn’t pay 90 percent of your tax liability by the original due date, you’ll be charged the 5 percent failure-to-pay penalty.

- **20 percent failure-to-file penalty.** Include a penalty payment of 20 percent of your unpaid tax if you don’t file your return within three months after the due date (including extensions). The failure-to-file penalty is in addition to the 5 percent failure-to-pay penalty.
- **100 percent late pay and late filing penalty.** Include a penalty payment of 100 percent of your unpaid tax if you don’t file returns for three consecutive years by the original or extended return filing due date of the third year. A 100 percent penalty is assessed on each year’s tax balance.

**Line 23. Interest.** You must pay interest on unpaid taxes if you don’t pay the tax balance by the original filing due date. An interest period is each full month, starting with the day after the due date of the original return. For example, April 16 through May 15 is one full interest period. If you file an amended return and have tax to pay, we’ll charge interest starting the day after the due date of the original return until the date you pay in full.

Interest owed on tax starts the day after the due date of your original return and ends on the date of your payment. Interest is figured daily for a fraction of a month, based on a 365-day year. If your taxable income is changed because of a federal or state audit and you owe more tax, we’ll charge interest from the due date of the original return to the date you pay in full.

Even if you get an extension to file, you’ll owe interest if you pay after the return’s original due date.

To calculate interest:

- Tax × Annual interest rate × Number of full years.
- Tax × Monthly interest rate × Number of full months.
- Tax × Daily interest rate × Number of days.

Interest rates and effective dates:

For periods beginning	Annually	Monthly	Daily
January 1, 2017	5%	0.4167%	0.0137%
January 1, 2016	4%	0.3333%	0.0110%
January 1, 2015	4%	0.3333%	0.0110%

Interest accrues on any unpaid tax during an extension of time to file.

Interest will increase by one-third of 1 percent per month (4 percent yearly) on delinquencies if:

- You file a return showing tax due, or we assessed an existing deficiency; and
- The assessment isn’t paid within 60 days after the notice of assessment is issued; and
- You haven’t filed a timely appeal.

**Line 24. Interest on underpayment of estimated tax (UND).** You must make quarterly estimated tax payments if you expect to owe \$500 or more with your return. This includes Oregon’s minimum tax. Oregon charges UND if:

- The quarterly payment is less than the amount due for that quarter; or
- We receive the quarterly payment after that quarter's due date; or
- No quarterly payments are made during the year and the final tax debt is \$500 or more.

Use Form OR-37 to:

- Calculate the amount of underpayment of estimated tax;
- Compute the interest you owe on the underpayment; or
- Show you meet an exception to the payment of interest.

If you have an underpayment, include Form OR-37—with the "Form OR-37" box checked—with your tax return, and file them before the due date of the return.

If your current year corporation tax liability, including the minimum tax, is less than \$500, you're not required to make estimated payments. Don't complete this form. However, this provision doesn't apply to a high-income taxpayer. A "**high-income taxpayer**" is one that had federal taxable income before net operating loss and capital loss carryovers and carrybacks of \$1 million or more in any one of the last three years, not including the current year.

## Total due or refund

**Line 26. Total due.** See "Filing checklist" for payment options. Include a Form OR-20-V payment voucher with your payment.

## Special instructions

- If you owe penalty or interest and have an overpayment on line 21, and your overpayment is less than total penalty and interest, then fill in the result of line 25 minus line 21, on line 26.
- If you mail a check or money order to pay tax, penalties, or interest **separate** from filing your tax return, include Form OR-20-V. (Form OR-20-V must include a payment, don't send unless a check or money order is included.)

**Line 28. Amount of refund to be credited to estimated tax.** You may elect to apply part or all of your refund to your next estimated tax payment installment. Fill in the amount you want to apply. Your election is irrevocable.

We will apply the elected amount to the estimated tax installment that next becomes due on or after the due date of your return (not including extensions) or the date the overpayment of tax was made, whichever is later. The amount will be credited as of the due date of your return (not including extensions) or the date the overpayment of tax was made, whichever is later.

## Schedule SM instructions

Schedule SM is for reporting Oregon modifications to federal taxable income that are passed through to

shareholders. If items of income, loss, or deduction are different under Oregon and federal law, indicate the federal schedule K-1 line and amount of the modification.

**Note:** Don't use Schedule OR-ASC-CORP codes for Schedule SM additions and subtractions.

**Line 1. Interest on government bonds of other states.** Enter interest the corporation received from states and local governments other than Oregon and its municipalities. Example: Include interest from state of Washington bonds or San Francisco city bonds, but omit interest from Oregon government bonds.

**Line 2. Gain or loss on the sale of depreciable property.** Enter the difference in gain or loss on the sale of business assets when your Oregon basis is less than your basis for federal purposes (ORS 316.716).

**Line 3. Other additions.** See ORS 316.680–316.848. Examples of other additions are:

- Gain from involuntary conversion. An S corporation shall make the election to defer gain from the involuntary conversion of property owned by it.
- Depletion in excess of basis.
- High-yield discount obligation interest.

**Line 5. Interest from U.S. government.** Enter the amount of interest received from the U.S. government, its instrumentalities, and organizations that invest in U.S. government securities.

**Line 6. Gain or loss on the sale of depreciable property.** Enter the difference in gain or loss on the sale of business assets when the Oregon basis is greater than it's for federal purposes (ORS 316.716).

**Line 7. Work opportunity credit wage reductions.** Were salaries and wages on federal Form 1120-S reduced for the work opportunity tax credit? Enter the amount of reduction here.

**Line 8. Subtractions.** See ORS 316.680 through 316.848 and ORS 314.734(4) and (5). You may subtract the Oregon corporation tax paid on built-in gains reported on line 1 of the return. Examples of subtractions include:

- Local government bond interest.
- Like-kind exchanges.
- High yield discount obligation dividends.
- Sale of public utility dividend reinvestment plan stock.
- Depreciation of basis differences due to claiming a federal tax credit.
- Long-term capital gains from sale of farm.

Each shareholder's share of additions and subtractions must be reported to the shareholder. These amounts may be added to the federal K-1s and labeled "Oregon additions" and "Oregon subtractions." Nonresident shareholders must report their ownership percentage of modifications, multiplied by the S corporation's Oregon apportionment percentage from Schedule OR-AP.

# Appendix A

## Corporation Form OR-20-S

### 2016 Schedule OR-ASC-CORP codes

#### Additions

Description	Code	Description	Code
Charitable donations not allowed for Oregon.....	132	Listed foreign jurisdictions—previously included loss or expense.....	177*
Deferred gain from out-of-state disposition of property .....	118	Oregon excise tax and other tax.....	151
Depreciation differences.....	174	QPAI deductions .....	102
Gain or loss on disposition of depreciable property ....	158	Uncategorized addition (must include explanation) .....	199
Income from sources outside U.S. ....	159		
Interest income excluded on federal (state, municipal, and other interest income).....	150		
Listed foreign jurisdictions—income .....	176*		
Listed foreign jurisdictions—loss .....	177*		

\* If you use code 176 or 177, you must also enter a “country code” on Schedule OR-ASC-CORP to indicate the listed foreign jurisdiction. See Appendix C for country codes.

#### Subtractions

Description	Code	Description	Code
Cancellation of debt (COD) income §108(i).....	365	Losses from outside U.S. ....	358
Deferred gain from out-of-state disposition of property .....	352	Manufactured dwelling park tenant payments.....	344
Depreciation differences.....	353	Marijuana business expenses .....	375
Film production labor rebate.....	336	Sale of manufactured dwelling park.....	338
Gain or loss on sale of depreciable property.....	356	State of Oregon interest income (income filers only).....	364
Interest on U.S. obligations and instrumentalities (income filers only).....	361	Uncategorized subtraction (must include explanation) .....	399
Listed foreign jurisdiction—previously included income .....	367*		

\* If you use code 367, you must also enter a “country code” on Schedule OR-ASC-CORP to indicate the listed foreign jurisdiction. See Appendix C for country codes.

#### Credits (carryforward from prior C corporation status only)

Description	Code	Description	Code
<b>Standard credits:</b>			
None			
<b>Carryforward credits:</b>			
Agricultural workforce housing .....	835	Individual Development Account (IDA) donation.....	852
Alternative fuel vehicle auction .....	865	Lender’s credit: energy conservation.....	848
Alternative qualified research activities .....	837	Long term enterprise zone facilities .....	853
Biomass production/collection.....	838	Oregon affordable housing lender’s credit .....	854
Business energy .....	839	Oregon Low Income Community Jobs Initiative .....	855
Child Care Fund contributions .....	841	Oregon production investment fund (auction) .....	856
Contributions of computers or scientific equipment....	842	Pollution control facilities .....	857
Crop donation.....	843	Qualified research activities .....	858
Electronic commerce zone investment.....	845	Reforestation of underproductive forestlands.....	867
Employer-provided dependent care assistance.....	846	Renewable energy development contributions.....	859
Employer scholarship.....	847	Renewable energy resource equipment manufacturing facility .....	860
Energy conservation projects .....	849	Riparian land .....	862
Fish screening devices .....	850	Transportation projects.....	863
Fueling stations for alternative fuel vehicles .....	851	Uncategorized carryforward credit (must include explanation).....	899
		University venture fund.....	864
		Weatherization lender’s credit .....	866

# Appendix B

## Oregon Corporation Form OR-20-S

### 2016 Tax rates and minimum tax

**Note:** Corporation **excise** tax filers pay the greater of calculated tax or minimum tax.

#### Calculated tax

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S corporations without federal taxable income, built-in gains, or excess net passive income generally have -0- calculated tax. These corporations pay minimum tax if they are **excise** tax filers.

If Oregon taxable income is:

- \$1 million or less, multiply Oregon taxable income by 6.6% (not below zero).
- more than \$1 million, multiply the amount exceeding \$1 million by 7.6%, and add \$66,000.

#### Minimum tax

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S corporation minimum tax is \$150 for **excise** tax filers.

**Note:** Income tax filers pay only calculated tax. They are not subject to minimum tax.

# Appendix C

## Oregon Corporation Form OR-20-S

### 2016 Listed foreign jurisdiction country codes

**Note:** Country codes are to be used on Schedule OR-ASC-CORP if you are also using addition codes 176 or 177 or subtraction code 367.

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Andorra .....	AN	Liberia .....	LI
Anguilla.....	AV	Liechtenstein.....	LS
Antigua and Barbuda.....	AC	Luxembourg.....	LU
Aruba .....	AA	Malta .....	MT
The Bahamas.....	BF	The Marshall Islands .....	RM
Bahrain .....	BA	Mauritius.....	MP
Barbados .....	BB	Montserrat.....	MH
Belize.....	BH	Nauru.....	NR
Bermuda .....	BD	Niue.....	NE
Bonaire.....	10	Saba .....	11
The British Virgin Islands.....	VI	Samoa.....	WS
The Cayman Islands .....	CJ	San Marino.....	SM
The Cook Islands.....	CW	Seychelles .....	SE
Curacao.....	UC	Sint Eustatius .....	12
Cyprus .....	CY	Sint Maarten.....	NN
Dominica .....	DO	St. Kitts and Nevis .....	SC
Gibraltar .....	GI	St. Lucia .....	ST
Grenada .....	GJ	St. Vincent and the Grenadines .....	VC
Guatemala .....	GT	The Turks and Caicos Islands.....	TK
Guernsey-Sark-Alderney.....	GK	The U.S. Virgin Islands.....	VQ
The Isle of Man .....	IM	Trinidad and Tobago .....	TD
Jersey .....	JE	Vanuatu .....	NH



# Appendix D

## Oregon Corporation Form OR-20

### Alternative apportionment

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Oregon law allows taxpayers to request an alternative method of apportionment. If you choose to make such a request you must follow the instructions below. Uniform Division of Income for Tax Purposes Act (UDITPA) taxpayers filing under ORS 314.605 to ORS 314.675, as well as insurers, and taxpayers filing under ORS 314.280, must use this procedure to apply for alternative apportionment.

#### Administration

The department will review the alternative apportionment request and issue a decision. This decision will be in the form of a letter. Taxpayers may appeal a denial of their alternative apportionment petition to Oregon Tax Court as provided in ORS 305.275.

If your alternative apportionment petition is approved you will have the opportunity to amend your returns under the normal statute of limitations. The approval of your alternative apportionment petition will remain in effect unless and until the department revokes the alternative apportionment petition during audit or you file a new alternative apportionment petition and receive the department's approval of the new proposal.

Please allow at least 6 months for the department to contact you about your alternative apportionment request.

Also, please note that all requests for alternative apportionment may result in additional review and documentation requirements.

#### Instructions part 1

- Include a written petition for alternative apportionment with or separate from your original or amended return.
- For administrative purposes, we prefer your request be made separate from your return.
- If your request is separate from your return, skip to Instructions part 2 below and **don't** check the Alternative apportionment checkbox on your return.
- If your request is filed with your return, you must check the Alternative Apportionment checkbox on the front of the return. Failure to do so could result in your request being overlooked. This box is to denote requests only and is not to be used after a request is granted.
- The original or amended return must be completed using standard apportionment unless/until an alternative apportionment has been approved by the department.

**Note:** Taxpayers filing amended returns for 2015 or prior must use the form year corresponding to the tax year even though there is no Alternative Apportionment checkbox on the return. Taxpayers must clearly identify they are requesting alternative apportionment and must adhere to all other requirements. Determinations to these amended returns will take longer to process.

- Returns, with or without petitions, must be sent to the department's normal return filing addresses. See "Filing checklist" in the instructions.
- Continue with Instructions part 2 below.

#### Instructions part 2

- The written petition must have the title "Alternative Apportionment Request."
- The petition must be signed by the taxpayer or the taxpayer's representative.
- In the case of a UDITPA taxpayer, the petition must fully explain why standard apportionment does not fairly and equitably represent the taxpayer's business activity in Oregon, the extent of the taxpayer's business activity in Oregon, or allocate net income to Oregon based on Oregon business activity. An ORS 314.280 taxpayer must fully explain why standard apportionment does not fairly and equitably represent the amount of net income the taxpayer

earns inside and outside Oregon. Finally, an insurer must explain why standard apportionment does not fairly and equitably represent the insurer's business activity within Oregon.

- In addition, the taxpayer's petition must fully explain their proposed method of alternative apportionment in their alternative apportionment request and explain why this proposed method of alternative apportionment is more accurate in reflecting business activity or net income, as appropriate, in Oregon than the standard formula.
- Finally, the taxpayer's petition must show how the taxpayer's Oregon Return (OR-20, OR-20-INC, OR-20-INS, or OR-20-S) would be completed, including the net tax calculation, using the taxpayer's proposed method of alternative apportionment.
- If your petition is mailed separately from your return, mail it to: Oregon Department of Revenue, Corporation Section, 955 Center ST NE, Salem OR 97301-2555. (Tax returns can't be submitted to this address.)