



# 2014

# Oregon Income Tax

## Full-Year Resident

- Form 40 and Form 40-V
- Schedules OR-ASC and OR-529

**April 15, 2015 is the due date for filing your return and paying your tax due**

**Find out if you qualify for the earned income credit**

See page 23.

**Veterans' benefits**

Find out more at [www.oregon.gov/ODVA](http://www.oregon.gov/ODVA).

**Healthy Kids program**

Find out if you qualify for health coverage at [www.oregonhealthykids.gov](http://www.oregonhealthykids.gov).



[www.oregon.gov/dor](http://www.oregon.gov/dor)

***This is the last year for automatic mailing!***



Beginning next year, we will no longer offer automatic mailing of forms and instructions. Forms and instructions are available at [www.oregon.gov/dor](http://www.oregon.gov/dor), or you can contact us to order them.

***We encourage you to file electronically. E-filed returns receive refunds in 7–10 days (see page 2).***



- Your return and tax owed are due April 15, 2015. See page 24 for payment options.
- These instructions are not a complete statement of laws and Oregon Department of Revenue rules. You may need more information. See page 32.

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## Electronic filing

E-file is the fastest way to file your return and receive your refund. The speed and accuracy of computers allow electronic returns to be processed faster than paper returns, greatly reducing errors and delays. E-file uses secure technology to ensure the safety of your personal information once it is transmitted to the IRS and the Department of Revenue.

Oregon participates in the IRS Federal/State E-file program. This program allows you to electronically file both your federal and Oregon returns at the same time. If you have already filed your federal return, you may still electronically file your Oregon return.

If you haven't tried e-file yet, why not this year? Join more than a million other Oregon taxpayers who electronically file their Oregon returns.

You can take advantage of e-file in one of three ways:

1. Ask your tax preparer.  
If your tax preparer is an authorized IRS e-file provider, your preparer can electronically file your federal and Oregon returns. Many Tax-Aide and Tax Counseling for the Elderly (TCE) sites set up by the IRS are authorized IRS e-file providers.
2. Online tax preparation software.  
You can file your federal and state returns from your home computer, from work, or from a library using Oregon-approved online tax preparation products. Go to our website at [www.oregon.gov/dor/e-filing](http://www.oregon.gov/dor/e-filing) for a list of tax preparation products that can assist in preparing your federal and Oregon returns.
3. You may be eligible for free e-file.  
Several tax preparation software providers offer free online electronic tax filing. For free online tax preparation programs, go to our website at [www.oregon.gov/dor/e-filing](http://www.oregon.gov/dor/e-filing).

For more information about e-filing, go to our website at [www.oregon.gov/dor](http://www.oregon.gov/dor).

# New information

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**Special Oregon medical subtraction.** For tax year 2014, an individual must be 63 years old before the close of the tax year to qualify for the subtraction.

**Personal exemption credit.** The personal exemption credit has changed. The credit may not be allowed if your federal adjusted gross income exceeds the income threshold for your filing status. See page 20 for more details.

**Same-sex married couples.** The Oregon Department of Revenue recognizes same-sex couples legally married in Oregon and other jurisdictions as married for Oregon tax purposes. If you are a same sex couple that married in Oregon in 2014, or previously in another state or country, you are required to use the same filing status used on your federal return (married filing jointly or married filing separately). You do not need to complete an “as if” federal return. Instead, attach your actual federal return to your Oregon return using the same filing status for both. For more information, visit our website at [www.oregon.gov/dor](http://www.oregon.gov/dor).

**Registered domestic partners (RDPs).** At the time of this publication, RDPs that are not legally married in Oregon or another jurisdiction are still generally

required to use the RDP filing jointly or RDP filing separately filing status. However, this may change following the 2015 Oregon legislative session. Any updates will be posted on our website at [www.oregon.gov/dor](http://www.oregon.gov/dor).

**Income tax booklets.** We are reducing the number of income tax booklets we send in the mail. To obtain a tax booklet, you can download a copy from our website at [www.oregon.gov/dor/personal](http://www.oregon.gov/dor/personal) or contact us. For contact information, see page 32.

**Political contribution credit.** A political contribution credit is no longer allowed if your federal adjusted gross income exceeds \$200,000 for married/RDP filing jointly or \$100,000 for all other filers. See page 21 for more details.

**Earned income credit.** The earned income credit has been increased to 8 percent of the credit allowed on your federal return.

**Tuition and fees deduction [code 308].** The tuition and fees deduction was expired at the time this publication was printed. If Congress did not reinstate this deduction, you are not allowed a tuition and fees deduction for Oregon.

## Federal tax law

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Oregon is tied to the federal definition of taxable income, with two exceptions:

- Internal Revenue Code (IRC) section 139A for federal subsidies for prescription drug plans; and
- IRC section 199 for income attributable to domestic production activities, also known as qualified production activity income (QPAI).

Income under these sections is exempt from tax on the federal return. If you have either of these types of income, you will have an addition on your Oregon tax return. See page 13.

Oregon will automatically adopt any future federal law changes to the definition of taxable income.

# General information

## Do I need to file?

You need to file if your gross income is more than the amount shown below for your filing status.

Amounts apply to full-year residents only.

Your filing status is:	Number of boxes checked on line 7a of return:	And your gross income is more than:
Can be claimed on another's return	Any	\$1,000*
Single	0	\$5,790
	1	\$6,990
	2	\$8,190
Married/ registered domestic partners (RDP) filing joint	0	\$11,575
	1	\$12,575
	2	\$13,575
	3	\$14,575
	4	\$15,575
Married/RDP filing separate	0	\$5,790
	1	\$6,790
	2	\$7,790
Head of household	0	\$7,225
	1	\$8,425
	2	\$9,625
Qualifying widow(er)	0	\$8,050
	1	\$9,050
	2	\$10,050

### In addition, file a return if:

- You are required to file a federal return.
- You had \$1 or more of Oregon income tax withheld from your wages.

\* The larger of \$1,000, or your earned income plus \$350, up to the standard deduction amount for your filing status.

## How long will it take to get my refund?

Effective after February 1, 2015:

<b>If you e-file your return</b>	7–10 business days
<b>If you mail your return before April 1</b>	
• With 2-D barcode	1–2 weeks
• Without 2-D barcode	10 weeks
<b>If you mail your return on or after April 1</b>	
• With 2-D barcode	2–4 weeks
• Without 2-D barcode	10 weeks

**Note:** If you claim the working family child care credit (WFC) or your return needs additional review, your return will take longer to process.

To check if your refund has been issued, go to [www.oregonrefund.com](http://www.oregonrefund.com) after the time frame listed above.

## What income does Oregon tax?

An Oregon resident is taxed on **all** income, including income from outside the state. A nonresident of Oregon is taxed only on income from Oregon sources.

## Residency

### Am I a resident, a nonresident, or a part-year resident?

The information below will help you decide.

- **You are a full-year Oregon resident**, even if you live outside Oregon, if **all** of the following are true:
  - You think of Oregon as your permanent home, and
  - Oregon is the center of your financial, social, and family life, and
  - Oregon is the place you intend to return to when you are away.
- **You are still a full-year resident if:**
  - You temporarily moved out of Oregon, or
  - You moved back to Oregon after a temporary absence.

You may also be considered a full-year resident if you spent more than 200 days in Oregon during 2014 or you are a nonresident alien, as defined by federal law.

- **You are a nonresident** if your permanent home was outside Oregon all year.
- **You are a part-year resident** if you moved into or out of Oregon during 2014. You are **not** considered a part-year resident if:
  - You temporarily moved out of Oregon, or
  - You moved back to Oregon after a temporary absence.

**Special-case Oregon residents.** If you are an Oregon resident and you meet all of the following conditions, you are considered a nonresident for tax purposes.

- You are an Oregon resident who maintained a permanent home outside Oregon the entire year, and
- You did not keep a home in Oregon during any part of 2014, and
- You spent less than 31 days in Oregon during 2014.

**Important!** A recreational vehicle (RV) is not considered a permanent home outside of Oregon.

**Oregon residents living abroad.** Usually you are considered a nonresident if you qualify for the federal earned income exclusion or housing exclusion for United States residents living abroad.

## What form do I use?

**Use Form 40** if you are a full-year Oregon resident.

**Use Form 40P if any ONE of the following is true:**

- You are a part-year resident, or
- You are filing jointly and one of you is a full-year Oregon resident and the other is a part-year resident, or
- You are filing jointly and both of you are part-year Oregon residents, or
- You qualified as an Oregon resident living abroad for part of the year.

**Use Form 40N if any ONE of the following is true:**

- You are a nonresident, or
- You are a special-case Oregon resident (see “Residency” section), or
- You are filing jointly and one (or both) of you is a nonresident, or
- You meet the military personnel nonresident requirements explained below, or
- You qualified as an Oregon resident living abroad for the entire year.

Forms 40P and 40N are included in the *Part-Year Resident and Nonresident* booklet. Download the booklet from our website or contact us to order it.

## Military personnel

**Residents stationed in Oregon.** If you are an Oregon resident stationed in Oregon, file Form 40.

**Residents stationed outside Oregon.** If you meet the requirements on page 4 for special-case Oregon residents or Oregon residents living abroad, file Form 40N from the *Part-Year Resident and Nonresident* booklet. File Form 40 if you don't meet the listed requirements.

**Nonresidents stationed in Oregon.** Oregon does not tax your military pay while you are stationed in Oregon. File Form 40N if you had other income from Oregon sources, or to claim a refund of Oregon tax withheld from your military pay.

For more information, go to our website or contact us.

## Filing for a deceased person

You must file a final personal income tax return for a person who died during the calendar year if the person would have been required to file. See “Do I need to file?” on page 4. If a return is filed, please check the “deceased” box on the return. If you have been appointed personal representative or you have filed a small estate affidavit, sign the return as “personal representative” and have the spouse/RDP sign if a joint return. If there is no personal representative for a joint return, only the surviving spouse/RDP needs to sign.

Are you filing a return and claiming a refund for someone who is now deceased and there is no court-appointed personal representative? If so, file Form 243, *Claim to Refund Due a Deceased Person*, with the return. This allows us to issue the refund check in your name. Download the form from our website or contact us to order it.

**Note:** Oregon has an estate transfer tax on estates valued at \$1 million or more. The tax is paid by the estate, not by the individuals receiving the inheritance. For more information, check our website or contact us.

## When should I file my return?

The filing deadline for calendar year 2014 is **April 15, 2015**. If you cannot pay all or any of your tax by the due date, it's important to file your return anyway to avoid a late-filing penalty.

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

## What if I need more time to file?

If you need more time to file, request an automatic six-month extension. Complete an Oregon extension form, Form 40-EXT, if:

- You're making a tax payment to Oregon and you can't file your Oregon return by April 15, 2015, or
- You are filing an extension for Oregon only.

Extensions must be filed by the due date of the return, April 15, 2015.

If you received a federal extension and are expecting an Oregon refund, do **not** use Form 40-EXT. Oregon will allow the same extension. Be sure to check box 7b on your Oregon return. Do **not** include a copy of your federal extension with your Oregon return. Keep a copy of your federal extension with your records.

If you need to complete Form 40-EXT, download it from our website or contact us to order it.

### **An extension does not mean more time to pay!**

You must pay all tax you expect to owe when you file your extension. If you do not pay all the tax due when you request an extension, you will owe interest on any unpaid tax after April 15, 2015, until the date of your payment. The 2015 rate is 4 percent per year. If the tax is not paid within 60 days of the date of our billing notice, the interest rate increases to 8 percent per year. You may also owe a late-payment penalty. If you cannot pay all of the tax you expect to owe, pay what you can.

### **Were you stationed in a designated combat zone?**

If you were stationed in a designated combat zone and received additional time to file your 2014 federal

return and pay your 2014 tax, Oregon allows the same amount of time to file and pay. **Write “Combat zone” in blue or black ink at the top left corner of your return.**

## Penalties

You will owe a 5 percent late-payment penalty on any 2014 tax not paid by April 15, 2015, even if you have filed an extension. See page 23.

Oregon does not allow an extension of time to pay even if the IRS allows an extension.

If you file more than three months after the due date (including extensions), a 20 percent late-filing penalty will be added; so, you will owe a total penalty of 25 percent of any tax not paid. A 100 percent penalty is charged if you do not file a return for three consecutive years by the due date of the third year, including extensions.

## 2015 estimated tax

Estimated tax is the amount of tax you expect to owe after credits and Oregon tax withheld when you file your 2015 Oregon individual income tax return.

Oregon estimated tax laws are not the same as federal estimated tax laws. Use Oregon instructions to determine if you need to make estimated tax payments for 2015.

### Do I need to make estimated payments?

In most cases, people who **expect to owe \$1,000 or more** on their 2015 Oregon income tax return after credits and withholding must make estimated payments. You may need to make estimated payments if:

- You are self-employed and do not have Oregon tax withheld from your income.
- You receive Oregon Lottery single ticket winnings of less than \$5,000. (Note: Single ticket winnings of \$5,000 or more are subject to Oregon withholding.)
- You receive income such as pensions, interest, or dividends; Oregon tax is not withheld; and you expect to owe tax of \$1,000 or more.
- You’re a wage earner and expect to owe tax of \$1,000 or more on your 2015 return. You may want to increase the amount your employer withholds from your Oregon wages. Download the publication *Oregon Income Tax Withholding* from our website or contact us to order it.

### When do I pay?

Estimated tax due dates for 2015 taxes are April 15, 2015\*; June 15, 2015; September 15, 2015; and January 15, 2016.

If paying with a check or money order, send your payment with Form 40-ESV, *Oregon Estimated Income Tax Payment Voucher*. Download the form from our website or contact us to order it. If you are paying by credit card or electronic payment from your checking or savings account, see page 24.

\* *Please send your 2015 estimated tax payment and Oregon Form 40-ESV in a separate envelope from your 2014 Oregon income tax return. This will help us credit your payment more efficiently.*

## Interest on underpayment of estimated tax

You may owe interest for underpaying your estimated tax if:

- You owe \$1,000 or more on your return after credits and withholding, or
- You paid less than 90 percent of the tax due on each estimated tax payment due date.

See the instructions for Form 40, line 51, on page 24.

## What if I’m self-employed?

If you’re self-employed and do business in **Multnomah, Clackamas, or Washington counties**, you may need to file Form TM, *TriMet Self-Employment Tax Return*. If you’re self-employed and do business in **Lane County**, you may need to file Form LTD, *Lane Transit District Self-Employment Tax Return*. Go to our website to download the forms, or contact us to order either form.

## What if I need to change my Oregon return after filing?

File an amended return. Use Form 40 to change (amend) your full-year resident return. Check the amended return box in the upper left corner of the form. You must also complete and include the *Oregon Amended Schedule* with your amended return. For prior year tax booklets or the *Oregon Amended Schedule*, please visit our website or contact us.

## Bankruptcy

If you are filing a short year return due to bankruptcy, write “Bankruptcy—short year return” in blue or black ink at the top of your return.

*Continued on page 11*

Amended Return

# OREGON

# 2014

## Form 40

### INDIVIDUAL INCOME TAX RETURN

#### Full-Year Residents Only

For office use only

Fiscal year ending

K F P J

W

Last name	First name and initial <input type="checkbox"/> Deceased	Social Security No. (SSN) - -	Date of birth (mm/dd/yyyy)
Spouse's/RDP's last name if joint return	Spouse's/RDP's first name and initial if joint return <input type="checkbox"/> Deceased	Spouse's/RDP's SSN if joint return - -	Date of birth (mm/dd/yyyy)

Current mailing address \_\_\_\_\_ Telephone number ( ) \_\_\_\_\_

City \_\_\_\_\_ State \_\_\_\_\_ ZIP code \_\_\_\_\_ Country \_\_\_\_\_  
If you filed a return last year, and your name or address is different, check here

**Filing Status**

1  Single

2a  Married filing jointly

2b  Registered domestic partners (RDP) filing jointly

3a  Married filing separately:  
Spouse's name \_\_\_\_\_ Spouse's SSN \_\_\_\_\_

3b  Registered domestic partner filing separately:  
Partner's name \_\_\_\_\_ Partner's SSN \_\_\_\_\_

4  Head of household: Person who qualifies you

5  Qualifying widow(er) with dependent child

**Exemptions**

6a Yourself ..... Regular <input type="checkbox"/>	..... Severely disabled <input type="checkbox"/>	..... 6a <input type="text"/>
6b Spouse/RDP ... Regular <input type="checkbox"/>	..... Severely disabled <input type="checkbox"/>	..... b <input type="text"/>
6c All dependents First names _____	..... c <input type="text"/>	
6d Disabled children only (see instructions)	..... d <input type="text"/>	
<b>Total</b> <input type="checkbox"/>		<b>6e</b> <input type="text"/>

Check all that apply ->

**7a**  You were:  65 or older  Blind  
**Spouse/RDP was:**  65 or older  Blind

**7b**  You filed an extension

**7c**  You have federal Form 8886

**7d**  Someone else can claim you as a dependent

8 Federal adjusted gross income. Federal Form 1040, line 37; 1040A, line 21; 1040EZ, line 4; 1040NR, line 36; or 1040NR-EZ, line 10. See instructions, page 13 ..... **8**   **Round to the nearest dollar** .00

**ADDITIONS**

9 Interest and dividends on state and local government bonds outside of Oregon... **9**   .00

10 Other additions. Identify: **10x**  **10y** \$  **Schedule included** **10z**  **10**   .00

11 Total additions. Add lines 9 and 10 ..... **11**   .00

12 Income after additions. Add lines 8 and 11 ..... **12**   .00

**SUBTRACTIONS**

13 2014 federal tax liability (**\$0-\$6,350; see instructions** for the correct amount) ..... **13**   .00

14 Social Security included on federal Form 1040, line 20b; or Form 1040A, line 14b... **14**   .00

15 Oregon income tax refund included in federal income ..... **15**   .00

16 Interest from U.S. government, such as Series EE, HH, and I bonds ..... **16**   .00

17 Federal pension income. See instructions, page 15. **17a**  % **17b**  % ..... **17**   .00

18 Other subtractions. Identify: **18x**  **18y** \$  **Schedule included** **18z**  **18**   .00

19 Total subtractions. Add lines 13 through 18 ..... **19**   .00

20 Income after subtractions. Line 12 minus line 19 ..... **20**   .00

**DEDUCTIONS** **If you are claiming itemized deductions, fill in lines 21 and 23-25. If you are claiming the standard deduction, fill in line 26 only.**

21 Itemized deductions from federal Schedule A, line 29 ..... **21**   .00

22 **Do not complete line 22** ..... **22**  0  .00

23 Total Oregon itemized deductions. Add lines 21 and 22 ..... **23**   .00

24 **State income tax claimed as an itemized deduction** ..... **24**   .00

25 Net Oregon itemized deductions. Line 23 minus line 24 ..... **25**   .00

**OR**

26 Standard deduction from page 19 ..... **26**   .00

27 Total deductions. **Line 25 or line 26, whichever is larger** ..... **27**   .00

28 **Oregon taxable income.** Line 20 minus line 27. If line 27 is more than line 20, enter -0- ..... **28**   .00

**Either line 25 or 26**

**TAX**

29 Tax. See instructions, page 19. Enter tax here ..... **29**   .00

Check if tax is from: 29a  Tax tables or charts or **29b**  Form FIA-40 or **29c**  Worksheet FCG

30 Interest on certain installment sales ..... **30**   .00

31 Total tax before credits. Add lines 29 and 30 ..... **OREGON TAX BEFORE CREDITS** **31**   .00

	32 Total tax before credits from front of form, line 31 .....	32		.00		
<b>NONREFUNDABLE CREDITS</b>	33 <b>Exemption credit.</b> If the amount on line 8 is less than \$100,000, multiply your total exemptions on line 6e by \$191. Otherwise, see instructions on page 20 .....	33		.00		
	34 Retirement income credit. See instructions, page 20 .....	34		.00		
	35 Child and dependent care credit. See instructions, page 21 .....	35		.00		
	36 Credit for the elderly or the disabled. See instructions, page 21 .....	36		.00		
	37 Political contribution credit. See limits, page 21 .....	37		.00		
	38 Credit for income taxes paid to another state. State: ● 38y <input type="checkbox"/> Schedule included 38z <input type="checkbox"/> .....	38		.00		
	39 Other credits. Identify: ● 39x <input type="checkbox"/> ● 39y \$ <input type="checkbox"/> Schedule included 39z <input type="checkbox"/> .....	39		.00		
	40 Total non-refundable credits. Add lines 33 through 39 .....	40		.00		
	41 Net income tax. Line 32 minus line 40. If line 40 is more than line 32, enter -0- .....	41		.00		
<b>PAYMENTS AND REFUNDABLE CREDITS</b>	42 Oregon income tax withheld. <b>Include Form(s) W-2 and 1099</b> .....	42		.00		
	43 Estimated tax payments for 2014 <b>and</b> payments made with your extension .....	43		.00		
	● 43a <input type="checkbox"/> Wolf deprecation ● 43b <input type="checkbox"/> Claim of right					
	44 Earned income credit. See instructions, page 23 .....	44		.00		
	45 <b>Working family child care credit</b> from WFC, line 18 .....	45		.00		
	46 Mobile home park closure credit. Include Schedule MPC .....	46		.00		
	47 Total payments and refundable credits. Add lines 42 through 46 .....	47		.00		
48 <b>Overpayment.</b> If line 41 is <b>less</b> than line 47, you overpaid. Line 47 minus line 41 .... <b>OVERPAYMENT</b> → .....	48		.00			
49 <b>Tax to pay.</b> If line 41 is <b>more</b> than line 47, you have tax to pay. Line 41 minus line 47 .... <b>TAX TO PAY</b> → .....	49		.00			
50 Penalty and interest for filing or paying late. See instructions, page 23 .....	50		.00			
51 Interest on underpayment of estimated tax. <b>Include Form 10 and check box</b> <input type="checkbox"/> .....	51		.00			
Exception # from Form 10, line 1 ● 51a <input type="checkbox"/> Check box if you annualized ● 51b <input type="checkbox"/>						
52 Total penalty and interest due. Add lines 50 and 51 .....	52		.00			
53 <b>Amount you owe.</b> Line 49 plus line 52 .....	53		.00			
54 <b>Refund.</b> Is line 48 more than line 52? If so, line 48 minus line 52 .....	54		.00			
55 <b>Estimated tax.</b> Fill in the part of line 54 you want applied to your estimated tax ... ..	55		.00			
<b>CHARITABLE CHECKOFF DONATIONS, PAGE 27</b> <i>I want to donate part of my tax refund to the following fund(s)</i>	American Diabetes Assoc. ● 56		.00	Oregon Coast Aquarium ● 57		.00
	SMART ● 58		.00	SOLV ● 59		.00
	The Nature Conservancy ● 60		.00	St. Vincent DePaul Soc. of OR ● 61		.00
	Oregon Humane Society ● 62		.00	The Salvation Army ● 63		.00
	Doernbecher Children's Hosp. ● 64		.00	Oregon Veteran's Home ● 65		.00
	Charity code ● 66a <input type="checkbox"/> ● 66b <input type="checkbox"/>		.00	Charity code ● 67a <input type="checkbox"/> ● 67b <input type="checkbox"/>		.00
	68 Political party \$3 checkoff. Party code: ● 68a <input type="checkbox"/> You ● 68b <input type="checkbox"/> Spouse/RDP .....	68		.00		
	69 Total Oregon 529 College Savings Plan deposits. See instructions, page 26 .....	69		.00		
	70 Total. Add lines 55 through 69. Total can't be more than your refund on line 54 .....	70		.00		
	71 <b>NET REFUND.</b> Line 54 minus line 70. This is your net refund .....	71		.00		

**DIRECT DEPOSIT**

72 For direct deposit of your refund, see instructions, page 27. ● **Type of account:**  Checking or  Savings

● Routing No.           ● Account No.

Will this refund go to an account outside the United States? ●  Yes

**Important: Include a copy of your federal Form 1040, 1040A, 1040EZ, 1040NR, or 1040NR-EZ.**

Under penalty for false swearing, I declare that the information in this return is true, correct, and complete.

Your signature X	Date	Signature of preparer other than taxpayer X	● Preparer license no.
Spouse's/RDP's signature (if filing jointly, BOTH must sign) X	Date	Address	Telephone no.

If you owe, make your check or money order payable to the **Oregon Department of Revenue.** Write your daytime telephone number and **"2014 Oregon Form 40"** on your check or money order. **Include your payment, along with the payment voucher** on page 23, with this return.

<b>Mail TAX-TO-PAY</b> returns to Oregon Department of Revenue PO Box 14555 Salem OR 97309-0940	<b>Mail REFUND</b> returns and <b>NO-TAX-DUE</b> returns to REFUND PO Box 14700 Salem OR 97309-0930
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Amended Return

# OREGON

# 2014

## Form 40

### INDIVIDUAL INCOME TAX RETURN

#### Full-Year Residents Only

For office use only

Fiscal year ending

K F P J

W

Last name	First name and initial <input type="checkbox"/> Deceased	Social Security No. (SSN) - -	Date of birth (mm/dd/yyyy)
Spouse's/RDP's last name if joint return	Spouse's/RDP's first name and initial if joint return <input type="checkbox"/> Deceased	Spouse's/RDP's SSN if joint return - -	Date of birth (mm/dd/yyyy)

Current mailing address \_\_\_\_\_ Telephone number ( ) \_\_\_\_\_

City \_\_\_\_\_ State \_\_\_\_\_ ZIP code \_\_\_\_\_ Country \_\_\_\_\_  
If you filed a return last year, and your name or address is different, check here

<b>Filing Status</b> 1 <input type="checkbox"/> Single 2a <input type="checkbox"/> Married filing jointly 2b <input type="checkbox"/> Registered domestic partners (RDP) filing jointly 3a <input type="checkbox"/> Married filing separately: Spouse's name _____ Spouse's SSN _____ 3b <input type="checkbox"/> Registered domestic partner filing separately: Partner's name _____ Partner's SSN _____ 4 <input type="checkbox"/> Head of household: Person who qualifies you 5 <input type="checkbox"/> Qualifying widow(er) with dependent child	<b>Exemptions</b> 6a Yourself ..... Regular <input type="checkbox"/> ..... Severely disabled <input type="checkbox"/> ..... 6a <input type="checkbox"/> 6b Spouse/RDP ... Regular <input type="checkbox"/> ..... Severely disabled <input type="checkbox"/> ..... b <input type="checkbox"/> 6c All dependents First names ..... c <input type="checkbox"/> 6d <b>Disabled</b> children only (see instructions) ..... d <input type="checkbox"/> <b>Total</b> ..... 6e <input type="checkbox"/>
--	--

Check all that apply ->

<b>7a</b> <input type="checkbox"/> You were: <input type="checkbox"/> 65 or older <input type="checkbox"/> Blind <b>Spouse/RDP was:</b> <input type="checkbox"/> 65 or older <input type="checkbox"/> Blind	<b>7b</b> <input type="checkbox"/> You filed an extension	<b>7c</b> <input type="checkbox"/> You have federal Form 8886	<b>7d</b> <input type="checkbox"/> Someone else can claim you as a dependent
--	---	---	--

8 Federal adjusted gross income. Federal Form 1040, line 37; 1040A, line 21; 1040EZ, line 4; 1040NR, line 36; or 1040NR-EZ, line 10. See instructions, page 13 ..... 8  .00 **Round to the nearest dollar**

**ADDITIONS**

9 Interest and dividends on state and local government bonds outside of Oregon... • 9	<input type="text"/>	<input type="text"/>	.00
10 Other additions. Identify: •10x <input type="text"/> •10y \$ <input type="text"/> Schedule included 10z <input type="checkbox"/> • 10	<input type="text"/>	<input type="text"/>	.00
11 Total additions. Add lines 9 and 10	<input type="text"/>	<input type="text"/>	.00
12 Income after additions. Add lines 8 and 11	<input type="text"/>	<input type="text"/>	.00

**SUBTRACTIONS**

13 2014 federal tax liability ( <b>\$0-\$6,350; see instructions</b> for the correct amount) .... • 13	<input type="text"/>	<input type="text"/>	.00
14 Social Security included on federal Form 1040, line 20b; or Form 1040A, line 14b... • 14	<input type="text"/>	<input type="text"/>	.00
15 Oregon income tax refund included in federal income ..... • 15	<input type="text"/>	<input type="text"/>	.00
16 Interest from U.S. government, such as Series EE, HH, and I bonds ..... • 16	<input type="text"/>	<input type="text"/>	.00
17 Federal pension income. See instructions, page 15. 17a <input type="text"/> % 17b <input type="text"/> %... • 17	<input type="text"/>	<input type="text"/>	.00
18 Other subtractions. Identify: •18x <input type="text"/> •18y \$ <input type="text"/> Schedule included 18z <input type="checkbox"/> • 18	<input type="text"/>	<input type="text"/>	.00
19 Total subtractions. Add lines 13 through 18	<input type="text"/>	<input type="text"/>	.00
20 Income after subtractions. Line 12 minus line 19	<input type="text"/>	<input type="text"/>	.00

**DEDUCTIONS** If you are claiming itemized deductions, fill in lines 21 and 23-25. If you are claiming the standard deduction, fill in line 26 only.

21 Itemized deductions from federal Schedule A, line 29 ..... • 21	<input type="text"/>	<input type="text"/>	.00
22 <b>Do not complete line 22</b> ..... 22	0	<input type="text"/>	.00
23 Total Oregon itemized deductions. Add lines 21 and 22 ..... • 23	<input type="text"/>	<input type="text"/>	.00
24 <b>State income tax claimed as an itemized deduction</b> ..... • 24	<input type="text"/>	<input type="text"/>	.00
25 Net Oregon itemized deductions. Line 23 minus line 24 ..... • 25	<input type="text"/>	<input type="text"/>	.00
<b>OR</b>			
26 Standard deduction from page 19 ..... • 26	<input type="text"/>	<input type="text"/>	.00
27 Total deductions. <b>Line 25 or line 26, whichever is larger</b> ..... • 27	<input type="text"/>	<input type="text"/>	.00
28 <b>Oregon taxable income.</b> Line 20 minus line 27. If line 27 is more than line 20, enter -0- ..... • 28	<input type="text"/>	<input type="text"/>	.00

} **Either line 25 or 26**

**TAX**

29 Tax. See instructions, page 19. Enter tax here ..... • 29	<input type="text"/>	<input type="text"/>	.00
Check if tax is from: 29a <input type="checkbox"/> Tax tables or charts or • 29b <input type="checkbox"/> Form FIA-40 or • 29c <input type="checkbox"/> Worksheet FCG			
30 Interest on certain installment sales ..... • 30	<input type="text"/>	<input type="text"/>	.00
31 Total tax before credits. Add lines 29 and 30 ..... <b>OREGON TAX BEFORE CREDITS</b> • 31	<input type="text"/>	<input type="text"/>	.00

	32 Total tax before credits from front of form, line 31 .....	32		.00
<b>NONREFUNDABLE CREDITS</b>	33 <b>Exemption credit.</b> If the amount on line 8 is less than \$100,000, multiply your total exemptions on line 6e by \$191. Otherwise, see instructions on page 20 .....	33		.00
	34 Retirement income credit. See instructions, page 20 .....	34		.00
	35 Child and dependent care credit. See instructions, page 21 .....	35		.00
	36 Credit for the elderly or the disabled. See instructions, page 21 .....	36		.00
	37 Political contribution credit. See limits, page 21 .....	37		.00
<b>Include proof</b>	38 Credit for income taxes paid to another state. State: ● 38y <input type="text"/> Schedule included 38z <input type="checkbox"/> .....	38		.00
	39 Other credits. Identify: ● 39x <input type="text"/> ● 39y \$ <input type="text"/> Schedule included 39z <input type="checkbox"/> .....	39		.00
	40 Total non-refundable credits. Add lines 33 through 39 .....	40		.00
	41 Net income tax. Line 32 minus line 40. If line 40 is more than line 32, enter -0- .....	41		.00
<b>PAYMENTS AND REFUNDABLE CREDITS</b>	42 Oregon income tax withheld. <b>Include Form(s) W-2 and 1099</b> .....	42		.00
	43 Estimated tax payments for 2014 <b>and</b> payments made with your extension .....	43		.00
	● 43a <input type="checkbox"/> Wolf depredation   ● 43b <input type="checkbox"/> Claim of right			
<b>Include Schedule WFC if you claim this credit</b>	44 Earned income credit. See instructions, page 23 .....	44		.00
	45 <b>Working family child care credit</b> from WFC, line 18 .....	45		.00
	46 Mobile home park closure credit. Include Schedule MPC .....	46		.00
	47 Total payments and refundable credits. Add lines 42 through 46 .....	47		.00
	48 <b>Overpayment.</b> If line 41 is <b>less</b> than line 47, you overpaid. Line 47 minus line 41 .... <b>OVERPAYMENT</b> → .....	48		.00
	49 <b>Tax to pay.</b> If line 41 is <b>more</b> than line 47, you have tax to pay. Line 41 minus line 47 .... <b>TAX TO PAY</b> → .....	49		.00
	50 Penalty and interest for filing or paying late. See instructions, page 23 .....	50		.00
	51 Interest on underpayment of estimated tax. <b>Include Form 10 and check box</b> <input type="checkbox"/> .....	51		.00
	Exception # from Form 10, line 1   ● 51a <input type="text"/> Check box if you annualized ● 51b <input type="checkbox"/>			
	52 Total penalty and interest due. Add lines 50 and 51 .....	52		.00
	53 <b>Amount you owe.</b> Line 49 plus line 52 .....	53	<b>AMOUNT YOU OWE</b> →	.00
	54 <b>Refund.</b> Is line 48 more than line 52? If so, line 48 minus line 52 .....	54	<b>REFUND</b> →	.00
	55 <b>Estimated tax.</b> Fill in the part of line 54 you want applied to your estimated tax ... ● 55	55		.00
<b>CHARITABLE CHECKOFF DONATIONS, PAGE 27</b>	American Diabetes Assoc. ● 56		.00	
	SMART ● 58		.00	
	The Nature Conservancy ● 60		.00	
	Oregon Humane Society ● 62		.00	
	Doernbecher Children's Hosp. ● 64		.00	
	Charity code ● 66a <input type="text"/> ● 66b <input type="text"/>		.00	
<i>I want to donate part of my tax refund to the following fund(s)</i>	Oregon Coast Aquarium ● 57		.00	
	SOLV ● 59		.00	
	St. Vincent DePaul Soc. of OR ● 61		.00	
	The Salvation Army ● 63		.00	
	Oregon Veteran's Home ● 65		.00	
	Charity code ● 67a <input type="text"/> ● 67b <input type="text"/>		.00	
<b>See instructions</b>	68 Political party \$3 checkoff. Party code: ● 68a <input type="text"/> You ● 68b <input type="text"/> Spouse/RDP .....	68		.00
	69 Total Oregon 529 College Savings Plan deposits. See instructions, page 26 .....	69		.00
	70 Total. Add lines 55 through 69. Total can't be more than your refund on line 54 .....	70		.00
	71 <b>NET REFUND.</b> Line 54 minus line 70. This is your net refund .....	71	<b>NET REFUND</b> →	.00

ADD TOGETHER

ADD TOGETHER

These will reduce your refund

**DIRECT DEPOSIT**

72 For direct deposit of your refund, see instructions, page 27. ● Type of account:  Checking or  Savings

● Routing No.           ● Account No.

Will this refund go to an account outside the United States? ●  Yes

**Important: Include a copy of your federal Form 1040, 1040A, 1040EZ, 1040NR, or 1040NR-EZ.**

Under penalty for false swearing, I declare that the information in this return is true, correct, and complete.

Your signature X	Date	Signature of preparer other than taxpayer X	● Preparer license no.
Spouse's/RDP's signature (if filing jointly, BOTH must sign) X	Date	Address	Telephone no.

If you owe, make your check or money order payable to the **Oregon Department of Revenue.** Write your daytime telephone number and **"2014 Oregon Form 40"** on your check or money order. **Include your payment, along with the payment voucher** on page 23, with this return.

Mail **TAX-TO-PAY** returns to Oregon Department of Revenue PO Box 14555 Salem OR 97309-0940

Mail **REFUND** and **NO-TAX-DUE** returns to REFUND PO Box 14700 Salem OR 97309-0930

# General instructions for Form 40

## Step 1: Fill out your federal form

Complete your federal return first. **Do this even if you are not required to file a federal form.** You must use the information from your federal return to complete your Oregon return. You must include a copy (front and back) of your federal Form 1040, 1040A, 1040EZ, 1040NR, or 1040NR-EZ with your Oregon Form 40. **Do not** include any federal schedules. We may ask you for copies of schedules or additional information later.

**Registered domestic partners (RDPs):** To correctly determine your Oregon tax liability, you must complete a federal income tax return “as if” you were married filing jointly or married filing separately.

For more information on how to file as an RDP or same-sex married couple, visit our website at [www.oregon.gov/dor/personal](http://www.oregon.gov/dor/personal).

## Step 2: Select the appropriate form

To decide which form to use, see page 5.

## Step 3: Fill out the Oregon form

**Use blue or black ink only.** Please use blue or black ink for easier reading and faster processing. Equipment used to scan documents and checks cannot read gel ink or certain colors and using them will delay the processing of your return.

### Amended return

If you are amending your 2014 return, check the box in the upper left corner and include the *Oregon Amended Schedule* with your amended return. You can find the *Oregon Amended Schedule* on our website at [www.oregon.gov/dor/personal](http://www.oregon.gov/dor/personal).

### Fiscal year filers only

Write the ending date of your fiscal year in the space provided. **Write “Fiscal year” in blue or black ink at the top left corner of your return.**

### Name and address

Type or clearly print your name, Social Security number, date of birth, complete mailing address, and daytime telephone number on your return. If you are married/RDP filing separately, do not fill in your spouse’s/RDP’s name and SSN here. Enter it on line 3 instead. If the taxpayer died in 2014 or 2015, please check the “deceased” box next to their name.

**Social Security number (SSN).** The request for your SSN is authorized by Section 405, Title 42, of the United

States Code. You **must** provide this information. It will be used to establish your identity for tax purposes only.

**Individual taxpayer identification number (ITIN).** If the IRS issued you an ITIN because you don’t have a Social Security number, enter your ITIN wherever your SSN is requested.

If you don’t have an ITIN, you need to request one from the IRS. In this case, **write “Applied for” wherever your SSN is requested** and file your return by April 15, 2015. **Do not** include your ITIN application (federal Form W-7) with your Oregon tax return. For a copy of Form W-7, go to the IRS website at [www.irs.gov](http://www.irs.gov), or call the IRS toll-free at 1-800-829-1040. When the IRS issues you an ITIN, send a copy of your ITIN letter to the Oregon Department of Revenue. **Refunds will not be issued without a valid SSN or ITIN.**

**Date of birth.** Enter the month, day, and year you were born. For example, “09/22/1976.”

## Check the boxes

### Filing status

**1** – **5** Check the box next to your filing status. You must use the same filing status for your Oregon and federal returns.

**Exception for registered domestic partners (RDPs).** As an RDP, you are not eligible to use the single filing status. For Oregon, you are generally **required** to use one of the following filing statuses: registered domestic partners filing jointly or registered domestic partner filing separately.

For more information, go to our website or contact us.

**Exceptions for married/RDP persons when each person has a different residency status:**

- **Full-year resident and part-year resident.** You may file separate Oregon returns. If you file separate returns for Oregon, you **must** use the married/RDP filing separately status. The full-year resident will file Form 40, and the part-year resident will file Form 40P. If you choose to file a joint return for Oregon, use Form 40P.
- **Full-year resident and nonresident.** You may file separate Oregon returns. If you file separate returns for Oregon, you **must** use the married/RDP filing separately status. The full-year resident will file Form 40, and the nonresident will file Form 40N. If you choose to file a joint return for Oregon, use Form 40N.
- **Part-year resident and nonresident.** You may file separate Oregon returns. If you file separate returns for Oregon, you **must** use the married/RDP filing separately status. The part-year resident will file Form 40P,

and the nonresident will file Form 40N. If you choose to file a joint return for Oregon, use Form 40N.

## How to file separate returns for Oregon

If you **file separate returns for Oregon only**, report your own share of federal adjusted gross income (AGI) and deductions. Also, report your share of any Oregon additions or subtractions using this formula to determine your percentage:

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

Write **"MFS/RDP for Oregon only"** in blue or black ink at the top left corner of your return. Include the following with **both** Oregon returns:

- A federal Form 1040, 1040A, 1040EZ, 1040NR, or 1040NR-EZ prepared **"as if"** you had filed married/RDP filing separately, and
- A copy of the joint Form 1040, 1040A, 1040EZ, 1040NR, or 1040NR-EZ you **actually** filed with the IRS.

If possible, mail both spouses'/RDPs' Oregon returns in the **same** envelope. **Do not** staple the returns together.

For more information, visit our website.

If you are **married/RDP filing separately**, fill in your spouse's/RDP's first name, last name (first four letters only), and Social Security number under box 3a or 3b. Do **not** fill in your spouse's/RDP's name or Social Security number in the heading of the return.

If you are filing as **head of household**, fill in the name of a person who qualifies you for head of household filing status next to box 4. Please enter only one name.

## Exemptions

**6a & 6b** **Yourself and spouse/RDP.** Check "Yourself" and other boxes that apply. **If someone else can claim you as a dependent (even if they did not), do not check "Yourself;"** instead enter -0- in the total box on 6a unless you have a severe disability.

**Severely disabled.** Did you have a severe disability at the end of 2014? If so, you may claim an additional exemption. This is different from the disabled child exemption. You may qualify for and claim the severely disabled exemption even if someone else can claim you as a dependent. You are considered to have a severe disability if **any** of the following apply:

- You permanently lost the use of one or both feet; or
- You permanently lost the use of both hands; or
- You're permanently blind; or
- You have a permanent condition that, without special equipment or outside help, limits your ability to earn a living, maintain a household, or transport yourself; or
- You are unable to earn a living due to a permanent condition or impairment of indefinite duration.

If you have a severe disability, your physician must write a letter describing it. Keep the letter with your permanent records in case we request a copy.

If you qualify, check the "severely disabled" exemption box on line 6a. If your spouse or RDP qualifies, check the "severely disabled" exemption box on line 6b. You and your spouse/RDP may also qualify for the loss of use of limbs credit.

**6c** **All dependents.** Enter the number of your dependents in box 6c. Write their first names on the line. In most cases, you must claim the same dependents claimed on your federal return. If the first names of your dependents do not fit on the line, write the names on a statement instead. Number the statement and include it with your return. Write "STM" and the statement number on line 6c.

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

- Your child qualified as your dependent for 2014, **and**
- Your child was eligible for "early intervention services" or received special education as defined by the State Board of Education of the state where the child attends school, **and**
- Your child has a disability as of December 31, 2014 under the federal Individuals with Disabilities Act. Eligible disabilities include:
  - Intellectual disability.
  - Hearing impairment.
  - Visual impairment.
  - Deafblindness.
  - Communication disorder.
  - Emotional disturbance.
  - Orthopedic impairment.
  - Traumatic brain injury.
  - Autism spectrum disorder.
  - Specific learning disorder.
  - Multiple disabilities.

You must get a statement of eligibility that confirms one of the disabilities listed **and** a cover sheet from one of the following:

- The child's Individualized Education Program (IEP), or
- The child's Individualized Family Service Plan (IFSP).

Keep the statement and cover sheet with your permanent records. Write your disabled child's name on line 6d, "Disabled children only." If the first names of your disabled children do not fit on the line, write the names on a separate statement instead. Number the statement and include it with your return. Write "STM" and the statement number on line 6d. Also be sure to include the same child's name on line 6c for "All dependents."

**7a** **Age 65 or older, or blind.** Check the boxes on line 7a if you or your spouse/RDP were age 65 or older or were blind on December 31, 2014. You are entitled to a larger standard deduction on Form 40, line 26. If you or your spouse/RDP are permanently

blind, you may also qualify for the severely disabled exemption credit. See box 6a and 6b instructions.

**7b** **Extension.** If you filed for an extension, check box 7b. For more information, see page 5.

**7c** **Federal Form 8886.** Check box 7c if you filed federal Form 8886, *Reportable Transaction Disclosure Statement*.

**7d** **Dependent.** If your parents or someone else can claim you as a dependent (even if they did not), you can't claim an exemption for yourself. Check box 7d and **enter -0- in the total box on line 6a**, unless you are severely disabled.

## Form 40 line instructions

**The following instructions are for lines not fully explained on the form. For general Form 40 instructions, see page 11.**

**Do not fill in cents.** You **must** round off cents to the nearest dollar. For example, \$99.49 becomes \$99.00, and \$99.50 becomes \$100.00.

**8** **Federal adjusted gross income.** Enter your federal adjusted gross income from Form 1040, line 37; Form 1040A, line 21; Form 1040EZ, line 4; Form 1040NR, line 36; or Form 1040NR-EZ, line 10. You **must** include a copy (front and back) of your federal return with your Oregon Form 40. This helps us verify your income and process your return faster.

### Additions

Generally, additions are items not taxed by the federal government, but taxed by Oregon. Additions increase the income taxed by Oregon.

**9** **Interest and dividends on state and local government bonds outside of Oregon.** You must add to Oregon income any interest and dividends you received from state and local governments **outside** Oregon. You don't pay federal tax on this interest, but you do pay Oregon tax.

**Example:** Include interest from state of Washington bonds or from San Francisco city bonds. Do not include interest from Oregon government bonds or interest from U.S. territories or possessions (such as Guam, Puerto Rico, or the Virgin Islands).

**10** **Other additions.** You may need to report one or more other additions explained here. Please identify the addition using the numeric code shown. If you have only one "Other addition," enter the code on line 10x and the amount on lines 10y and 10. For example, if you're reporting a \$200 addition for claim of right, enter "103" on line 10x **and** "\$200" on lines 10y and 10. If you're claiming more than one "Other additions," do not enter a code or amount on line 10x or 10y. Instead, check box 10z and include Schedule OR-ASC with your return with the numeric codes and amounts of the additions. Enter the total from Schedule OR-ASC on line 10.

Did you limit itemized deductions on your federal return because your federal adjusted gross income exceeded the threshold amount? If so, you may need to complete a worksheet to determine the correct addition amount for itemized deduction addbacks for Oregon credits. The itemized deduction limit worksheet is available in the 2014 *Publication 17*½ at [www.oregon.gov/dor/personal](http://www.oregon.gov/dor/personal).

• **Federal deduction for long-term care insurance premiums [code 147].** Will you claim an Oregon long-term care insurance premiums credit this year? Did you claim a federal deduction on federal Schedule A for the premiums? If so, you must add to Oregon income the amount of premiums that resulted in a tax benefit on your federal return.

• **Federal income tax refunds [code 109].** Did you get a federal tax refund in 2014 because you filed an amended federal return for a prior year or were audited? If so, you must add back the part of your refund that was claimed as part of your federal tax subtraction on your Oregon return for the prior year.

• The following additions apply to only a few people and are not explained in this booklet. For more information, go to our website or contact us.

— 529 Oregon College Savings Network plan non-qualified withdrawal [code 117].

— Basis adjustments.

• Basis of business assets transferred to Oregon [code 150].

• Depletion in excess of property basis [code 151].

• Depreciation difference for Oregon [code 152].

• Federal depreciation disconnect [code 153].

• Gain or loss on the sale of depreciable property with different basis for Oregon [code 154].

• Passive activity losses [code 155].

• Suspended losses [code 156].

— Business credit, unused [code 122].

— Claim of right income repayments [code 103].

— Disposition of inherited Oregon farmland or forestland [code 106].

— Domestic production activities deduction [code 102].

— Federal election on interest and dividends of a minor child [code 107].

— Fiduciary adjustments.

- Accumulation distribution from a trust [code 132].
  - Federal estate tax on income in respect of a decedent [code 157].
  - Fiduciary adjustments from Oregon estates and trusts [code 133].
- Individual Development Account (IDA).
- Non-qualified withdrawal [code 137].
  - Add back for IDA donation credit [code 138].
- Itemized or business deduction addback for Oregon credits.
- Contributions to Alternative Fuel Vehicle Fund [code 141].
  - Contributions to Child Care Fund [code 142].
  - Contributions to Oregon Cultural Trust [code 143].
  - Contributions to Oregon Production Investment Fund [code 144].
  - Contributions to Renewable Energy Development Fund [code 145].
  - Contributions to a university venture fund [code 146].
  - Income taxes paid to another state [code 148].
  - Long-term care insurance premiums [code 147].
  - Self-employed long-term care insurance deduction [code 149].
- Lump-sum payment from a qualified retirement plan [code 139].
- Net operating loss non-Oregon source [code 116].
- Oregon deferral of reinvested capital gain [code 118].
- Partnership or S corporation modifications for Oregon [code 119].
- Passive foreign investment company income [code 140].
- Prescription drug plan subsidies [code 123].
- Schedule A deduction add back for Oregon subtractions.
- Gambling losses claimed as itemized deduction [code 134].
  - Oregon only Schedule A items [code 135].
  - Refund of Oregon only Schedule A items from a prior year [code 136].

## Subtractions

Generally, subtractions are items the federal government taxes but Oregon does not. Subtractions reduce the income taxed by Oregon.

**13** **2014 federal tax liability subtraction.** Complete the following worksheet to determine your **federal tax liability** subtraction for 2014. Carefully follow the instructions. Don't confuse your **federal tax liability** on your federal return with the **federal tax withheld** on your Form(s) W-2. They are not the same. **RDPs:** Use amounts from your actual return(s), **not** your "as if" return.

**Note:** Calculations in addition to those listed below are required if you:

- Filed your federal return on Form 1040NR or 1040NR-EZ; or,
- Claimed recapture taxes on your federal return; or,
- Claimed first-time homebuyer credit recapture from Form 1040, line 59b.

If any of the above apply to you, refer to the worksheet in Publication 17½ to calculate your federal tax subtraction.

1. Enter your federal tax liability from Form 1040, line 56; Form 1040A, line 37; Form 1040 EZ, line 10. 1. \_\_\_\_\_
2. Enter your excess advance premium tax credit from Form 1040, line 46; Form 1040A line, 29. 2. \_\_\_\_\_
3. **Subtract** line 2 from 1 (if less than zero, enter zero). 3. \_\_\_\_\_
4. Enter your additional tax on retirement plans from Form 1040 line 59. 4. \_\_\_\_\_
5. **Add** lines 3 and 4. 5. \_\_\_\_\_
6. Enter your American opportunity credit from Form 1040, line 68; Form 1040A, line 44. 6. \_\_\_\_\_
7. Enter your total premium tax credit from Form 8962, line 24. 7. \_\_\_\_\_
8. **Add** lines 6 and 7. 8. \_\_\_\_\_
9. **Subtract** Line 8 from 5 (if less than zero, enter zero). 9. \_\_\_\_\_
10. Enter your maximum allowable tax liability subtraction from the table below. Don't fill in less than zero or more than \$6,350. 10. \_\_\_\_\_
11. Enter the **smaller** of line 9 or line 10 here and on Form 40, line 13. 11. \_\_\_\_\_

If your filing status is:	And your federal adjusted gross income is:		Then your maximum allowable tax liability subtraction is:
	at least—	but less than—	
Single	-0-	\$125,000	\$6,350
	\$125,000	\$130,000	\$5,050
	\$130,000	\$135,000	\$3,800
	\$135,000	\$140,000	\$2,500
	\$140,000	\$145,000	\$1,250
	\$145,000 or more		-0-
Married/RDP filing separately	-0-	\$125,000	\$3,175
	\$125,000	\$130,000	\$2,525
	\$130,000	\$135,000	\$1,900
	\$135,000	\$140,000	\$1,250
	\$140,000	\$145,000	\$625
	\$145,000 or more		-0-
Married/RDP filing jointly, or	-0-	\$250,000	\$6,350
	\$250,000	\$260,000	\$5,050
	\$260,000	\$270,000	\$3,800
	\$270,000	\$280,000	\$2,500
	\$280,000	\$290,000	\$1,250
Qualifying widow(er)	\$290,000 or more		-0-

**Caution:** Don't include any of the following in your calculation:

- Self-employment tax.
- Social Security and Medicare tax on tips.
- Household employment taxes.

**Are you amending your 2014 return?** See the Oregon Amended Schedule instructions to figure your subtraction for federal tax liability.

**Federal tax from a prior year and foreign tax:** Did you pay additional federal tax in 2014 because you were audited or filed an amended return? Did you pay taxes to a foreign country? If so, you may be able to subtract the additional tax. Go to the 2014 *Publication 17*<sup>1/2</sup> by clicking on "Publications" at [www.oregon.gov/dor/personal](http://www.oregon.gov/dor/personal) to see if you qualify for these subtractions.

**14 Social Security and tier 1 Railroad Retirement Board benefits income.** Fill in the amount from federal Form 1040, line 20b; or Form 1040A, line 14b. If you have tier 2, windfall/vested dual, or supplemental Railroad Retirement Board benefits, these are subtracted on line 18. For more information, contact us.

**15 Oregon income tax refund included in federal income.** Fill in your Oregon state income tax refund from federal Form 1040, line 10. **Do not include local, county, or other states' tax refunds.**

**16 Interest and dividends from U.S. government.** Fill in interest and dividends from the U.S. government that you included on your federal return. Include U.S. government interest and dividends you received through partnerships or grantor trusts. See line 18 to subtract U.S. government interest in IRA or Keogh distributions. **Do not include interest on federal tax refunds in the subtraction.**

See *Publication 17*<sup>1/2</sup> for examples of this subtraction.

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

**17 Federal pension income.** You may be able to subtract some or all of your taxable federal pension included in 2014 federal income. This includes benefits paid to the retiree or the beneficiary. It does not include disability payments if you have not reached the minimum retirement age. The subtraction amount is based on the number of months of federal service or points earned before and after October 1, 1991:

- **If all your months of federal service or points were before October 1, 1991,** subtract 100 percent of the taxable amount of federal pension income you reported on your federal return.
- **If you have no months of service or points before October 1, 1991,** you cannot subtract any federal pension.
- **If your service or points occurred both before and after October 1, 1991,** subtract a percentage of the taxable federal pension income you reported on your

federal return. To determine your percentage, divide the months of service or points earned before October 1, 1991, by the total months of service or points earned. Round to three places (example: 0.4576 = 45.8 percent). Once you've determined the percentage, it will remain the same each year. Write the percentage on line 17a. If you have two federal pensions, write the second percentage on line 17b and enter your total subtraction amount on line 17. Figure the percentage for each pension separately.

Federal pension subtraction formula:

$$\frac{\text{Months of service or points before 10/1/91}}{\text{Total months of service or points}} \times \frac{\text{Federal pension amount included in federal income}}{\text{Oregon subtraction}} = \text{Oregon subtraction}$$

**18 Other subtractions.** You may qualify for one or more other subtractions explained in this section. Please identify the subtraction using the numeric code shown. If you have only one "Other subtraction," enter the numeric code on line 18x **and** the amount on lines 18y and 18. For example, if you're claiming a \$100 Oregon Lottery subtraction, enter "322" on line 18x **and** "\$100" on lines 18y and 18.

If you're claiming more than one "Other subtractions," do not enter a code or amount on line 18x or 18y. Instead, check box 18z and include Schedule OR-ASC with your return with the numeric codes and amounts of the subtractions. Enter the total from Schedule OR-ASC on line 18. **Do not** use this line to subtract federal pension (use line 17 instead).

• **Special Oregon medical subtraction [code 351].** If you or your spouse/RDP were age 63 or older on December 31, 2014 and have qualifying medical and/or dental expenses, you may qualify for the special Oregon medical subtraction. See the 2014 IRS *Publication 502* for types of qualifying medical and dental expenses. You **cannot** subtract medical and dental expenses:

- For anyone under age 63;
- For dependents, regardless of their age; or
- That have already been deducted on your return.

You may not claim a subtraction if your federal adjusted gross income exceeds \$200,000 (\$100,000 for those who file as single or married/RDP filing separately). Use the worksheet below to determine the amount of your subtraction.

**Shared expenses.** Did you have medical expenses and/or dental expenses for more than one person? If so, you must determine which expenses belong to each qualifying taxpayer. Start by totaling all expenses for each qualifying taxpayer. If you have expenses that are for more than one person, such as insurance premiums, split the expense by the most reasonable method. For example, two qualifying taxpayers filing jointly that paid \$4,000 in insurance premiums during the year would split the expenses in half, or \$2,000 each. For more information on how

to split shared expenses, see the 2014 *Publication 17½* at [www.oregon.gov/dor/personal](http://www.oregon.gov/dor/personal).

**Special Oregon medical subtraction worksheet instructions**

**Line 1: Medical and dental expenses for each taxpayer**—Enter the expenses attributable to each taxpayer. See “Shared expenses” above for information about splitting expenses, such as insurance premiums.

*Line 1, column (A):* If you were age 63 or older on December 31, 2014, enter **your** total qualifying medical and dental expenses. If your medical expenses were not included in your itemized deductions (Schedule A, line 1) or you didn’t itemize your deductions, skip lines 2–4, enter the amount from line 1 on line 5, and go to line 6. If you don’t have qualifying expenses or were not age 63 or older on December 31, 2014—**STOP**—do not complete column (A). You do not qualify for the subtraction.

*Line 1, column (B):* If your spouse/RDP was age 63 or older on December 31, 2014 and you’re filing jointly, enter **your spouse’s/RDP’s** total qualifying medical and dental expenses. If your spouse’s/RDP’s medical expenses were not included in your itemized deductions (Schedule A, line 1) or you didn’t itemize your deductions, skip lines 2–4, enter the amount from line 1 on line 5, and go to line 6. If your spouse/RDP does not have qualifying expenses or was not age 63 or older on December 31, 2014—**STOP**—do not complete column (B). Your spouse/RDP does not qualify for the subtraction.

**Line 2, columns (A) & (B): Total medical and dental expenses**—Enter the total medical and dental expenses you claimed as an itemized deduction (Schedule A, line 1). If your spouse/RDP meets the age requirement and has qualifying expenses, enter this amount on line 2, column (B).

**Line 3, columns (A) & (B):** Divide line 1 by line 2 for column (A) if you qualify and/or column (B) if your spouse/RDP qualifies and round to three decimal places. For example: 0.7308 is rounded to 0.731.

**Line 4, columns (A) & (B):** Enter the lesser of the medical and dental expenses claimed on line 1 of your Schedule A or the amount claimed on line 3 of your Schedule A. If your spouse/RDP qualifies, enter the same amount in column (B).

**Line 5, columns (A) & (B):** Multiply line 3 and line 4 for each column and round to whole dollars. For example: \$101.49 is rounded to \$101.

**Line 6, columns (A) & (B):** Enter the maximum allowable medical subtraction for your filing status and federal adjusted gross income from the table on page 16. Do not enter more than \$1,800. If your spouse/RDP qualifies, enter the same amount in column (B).

**Line 7, columns (A) & (B):** Enter the lesser of line 5 or line 6 for each column.

**Line 8:** Add the amounts from line 7 column (A) and column (B). This is your special Oregon medical subtraction. Enter this amount as an “other subtraction” on line 18 of your Form 40 using subtraction code 351.

**Special Oregon medical subtraction worksheet**

	Column (A) You	Column (B) Spouse/RDP
1. Medical and dental expenses for each qualifying taxpayer.	1. _____	1. _____
2. Total medical and dental expenses (Schedule A, line 1).	2. _____	2. _____
3. Divide line 1 by line 2 and round to three decimal places.	3. _____	3. _____
4. Enter the lesser of the expenses claimed on line 1 of your Schedule A, or the amount on line 3 of your Schedule A.	4. _____	4. _____
5. Multiply line 3 by line 4 and round to whole dollars.	5. _____	5. _____
6. Maximum allowable medical subtraction from the table on page 16 (\$1,800 maximum).	6. _____	6. _____
7. Enter the lesser of line 5 or line 6.	7. _____	7. _____
8. Add line 7, columns (A) and (B), and enter the total. This is your special Oregon medical subtraction.	8. _____	_____

If your filing status is:	And your federal adjusted gross income from line 8 of Form 40 is:		Then your maximum allowable medical subtraction per taxpayer meeting the age requirement is:
	at least—	but less than—	
Married/RDP filing jointly, or Head of household, or Qualifying widow(er)	-0-	\$50,000	\$1,800
	\$50,000	\$100,000	\$1,400
	\$100,000	\$200,001	\$1,000
	\$200,001 or more		-0-
Single or Married/RDP filing separately	-0-	\$25,000	\$1,800
	\$25,000	\$50,000	\$1,400
	\$50,000	\$100,001	\$1,000
	\$100,001 or more		-0-

**Example:** Brennan and Maggie were ages 64 and 63 on December 31, 2014. They are filing a joint return with a federal adjusted gross income of \$55,000 and are itemizing deductions for Oregon. In 2014, they paid \$5,700 in medical expenses that they claimed on Schedule A. Of that, \$3,500 was for Brennan’s expenses, \$1,000 for Maggie’s expenses, and \$1,200 for Maggie’s mother who they claim as a dependent. Both Brennan’s and Maggie’s expenses qualify for the special Oregon medical subtraction. Since Maggie’s mother is a dependent, her expenses do not qualify for the subtraction. Brennan and Maggie would determine their subtraction as follows.



**Special Oregon medical subtraction worksheet**

	Column (A) You	Column (B) Spouse/RDP
1. Medical and dental expenses for each qualifying taxpayer.	1. <u>\$3,500</u>	1. <u>\$1,000</u>
2. Total medical and dental expenses (Schedule A, line 1).	2. <u>\$5,700</u>	2. <u>\$5,700</u>
3. Divide line 1 by line 2 and round to three decimal places.	3. <u>0.614</u>	3. <u>0.175</u>
4. Enter the lesser of the expenses claimed on line 1 of your Schedule A, or the amount claimed on line 3 of your Schedule A.	4. <u>\$5,500</u>	4. <u>\$5,500</u>
5. Multiply line 3 by line 4 and round to whole dollars.	5. <u>\$3,377</u>	5. <u>\$963</u>
6. Maximum allowable medical subtraction from the table (\$1,800 maximum).	6. <u>\$1,400</u>	6. <u>\$1,400</u>
7. Enter the lesser of line 5 or line 6.	7. <u>\$1,400</u>	7. <u>\$963</u>
8. Add line 7, columns (A) and (B), and enter the total. This is your special Oregon medical subtraction.	8. <u>\$2,363</u>	

• **529 Oregon College Savings Plan [code 324].** You can subtract up to \$4,530 for joint returns or up to \$2,265 for all other returns for contributions made to a 529 Oregon College Savings Network account in 2014. If you contribute more than your limit, you can carry forward the remaining contribution not subtracted over the next four years. Roll-overs from other 529 plans into an Oregon 529 plan are considered new contributions and qualify for the subtraction. Keep a copy of your account statement with your tax records. For more information, go to [www.oregon-collegesavings.com](http://www.oregon-collegesavings.com), or call 866-772-8464.

• **American Indian [code 300].** Are you an enrolled member of a federally recognized American Indian tribe? You may be able to subtract all or part of your income if **all** of the following are true:

- You are an enrolled member of a federally recognized American Indian tribe, and
- Your income was from sources within federally recognized Indian country in Oregon, and
- You lived in federally recognized Indian country in Oregon when the income was earned.

You must include a completed copy of your *Exempt Income Schedule for Enrolled Members of a Federally Recognized American Indian Tribe* with your return. Download the schedule from our website or contact us to order it.

• **Military pay [code 319].** If you included U.S. military pay in your federal taxable income, you may qualify for a subtraction on your Oregon return.

You can subtract all military pay earned while stationed outside Oregon during the year plus up to \$6,000 military pay earned in Oregon. **Note:** Your total subtraction cannot be more than your total taxable military pay income.

Guard and reserve annual training, weekend drills, and inactive duty training are eligible for this subtraction.

**Example:** Barry, an Oregon resident, enlisted in the Army in 2010. From January until August 2014, he was stationed at Fort Lewis, Washington and he earned \$24,000 in military pay. From August through December, he was a recruiter in Oregon and earned \$12,000. He can subtract the \$24,000 earned outside Oregon and \$6,000 of the income earned in Oregon.

• **Oregon National Guard and reserve pay subtraction [code 319].** The following questions will help determine if you can claim this subtraction.

- Were you a member of the Oregon National Guard or reserves at any time during the year?
- Were you required to be away from home overnight for at least three weeks consecutively?

If you answered yes to both of these questions, you can subtract all of the Oregon National Guard or reserve pay you earned while you met the above qualifications. For more information, visit our website or see the 2014 *Publication 17*<sup>1/2</sup>.

• **Oregon Lottery [code 322].** Although Oregon does not tax Oregon Lottery winnings of \$600 or less per ticket, the federal government does. Oregon Lottery means all games offered by Oregon State Lottery Commission and purchased in Oregon.

You can subtract the following winnings included in your federal income from Oregon income:

- Winnings of \$600 or less from each single ticket or play, and
- Annual payments from tickets bought before 1998.

**Example:** David won two prizes in 2014: \$1,000 from an Oregon Lottery scratch-off ticket and \$500 playing an Oregon Lottery Keno game. He must include the total \$1,500 in federal income. David can subtract \$500 on his Oregon return because the Oregon Keno winnings were from a single game and under the \$600 limit. He cannot subtract any of the \$1,000 he won on the scratch-off ticket, since the prize was more than \$600.

Do **not** subtract any other type of winnings such as winnings from tribal gaming centers.

- **Tuition and fees deduction [code 308].** *Note: The tuition and fees deduction was expired at the time this publication was printed. If Congress did not reinstate this deduction, you are not allowed a tuition and fees deduction for Oregon. Did you claim the American opportunity or lifetime learning credit on your federal return? If so, you were not allowed a federal tuition and fees deduction because you claimed the federal credit. Because Oregon does not have credits similar to the American opportunity or lifetime learning credits, you can subtract the federal tuition and fees deduction on your Oregon return up to the amount you would have been allowed on your federal return. You can claim the lesser of the federal limit (\$4,000 or \$2,000, depending on your income) or your actual expenses. You cannot claim the deduction if:*

- You file married/RDP filing separately;
- You can be claimed as a dependent by another person; or
- Your federal modified adjusted gross income is more than \$80,000 (\$160,000 if married/RDP filing jointly).

- The following subtractions apply to only a few people and are not explained in this booklet. For more information, go to our website or contact us.

- Artist's charitable contribution [code 301].
- Basis adjustments.
  - Basis of business assets transferred to Oregon [code 358].
  - Depreciation difference for Oregon [code 354].
  - Gain or loss on the sale of depreciable property with a different basis for federal and Oregon purposes [code 355].
  - Passive activity losses [code 356].
  - Suspended losses [code 357].
- Capital Construction Fund (CCF) [code 339].
- Construction worker and logger commuting expenses [code 303].
- DISC dividend payments [code 352].
- Discharge of indebtedness [code 350].
- Employee retirement plans previously taxed [code 327].
- Federal business credits [code 340].
- Federal gain previously taxed by Oregon [code 306].
- Federal health coverage tax credit [code 340].
- Federal tax from a prior year [code 309].
- Fiduciary adjustments from Oregon estates and trusts [code 310].
- Film production labor rebate [code 336].
- Foreign tax [code 311].
- Individual Development Account (IDA) [code 314].
- Interest from local government bond [code 317].
- IRA conversions previously taxed [code 348].
- Land donations to educational institutions [code 316].
- Mobile home park capital gain [code 338].
- Mobile home tenant payment [code 344].
- Mortgage interest credit [code 320].
- Net operating loss [code 321].
- Oregon investment advantage [code 342].
- Partnership or S corporation modifications for Oregon [code 323].

- Public Safety Memorial Fund award [code 329].
- Railroad Retirement Board benefits: tier 2, wind-fall/vested dual, supplemental, and railroad unemployment benefits [code 330].
- Scholarship awards used for housing expenses [code 333].
- Taxable benefits for former RDPs [code 347].
- U.S. government interest in IRA or Keogh distributions [code 331].

## Deductions

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

- If you claim itemized deductions, fill in lines 21 and 23–25.
- If you claim the standard deduction, fill in line 26.

**Note:** If you're married/RDP filing separately and one spouse/RDP itemizes, both must itemize deductions. If your spouse/RDP itemizes and you don't, your standard deduction is -0-.

**21 Itemized deductions.** You can claim your total itemized deductions after federal limitations as shown on federal Schedule A, line 29.

You can claim itemized deductions for Oregon even if you don't have enough deductions to itemize on your federal return. **If you itemize for Oregon only**, fill out a federal Schedule A for Oregon purposes. Be sure to include your state taxes even when itemizing for Oregon only, then subtract your Oregon state income tax on line 24. Use your federal adjusted gross income to figure the Schedule A limitations. Remember to keep Schedule A with your tax records.

**22** The special Oregon medical deduction is no longer available. The deduction has been replaced with a subtraction. See page 15 for more details. If you are claiming itemized deductions, leave line 22 blank and put the amount from line 21 on line 23.

**24 State income tax or sales tax claimed as an itemized deduction.** Fill in the amount of Oregon state income tax or any state and local sales tax you claimed as an itemized deduction on federal Schedule A, line 5. Don't include local or county income tax amounts. **Note:** The ability to claim sales tax as a deduction on Schedule A was expired at the time this publication was printed. If congress did not reinstate this deduction, you are not allowed a deduction of sales tax for Oregon.

Are you claiming an Oregon credit for income taxes paid to another state and deducting the other state's taxes on Schedule A? If so, include the other state's 2014 net tax liability, or the other state's 2014 tax claimed as an itemized deduction, whichever is less. For the credit instructions, see page 21.

Did you limit itemized deductions on your federal return because your adjusted gross income exceeded the threshold amount? If so, you may need to complete

a worksheet to determine the correct amount of Oregon income tax to subtract from itemized deductions. The itemized deduction limit worksheet is available in the 2014 *Publication 17½* at [www.oregon.gov/dor/personal](http://www.oregon.gov/dor/personal).

**26 Standard deduction.** Your standard deduction is based on your filing status:

Single.....	\$2,115
Married/RDP filing jointly.....	4,230
Married/RDP filing separately	
If spouse/RDP claims standard deduction .....	2,115
If spouse/RDP claims itemized deductions .....	-0-
Head of household.....	3,405
Qualifying widow(er).....	4,230

**Standard deduction—Age 65 or older, or blind.** Did you check one or more of the boxes on line 7a, Form 40, because you or your spouse/RDP are age 65 or older or blind? If so, you are entitled to an **additional deduction amount**.

If you checked one or more of the boxes on line 7a, multiply the number of boxes checked by:

- \$1,200 if single or head of household; or
- \$1,000 for all other filers.

Add this amount to the standard deduction for your filing status from above. Fill in the total on line 26.

**Standard deduction—Dependents.** If someone else can claim you as a dependent, your standard deduction is limited to the larger of:

- Your earned income plus \$350, up to the maximum allowed for your filing status, or
- \$1,000.

The limit applies even if you qualify but are not claimed as a dependent on another person’s return.

If you are a dependent, use the following worksheet to figure your standard deduction, unless you are married/RDP. If you are a dependent and married/RDP, please contact us.

**Standard deduction worksheet for single dependents**

- |   |                 |
|---|-----------------|
| 1. Enter your earned income. (See definition below.)  | 1. _____        |
| 2. Additional \$350.  | 2. <u>350</u>   |
| 3. Add lines 1 and 2.   | 3. _____        |
| 4. Minimum standard deduction.  | 4. <u>1,000</u> |
| 5. Enter the larger of line 3 or line 4.  | 5. _____        |
| 6. Basic standard deduction for single.   | 6. <u>2,115</u> |
| 7. Enter the smaller of line 5 or line 6.   | 7. _____        |
| 8. If you’re age 65 or older, enter \$1,200. Otherwise, enter -0-.  | 8. _____        |
| 9. If you are blind, enter \$1,200. Otherwise, enter -0-.   | 9. _____        |
| 10. Add lines 7, 8, and 9. Enter the total here and on Form 40, line 26. This is your standard deduction. | 10. _____       |

**Earned income** is salaries, wages, tips, professional fees, or other amounts received as pay for work you actually performed, and any part of a scholarship or fellowship grant you received that is included in your gross income.

**Standard deduction—Nonresident aliens.** The standard deduction for nonresident aliens (as defined by federal law) is -0-.

**Oregon tax**

**29 Tax from tax tables or tax rate charts.** Figure the tax on your Oregon taxable income, line 28. Go to the tax tables or rate charts on pages 29–31. Fill in your tax amount on line 29 and check box 29a. Double-check that the tax you entered is correct.

**Example 1:** A single Oregon taxpayer has taxable income of \$19,500. The taxpayer will use column S on page 30. The tax is \$1,529.

**Example 2:** A married couple has Oregon taxable income of \$75,500. They are filing jointly. They will use the married/RDP filing jointly rate chart J on page 31. They figure their tax like this:

Oregon taxable income	\$75,500
Subtract	- <u>50,000</u>
	25,500
Multiply by 9%	× <u>0.09</u>
	2,295
Then add	+ <u>4,038</u>
Their Oregon tax is	<u>\$6,333</u>

**Tax from farm income averaging or farm asset capital gain method.** If you qualify, you can compute your Oregon tax using one of the following methods:

**Farm income averaging method.** You can use the federal farm income averaging method even if you did not use farm income averaging on your federal return.

If you use Form FIA-40, *Oregon Farm Income Averaging for Full-Year Residents*, to calculate your tax, enter the tax amount from Form FIA-40, line 22, on Form 40, line 29. Check box 29b labeled “Form FIA-40.” Include a copy of Form FIA-40 with your return. Download the form from our website or contact us to order it.

**Farm asset capital gain method.** Did you sell or exchange capital assets primarily used in farming because you were getting out of a farming business? Or, did you sell or exchange a farming business in which you held at least a 10 percent ownership interest? If so, you may be eligible for a reduced tax rate on the net capital gain from the proceeds.

If you use Worksheet FCG, *Farm Liquidation Long-Term Capital Gain Tax Rate*, to calculate your tax, enter the tax amount from Worksheet FCG, line 7, on Form 40, line 29. Check box 29c labeled “Worksheet FCG.” Do not include a copy of Worksheet FCG with your return.

Keep a copy with your records. Download the form from our website or contact us to order it.

**30 Interest on certain installment sales.** Do you have installment sales where you were required to pay interest on the deferred tax liability for federal purposes? If so, you must also compute interest for Oregon. The amount due for Oregon is computed the same as the federal amount. The interest rate is 0.3333 percent per month for 2014.

## Credits—Non-refundable

Most credits cannot be more than your Oregon tax liability. Some credits have a carryforward provision that allows you to use the unused balance in the next year. Use credits that cannot be carried forward first.

**33 Exemption credit.** If your federal adjusted gross income does not exceed the threshold amount for your filing status below, multiply the total number of exemptions claimed on line 6e of Form 40 by \$191. This is your exemption credit. An exemption credit is not allowed if your federal adjusted gross income on line 8 of Form 40 exceeds:

- \$200,000 for married/RDP filing jointly, head of household, or qualifying widow(er) filers; or
- \$100,000 for married/RDP filing separately or single filers.

**Note:** The income limitation does not apply for the severely disabled or disabled children exemptions. If you claimed severely disabled in box 6a or 6b, or disabled children in 6d, multiply the number of exemptions claimed by \$191 and enter the total on line 33.

**34 Retirement income credit.** If you were age 62 or older on December 31, 2014, and receiving retirement income, you may qualify for a retirement income credit if:

- Your household income is less than \$22,500 (\$45,000 if married/RDP filing jointly), **and**
- Your Social Security benefits and/or tier 1 Railroad Retirement Board benefits are less than \$7,500 (\$15,000 if married/RDP filing jointly), **and**
- Your household income plus your Social Security and/or tier 1 Railroad Retirement Board benefits is less than \$22,500 (\$45,000 if married/RDP filing jointly).

Retirement income includes payments reported in Oregon taxable income from:

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

If you qualify, use the following worksheet to figure your credit.

1. Enter the retirement income of the eligible individual(s) included on Form 40, line 8. 1. \_\_\_\_\_
2. Enter any federal pension income subtracted from Oregon income on Form 40, line 17. See page 15. 2. \_\_\_\_\_
3. Net Oregon taxable pension. Line 1 minus line 2. 3. \_\_\_\_\_
4. Enter \$7,500 (\$15,000 if married/RDP filing jointly). 4. \_\_\_\_\_
5. Enter both spouses'/RDPs' total 2014 Social Security and tier 1 Railroad Retirement Board benefits. 5. \_\_\_\_\_
6. Line 4 minus line 5, but not less than -0-. 6. \_\_\_\_\_
7. Enter your household income (to determine, see below). 7. \_\_\_\_\_
8. Household income base. Enter \$15,000 (\$30,000 if married/RDP filing jointly). 8. \_\_\_\_\_
9. Line 7 minus line 8, but not less than -0-. 9. \_\_\_\_\_
10. Line 6 minus line 9, but not less than -0-. 10. \_\_\_\_\_
11. Enter the smaller of line 3 or line 10. 11. \_\_\_\_\_
12. Multiply line 11 by 9 percent (0.09). Enter the result here and on Form 40, line 34. 12. \_\_\_\_\_

**What is included in household income?** Household income includes all taxable and nontaxable income of each spouse/RDP except:

- Social Security and tier 1 Railroad Retirement Board benefits.
- Your state income tax refund.
- Pension income excluded from federal AGI that is a return of your contributions.
- Pensions that are rolled over into an IRA that are not included in AGI.

Any losses claimed are limited to \$1,000 for each activity. Depreciation is limited to \$5,000.

The credit cannot be more than your tax liability. You cannot carry any amount that is more than your tax liability over to next year. You may claim this credit or the credit for the elderly or the disabled, line 36, but not both.

**35 Child and dependent care credit.** You're allowed an Oregon credit **only** if you qualify for the federal child and dependent care credit. You may still be able to claim the Oregon credit even if you can't use all of your federal credit. **Note to RDPs:** Use your "as if" federal return to see if you qualify for the Oregon credit.

Use the following worksheet:

1. Enter the amount from federal Form 2441, line 6. Do **not** enter more than \$3,000 for one qualifying child or \$6,000 for two or more qualifying children. 1. \_\_\_\_\_
2. Enter the decimal amount from the following table. 2. \_\_\_\_\_

If your federal taxable income from Form 1040, line 43; or Form 1040A, line 27 is:		Your decimal amount is:
Over—	But not over—	
—	\$5,000	0.30
5,000	10,000	0.15
10,000	15,000	0.08
15,000	25,000	0.06
25,000	35,000	0.05
35,000	45,000	0.04
45,000	—	0.00

3. Multiply the amount on line 1 by the decimal on line 2. Enter here and on Form 40, line 35. 3. \_\_\_\_\_

**Did you pay 2013 child care expenses in 2014?** If so, you may be able to use that amount to increase your 2014 Oregon child and dependent care credit. For more information, please contact us.

**Carryforward.** Your total 2014 child and dependent care credit can't be more than your 2014 Oregon tax liability. You can carry forward any excess credit over the next five years. If the excess isn't used within five years, it's lost. See other credits instructions, page 22.

**36 Credit for the elderly or the disabled.** The Oregon credit is 40 percent of your federal credit. You can claim an Oregon credit **only** if you qualify for the federal credit. Please complete federal Schedule R, even if you aren't using the federal credit.

Multiply the amount on federal Schedule R, line 20 by 0.40 (40 percent). RDPs: Use your "as if" federal return to see if you qualify for the Oregon credit.

You can claim this credit or the retirement income credit, line 34, but not both.

**37 Political contribution credit.** Fill in your total political contributions, up to \$100 on a joint return or up to \$50 on all others. Your contribution(s) of money must have been made during 2014 to any of the following:

- A political party.
- A qualified candidate (or the candidate's principal campaign committee) for federal, state, or local office to be voted for in Oregon.
- A political action committee certified in Oregon.

**Note:** A political contribution credit is not allowed if your federal adjusted gross income on line 8 of Form 40 exceeds:

- \$200,000 for married/RDP filing joint filers; or
- \$100,000 for all other filers.

**38 Credit for income taxes paid to another state.** Did you pay income taxes to another state or U.S. territory on income that is also taxed by Oregon? If so, you may be able to claim this credit.

If you were a full-year Oregon resident and had income taxed by Arizona, California, Indiana, or Virginia, you generally cannot claim the credit on your Oregon return. However, you can claim the credit on the nonresident return you file with those states. You may be able to claim the credit if you were on a consolidated return for any of those states. If income is taxed by Oregon and another state not listed here, claim the credit on your Form 40 Oregon resident return, line 38. If you only paid taxes to one other state, enter the two-letter state abbreviation on Form 40, line 38y and the credit amount on Form 40, line 38.

If you are claiming the credit for more than one state, do not enter a state abbreviation on line 38y. Instead check box 38z and include Schedule OR-ASC with your return identifying the states and the credit amount for each state. Enter the total for all states from Schedule OR-ASC on Form 40, line 38.

This credit is only for state income tax. You cannot claim this credit for city or county income tax, sales tax, alternative minimum tax (AMT), property tax, school tax, or building funds.

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

- The other state's 2014 net tax liability.
- Your Oregon tax liability after all credits, except credits for income taxes paid to other states.
- The amount figured using the following formula:

Divide your modified adjusted gross income (MAGI) taxed by both states by your total MAGI. Multiply the result by your Oregon tax after subtracting all other credits.

$$\frac{\text{Your MAGI taxed by both states}}{\text{Your total MAGI}} \times \text{Your Oregon tax after subtracting all other credits}$$

Your total MAGI equals the sum of lines 8 and 9 minus lines 14–17 of Form 40. Add the amount on Form 40, line 10, only if it's income Oregon taxes but the federal government doesn't. Subtract the amount on Form 40, line 18, only if it's income the federal government taxes but Oregon doesn't.

**Caution:** You can't claim this credit **and** claim the tax you paid as an itemized deduction. On Form 40, line 24, in addition to the Oregon tax you claim as an itemized deduction, fill in the smaller of the following:

- The other state's 2014 tax claimed as an itemized deduction, or
- The other state's 2014 net tax liability.

If the credit is based on a tax liability paid in two different tax years, you may be required to restore the

deduction to Oregon income in two different tax years. For more information, please contact us.

**39 Other credits.** You may qualify for other non-refundable credits listed on this page. Please identify the credit using the numeric code. If you have only one "Other credit," enter the numeric code on line 39x and the amount on lines 39y and 39. For example, if you're claiming a \$45 residential energy credit, enter "729" on line 39x and "\$45" on lines 39y and 39. If you're claiming more than one "Other credit," **do not** enter a code or amount on line 39x or 39y. Instead, check box 39z and include Schedule OR-ASC with your return with the numeric codes and amounts of the credits. Enter the total from Schedule OR-ASC on Form 40, line 39.

• **Child and dependent care carryforward [code 704].** To qualify, your net income tax on last year's Oregon return must have been zero. Enter the amount of unused credit from a prior year. Do **not** include prior year child care expenses. The prior year carryforward plus your current year's credit can't be more than your Oregon tax liability on Form 40, line 41. You can carry forward any excess credit from line 35 over the next five years. If the carryforward isn't used within five years, it's lost.

• **Long-term care insurance premiums [code 716].** You're allowed a long-term care insurance premiums credit if:

- Your policy was issued in 2000 or later, and
- You, your parents, or your dependents are the policy beneficiaries, and
- You paid premiums for 2014.

The credit for single and joint filers is the **smaller** of 15 percent of the premiums paid or \$500. If you're married/RDP filing separately, the combined credits on the spouses'/RDPs' returns can't be more than the credit they would have been allowed on a joint return.

Any federal benefit due to a federal deduction for the premiums must be reported as an Oregon addition. See page 13.

Employers paying for long-term care insurance for employees may also claim this credit.

• **Oregon Cultural Trust [code 722].** If you donate to an Oregon nonprofit cultural organization during the tax year and you donate a matching amount to the Oregon Cultural Trust, you can claim a tax credit.

You can claim a tax credit of up to \$500 per taxpayer (\$1,000 on a joint return) for the amount you contributed to the Oregon Cultural Trust. Any federal benefit due to a federal deduction must be reported as an Oregon addition. For more information about the Oregon Cultural Trust, go to [www.culturaltrust.org](http://www.culturaltrust.org).

• **Residential energy [code 729].** You must purchase a qualifying energy efficient appliance or install a solar device or geothermal system. Renters who purchase qualifying equipment or systems may also apply for this credit. For more information, go to the

Oregon Department of Energy's website at [www.oregon.gov/ENERGY](http://www.oregon.gov/ENERGY), or call 503-378-4040 (Salem) or 1-800-221-8035 (toll-free from an Oregon prefix).

• The following credits apply to only a few people and are not explained in this booklet. For more information, go to our website or contact us.

- Agriculture workforce housing [code 712].
- Alternative Fuel Vehicle Fund [code 753].
- Biomass production/collection [code 743].
- Business energy [code 703].
- Business tax credits from flow-through entity [code 736].
- Child Care Fund contributions [code 705].
- Crop donation [code 708].
- Diesel engine repower or retrofit [code 734].
- Electronic commerce zone investment [code 710].
- Employer-provided dependent care assistance [code 707].
- Employer scholarship [code 711].
- Energy conservation project [code 750].
- Fish screening devices [code 714].
- IDA donation [code 715].
- IDA withdrawal for home purchase [code 738].
- Loss of use of limbs [code 717].
- Low-income caregiver credit [code 718].
- Mutually taxed gain on the sale of residential property [code 720].
- Oregon low income community jobs initiative credit [code 752].
- Oregon Production Investment Fund [code 737].
- Oregon Veterans' Home physicians [code 747].
- Pollution control facilities [code 724].
- Reforestation of underproductive forestlands carryforward [code 727].
- Renewable energy development contributions [code 749].
- Renewable energy resource equipment manufacturing facility carryforward [code 748].
- Reservation enterprise zone [code 728].
- Riparian land carryforward [code 735].
- Rural EMTs [code 742].
- Rural medical practitioners [code 731].
- Transportation projects [code 751].
- University venture fund [code 739].

## Tax payments and refundable credits

**42 Oregon income tax withheld.** Fill in the total Oregon tax withheld from your wages and other income shown on your Form(s) W-2, box 17 or on your Form(s) 1099. Don't use the FICA (Social Security) tax withheld. **Don't** use tax withheld from your wages by other states. **Include a readable copy** of your Form W-2 from each job and any Form(s) 1099 showing Oregon income tax withheld.

If you don't have a Form W-2 or 1099, you must provide other proof of your Oregon tax withheld, such as a copy of a final paycheck stub or a letter from your employer. If you file before February 1, 2015, we can accept only Form(s) W-2 or 1099 as proof.



The 2015 interest rate is 4 percent per year (0.3333 percent per month).

Interest is figured daily for periods of less than a month. Here's how to figure daily interest:

$$\text{Tax} \times 0.000110 \times \text{number of days}$$

If the tax isn't paid within 60 days from the date of our bill, the interest rate increases to 8 percent per year.

**Note:** Don't calculate interest if you file late and expect a refund.

**51 Interest on underpayment of estimated tax.** For 2014, you'll have an underpayment if you paid less than 90 percent of the tax due on **each** estimated tax payment due date or tax owed is more than \$1,000.

Use Form 10, *Underpayment of Oregon Estimated Tax*, to determine if you have an underpayment. Download the form from our website or contact us to order it. If you have an underpayment, you must file Oregon Form 10 with your return.

If you have an underpayment, fill in the amount of interest due from Form 10, line 34 on Form 40, line 51, and check the box. Include Form 10 with your return. If you meet an exception, enter the exception number on line 51a and on line 1 of your Form 10. If you used the *Annualized Income Worksheet*, check box 51b and file the form with your return.

**53 Amount you owe.** You may pay with a check, money order, electronic payment, or credit card. If the amount is less than \$2, no payment is required.

## Payment options

### Electronic payment from your checking or savings account

You can pay your current year income taxes, 2015 estimated income taxes, any prior year taxes due, and

amended return taxes directly from your checking or savings account. There is no fee to use this service. This option is available only through our website.

### Credit card payments

You can pay with your American Express, Discover, MasterCard, or Visa credit card. The provider **will charge** you a convenience fee. The service provider will tell you what the fee is during the transaction; you will have the option to continue or cancel the transaction before entering your credit card information. If you complete the credit card transaction, you will receive a confirmation number. **Keep this confirmation number as proof of payment—do not send with your return.**

### Credit card service provider:

*Value Payment Systems, Inc.*, 1-888-972-9673

[www.payortax.com](http://www.payortax.com)

For additional information on credit card payments, go to our website or contact us.

**Don't use Form 40-V if using an electronic payment option.** Use the voucher only if paying by check or money order.

### Check or money order

- Make your check or money order payable to "**Oregon Department of Revenue.**"
- Write your daytime telephone number and "2014 Oregon Form 40" on your check.
- Use blue or black ballpoint ink. Do not use red or purple ink or gel pens.
- Do not send cash or a postdated check.
- Include your payment and the Form 40-V payment voucher on page 23 with Form(s) W-2 and Form(s) 1099 showing Oregon tax withheld.

**Payment plan.** If you cannot pay in full now, pay what you can. Use the payment voucher, Form 40-V, on page 23. We will help you set up a payment plan for the amount you do not pay with your return.

*Continued on page 27*



# Schedule OR-ASC

# Oregon Adjustments for Form 40 Filers

# 2014

Last name	First name and initial	Social Security number (SSN)
Spouse's/RDP's last name	Spouse's/RDP's first name and initial	Spouse's/RDP's SSN

**Instructions:** Use this form to claim more than one of the following on your return:

- Other additions.
- Other subtractions.
- Credits for income taxes paid to another state.
- Other credits.

Identify the code and amount for each item you are claiming. If you are not claiming more than one of each item, do not use this form; instead identify the item on your return. If you have more items than will fit on a single schedule, provide the codes and amounts on additional schedules and add the total to your tax return. **Include** this schedule with your Form 40.

**Remember:** Check the "Schedule Included" box on your Form 40 for other additions, other subtractions, credit for income taxes paid to another state, or other credits you claim below.

### Other additions (codes 102–157)

Code		Amount	
●10a		●10b	
●10c		●10d	
●10e		●10f	
●10g		●10h	
●10i		●10j	
Enter total on Form 40, line 10		\$	

### Credit for income taxes paid to another state

State abbreviation		Amount	
●38a		●38b	
●38c		●38d	
●38e		●38f	
●38g		●38h	
●38i		●38j	
Enter total on Form 40, line 38		\$	

### Other subtractions (codes 300–358)

Code		Amount	
●18a		●18b	
●18c		●18d	
●18e		●18f	
●18g		●18h	
●18i		●18j	
Enter total on Form 40, line 18		\$	

### Other credits (codes 703–753)

Code		Amount	
●39a		●39b	
●39c		●39d	
●39e		●39f	
●39g		●39h	
●39i		●39j	
Enter total on Form 40, line 39		\$	

**—YOU MUST INCLUDE THIS SCHEDULE WITH YOUR OREGON INCOME TAX RETURN—**

<b>Schedule OR-529</b>	<b>Oregon 529 College Savings Plan Direct Deposit for Form 40 Filers</b>	Tax year <div style="border: 1px solid black; width: 40px; height: 20px; margin: 0 auto;"></div>
Last name	First name and initial	Social Security number (SSN)
Spouse's/RDP's last name	Spouse's/RDP's first name and initial	Spouse's/RDP's SSN

Would you like to deposit all or a portion of your refund into an Oregon 529 College Savings Plan account? If so, follow the instructions below.

**Requirements**

- To make this choice, you must have an open Oregon 529 College Savings Plan account. For more information, see contact information below.
- Deposits must be a minimum of \$25 per account.
- If your refund is used to pay a debt you owe or the amount you elect to deposit exceeds your available refund, your deposit will be cancelled. Any remaining refund will be refunded by paper check or direct deposit.

**Instructions**

You may deposit all or a portion of your refund in up to four accounts. Complete all the fields below for each account.

- Select the account manager—Oregon College Savings Plan or MFS 529 Savings Plan;
- Enter the four-digit portfolio number (for more information on portfolio options, contact your account manager);
- Enter the nine or ten-digit account number;
- Enter the amount to be deposited; and
- Total the amounts to be deposited.

---

69a. Check one:  Oregon College Savings Plan    **or**     MFS 529 Savings Plan

• Portfolio No.        • Account No.              • Amount \$  .00

---

69b. Check one:  Oregon College Savings Plan    **or**     MFS 529 Savings Plan

• Portfolio No.        • Account No.              • Amount \$  .00

---

69c. Check one:  Oregon College Savings Plan    **or**     MFS 529 Savings Plan

• Portfolio No.        • Account No.              • Amount \$  .00

---

69d. Check one:  Oregon College Savings Plan    **or**     MFS 529 Savings Plan

• Portfolio No.        • Account No.              • Amount \$  .00

---

Add lines 69a–69d and enter the total on line 69 of Form 40. **Total**    \$  .00

**Contact information**

<p><i>Oregon 529 College Savings Network</i> www.oregon529network.com Phone: 503-373-1903 Email: college.savings@ost.state.or.us</p>	<p><i>Oregon College Savings Plan</i> www.oregoncollegesavings.com/ Phone: 1-866-772-8464</p>	<p><i>MFS 529 Savings Plan</i> https://annex.mfs.com/subs/oregon/index.html Phone: 1-866-529-1637</p>
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**—YOU MUST INCLUDE THIS SCHEDULE WITH YOUR OREGON INCOME TAX RETURN—**

Continued from page 24

**Special instructions.** Do you owe interest on line 51 and have an overpayment on line 48? If the interest you owe is more than your overpayment, you have an amount due. Subtract line 48 from line 51 and enter the result on line 53.

**To finish your return, go to the signature block section below.**

**54 Refund.** You must have a refund on line 54 to use lines 55–72.

**55 Estimated tax.** If you have a refund, you may apply part or all of it to an open Oregon estimated income tax account. Generally, unless filing a delinquent or amended return, this will apply to your 2015 estimated tax. See *Publication 17½* for additional information. Fill in the amount of line 54 you want to apply. Do not fill in more than the amount on line 54. Your election to apply some or all of your refund to an open estimated tax account cannot be changed.

## Charitable checkoff donations

You can donate any of your refund to the charities listed on lines 56–65. You can also donate to two other charities on Form 40, line 66 and 67. Or, you can mail your donations to the addresses listed on our website. Do not mail your donation to the Department of Revenue. Donations will reduce your refund.

If you choose to donate to one or two of the charities listed below, enter the charity code on Form 40, in box 66a or 67a. Enter only one code in each box. Write the amount you want to donate next to the code on Form 40, line 66b or 67b.

- Oregon Non-Game Wildlife [code 19].
- Prevent Child Abuse [code 20].
- Alzheimer’s Disease Research [code 21].
- Stop Domestic and Sexual Violence [code 22].
- Habitat for Humanity [code 1].
- Oregon Head Start Association [code 2].
- Planned Parenthood of Oregon [code 13].
- Oregon Lions Sight & Hearing Foundation [code 14].
- Shriners Hospitals for Children—Portland [code 15].
- Special Olympics for Oregon [code 16].
- Susan G. Komen for the Cure [code 17].
- Oregon Military Financial Emergency Assistance [code 24].
- Oregon Historical Society [code 18].
- Oregon Food Bank [code 25].
- Albertina Kerr Kid’s Crisis Care [code 26].
- American Red Cross [code 27].
- Cascade AIDS Project [code 28].
- Veterans Suicide Prevention and Outreach Program [code 23].

**68 Political party contribution.** You may contribute \$3 of your refund to an Oregon political party. To make a contribution, enter **one** code from the list

below in box 68a. If filing a joint return, your spouse/RDP can contribute by entering one political party code in box 68b. Enter only one code per taxpayer.

- Constitution Party of Oregon [code 500].
- Democratic Party of Oregon [code 501].
- Independent Party of Oregon [code 502].
- Libertarian Party of Oregon [code 503].
- Oregon Republican Party [code 504].
- Pacific Green Party of Oregon [code 505].
- Progressive Party [code 506].
- Working Families Party of Oregon [code 507].

Donating to a political party **reduces** your refund. If you **or** your spouse/RDP want to donate, enter \$3 on line 68. If you **and** your spouse/RDP want to donate, enter \$6 on line 68. **Note:** This contribution does **not** qualify for the political contribution credit.

**69 Oregon 529 College Savings Plan.** You can deposit all or a portion of your refund into an Oregon 529 College Savings Plan account. To make this choice, there must be an open account and deposits must be a minimum of \$25 per account. For more information, see page 26.

**71 Net refund.** You must reduce your refund by any amounts applied to an open estimated tax account (line 55), donations on lines 56–68, and deposits made into Oregon 529 College Savings Plan accounts. **By law, we cannot issue a refund or make applications if you file your return more than three years after the return’s due date.**

## Direct deposit

**72 Direct deposit.** Follow these instructions if you want us to deposit your refund directly into your bank account instead of mailing you a check:

1. **Contact your bank** to make sure your deposit will be accepted and to get your routing and account numbers.
2. **Check the appropriate box, either checking or savings, but not both.**
3. **Enter your nine-digit routing number.** The routing number must begin with 01 through 12, 21 through 32, or 61 through 72.
4. **Enter the number** of the account into which you want your refund deposited. The account number can be up to 17 characters (both numbers and letters). Do not include hyphens, spaces, or special symbols. Enter the number left to right and leave any unused boxes blank.
5. **Check yes only** if your refund will go to an account outside the United States. **Note:** If you check yes, you will be issued a paper check.
6. **Double-check** the account and routing numbers. These numbers can’t be changed after the return is filed.

## Signature block

**Signature(s).** Be sure to sign and date your return. If you're filing a joint return, both taxpayers must sign.

**Minor child's return.** If your child must file a tax return, you may sign the child's name as his or her legal agent. Sign the child's name and then write "By [your signature], parent (or other legal guardian) of minor child."

**Preparer signature.** Anyone who prepares, advises, or assists in preparing personal income tax returns in exchange for compensation of any kind **must** be licensed and **must** sign the return. Contact the following agencies to check the status of your Oregon tax practitioner:

- State Board of Tax Practitioners in Salem, 503-378-4034 for licensed tax consultants or preparers, or go to [www.oregon.gov/OBTP](http://www.oregon.gov/OBTP).
- State Board of Accountancy in Salem, 503-378-4181 for public accountants and certified public accountants, or go to [www.oregon.gov/BOA](http://www.oregon.gov/BOA).

**Preparer license number.** Tax consultants and tax preparers: enter your license number. CPAs: enter your certificate number. All others: leave blank. **Do not** enter your driver's license number.

## Before you file

To speed processing, put your Oregon return together as follows (**Important! Do not attach these documents together or use staples, paperclips, or tape to assemble your return**):

1. Start with Form 40.
2. If applicable, place these items in the following order behind your Form 40:
  - Form(s) W-2 and any Form(s) 1099 showing Oregon tax withheld.
  - *Oregon Amended Schedule*.
  - Schedule OR-ASC, *Oregon Adjustments for Form 40 Filers*.
  - Schedule OR-529, *Oregon 529 College Savings Plan Direct Deposit for Form 40 Filers*.
3. Copy (front and back) of your federal Form 1040, 1040A, 1040EZ, 1040NR, or 1040NR-EZ. If you are filing as an RDP, include the federal "as if" return. **Write "RDP for Oregon Only" in blue or black ink on the top left corner of your "as if" federal return.** Also include copies of the federal returns you and your RDP actually filed.
4. Include your check or money order and completed Form 40-V payment voucher (page 23). If you're paying by credit card or electronic payment, do **not** use Form 40-V.
5. If applicable, place these items in the following order behind the federal form:
  - Schedule WFC, *Oregon Working Family Child Care Credit*.
  - Form 10, *Underpayment of Oregon Estimated Tax*.
  - Form 243, *Claim to Refund Due a Deceased Person*.

- Form 24, *Oregon Like-Kind Exchanges/Involuntary Conversions*.
- Form FIA-40, *Oregon Farm Income Averaging for Full-Year Residents*.
- *Exempt Income Schedule for Enrolled Members of a Federally Recognized American Indian Tribe*.
- Schedule MPC, *Mobile Home Park Closure*.
- *Transfer Notice for Certain Credits*.
- Statements for lines that need explanation.

**Do not include** extension requests or any federal schedules. Keep these with your records. We receive some federal information from the IRS. We may ask for copies of schedules or additional information later.

### How long do I have to file my return and get a refund?

You have three years from the due date of the return to file a claim for refund. By law, we cannot issue a refund if you file your return more than three years after the return's due date.

## To avoid processing delays, remember

**Type or clearly print** your name, Social Security number, date of birth, complete mailing address, and daytime telephone number on your return.

**Double-check your math and other figures.** The most common mistakes are math errors and the amount claimed for the federal tax subtraction. Please double-check your figures. People commonly use the wrong line or column on the tax tables.

**Identify amounts** on Form 40, lines 10, 18, and 39 as instructed.

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

**Include readable copies** of Form(s) W-2 and 1099 showing Oregon tax withheld.

**Sign your return** (both spouses or RDPs must sign a joint return).

**Include a copy** of your federal return (front and back **only**) with your Form 40. Do **not** include federal schedules.

**Include Form 40-V, the payment voucher**, with your check or money order. If you're paying by credit card or electronic payment, do **not** use Form 40-V.

**Mail your return in a stamped envelope.** Use a business envelope (4 × 9½ inches) or larger and be sure to use enough postage. Please do not use a smaller envelope—it delays processing.

## Tax return mailing addresses

**Mail refund returns or no-tax-due returns to:**

REFUND  
PO Box 14700  
Salem OR 97309-0930

**Mail tax-to-pay returns to:**

Oregon Department of Revenue  
PO Box 14555  
Salem OR 97309-0940



# 2014 Tax Tables for Form 40

**S** Use column S if you are:

- Single
- Married or RDP filing separately

**J** Use column J if you are:

- Married or RDP filing jointly
- Head of household
- Widow(er) with dependent child

If income from Form 40, line 28 is:		And you use column:		If income from Form 40, line 28 is:		And you use column:		If income from Form 40, line 28 is:		And you use column:		If income from Form 40, line 28 is:		And you use column:									
At least:	But less than:	<b>S</b>	<b>J</b>	At least:	But less than:	<b>S</b>	<b>J</b>	At least:	But less than:	<b>S</b>	<b>J</b>	At least:	But less than:	<b>S</b>	<b>J</b>								
		Your tax is:				Your tax is:				Your tax is:				Your tax is:									
<b>\$ 19,000</b>				<b>\$ 24,000</b>				<b>\$ 29,000</b>				<b>\$ 34,000</b>											
19,000 – 19,100	1,484	1,253	24,000 – 24,100	1,934	1,703	29,000 – 29,100	2,384	2,153	34,000 – 34,100	2,834	2,603	19,100 – 19,200	1,493	1,262	24,100 – 24,200	1,943	1,712	29,100 – 29,200	2,393	2,162	34,100 – 34,200	2,843	2,612
19,200 – 19,300	1,502	1,271	24,200 – 24,300	1,952	1,721	29,200 – 29,300	2,402	2,171	34,200 – 34,300	2,852	2,621	19,300 – 19,400	1,511	1,280	24,300 – 24,400	1,961	1,730	29,300 – 29,400	2,411	2,180	34,300 – 34,400	2,861	2,630
19,400 – 19,500	1,520	1,289	24,400 – 24,500	1,970	1,739	29,400 – 29,500	2,420	2,189	34,400 – 34,500	2,870	2,639	19,500 – 19,600	1,529	1,298	24,500 – 24,600	1,979	1,748	29,500 – 29,600	2,429	2,198	34,500 – 34,600	2,879	2,648
19,600 – 19,700	1,538	1,307	24,600 – 24,700	1,988	1,757	29,600 – 29,700	2,438	2,207	34,600 – 34,700	2,888	2,657	19,700 – 19,800	1,547	1,316	24,700 – 24,800	1,997	1,766	29,700 – 29,800	2,447	2,216	34,700 – 34,800	2,897	2,666
19,800 – 19,900	1,556	1,325	24,800 – 24,900	2,006	1,775	29,800 – 29,900	2,456	2,225	34,800 – 34,900	2,906	2,675	19,900 – 20,000	1,565	1,334	24,900 – 25,000	2,015	1,784	29,900 – 30,000	2,465	2,234	34,900 – 35,000	2,915	2,684
<b>\$ 20,000</b>				<b>\$ 25,000</b>				<b>\$ 30,000</b>				<b>\$ 35,000</b>											
20,000 – 20,100	1,574	1,343	25,000 – 25,100	2,024	1,793	30,000 – 30,100	2,474	2,243	35,000 – 35,100	2,924	2,693	20,100 – 20,200	1,583	1,352	25,100 – 25,200	2,033	1,802	30,100 – 30,200	2,483	2,252	35,100 – 35,200	2,933	2,702
20,200 – 20,300	1,592	1,361	25,200 – 25,300	2,042	1,811	30,200 – 30,300	2,492	2,261	35,200 – 35,300	2,942	2,711	20,300 – 20,400	1,601	1,370	25,300 – 25,400	2,051	1,820	30,300 – 30,400	2,501	2,270	35,300 – 35,400	2,951	2,720
20,400 – 20,500	1,610	1,379	25,400 – 25,500	2,060	1,829	30,400 – 30,500	2,510	2,279	35,400 – 35,500	2,960	2,729	20,500 – 20,600	1,619	1,388	25,500 – 25,600	2,069	1,838	30,500 – 30,600	2,519	2,288	35,500 – 35,600	2,969	2,738
20,600 – 20,700	1,628	1,397	25,600 – 25,700	2,078	1,847	30,600 – 30,700	2,528	2,297	35,600 – 35,700	2,978	2,747	20,700 – 20,800	1,637	1,406	25,700 – 25,800	2,087	1,856	30,700 – 30,800	2,537	2,306	35,700 – 35,800	2,987	2,756
20,800 – 20,900	1,646	1,415	25,800 – 25,900	2,096	1,865	30,800 – 30,900	2,546	2,315	35,800 – 35,900	2,996	2,765	20,900 – 21,000	1,655	1,424	25,900 – 26,000	2,105	1,874	30,900 – 31,000	2,555	2,324	35,900 – 36,000	3,005	2,774
<b>\$ 21,000</b>				<b>\$ 26,000</b>				<b>\$ 31,000</b>				<b>\$ 36,000</b>											
21,000 – 21,100	1,664	1,433	26,000 – 26,100	2,114	1,883	31,000 – 31,100	2,564	2,333	36,000 – 36,100	3,014	2,783	21,100 – 21,200	1,673	1,442	26,100 – 26,200	2,123	1,892	31,100 – 31,200	2,573	2,342	36,100 – 36,200	3,023	2,792
21,200 – 21,300	1,682	1,451	26,200 – 26,300	2,132	1,901	31,200 – 31,300	2,582	2,351	36,200 – 36,300	3,032	2,801	21,300 – 21,400	1,691	1,460	26,300 – 26,400	2,141	1,910	31,300 – 31,400	2,591	2,360	36,300 – 36,400	3,041	2,810
21,400 – 21,500	1,700	1,469	26,400 – 26,500	2,150	1,919	31,400 – 31,500	2,600	2,369	36,400 – 36,500	3,050	2,819	21,500 – 21,600	1,709	1,478	26,500 – 26,600	2,159	1,928	31,500 – 31,600	2,609	2,378	36,500 – 36,600	3,059	2,828
21,600 – 21,700	1,718	1,487	26,600 – 26,700	2,168	1,937	31,600 – 31,700	2,618	2,387	36,600 – 36,700	3,068	2,837	21,700 – 21,800	1,727	1,496	26,700 – 26,800	2,177	1,946	31,700 – 31,800	2,627	2,396	36,700 – 36,800	3,077	2,846
21,800 – 21,900	1,736	1,505	26,800 – 26,900	2,186	1,955	31,800 – 31,900	2,636	2,405	36,800 – 36,900	3,086	2,855	21,900 – 22,000	1,745	1,514	26,900 – 27,000	2,195	1,964	31,900 – 32,000	2,645	2,414	36,900 – 37,000	3,095	2,864
<b>\$ 22,000</b>				<b>\$ 27,000</b>				<b>\$ 32,000</b>				<b>\$ 37,000</b>											
22,000 – 22,100	1,754	1,523	27,000 – 27,100	2,204	1,973	32,000 – 32,100	2,654	2,423	37,000 – 37,100	3,104	2,873	22,100 – 22,200	1,763	1,532	27,100 – 27,200	2,213	1,982	32,100 – 32,200	2,663	2,432	37,100 – 37,200	3,113	2,882
22,200 – 22,300	1,772	1,541	27,200 – 27,300	2,222	1,991	32,200 – 32,300	2,672	2,441	37,200 – 37,300	3,122	2,891	22,300 – 22,400	1,781	1,550	27,300 – 27,400	2,231	2,000	32,300 – 32,400	2,681	2,450	37,300 – 37,400	3,131	2,900
22,400 – 22,500	1,790	1,559	27,400 – 27,500	2,240	2,009	32,400 – 32,500	2,690	2,459	37,400 – 37,500	3,140	2,909	22,500 – 22,600	1,799	1,568	27,500 – 27,600	2,249	2,018	32,500 – 32,600	2,699	2,468	37,500 – 37,600	3,149	2,918
22,600 – 22,700	1,808	1,577	27,600 – 27,700	2,258	2,027	32,600 – 32,700	2,708	2,477	37,600 – 37,700	3,158	2,927	22,700 – 22,800	1,817	1,586	27,700 – 27,800	2,267	2,036	32,700 – 32,800	2,717	2,486	37,700 – 37,800	3,167	2,936
22,800 – 22,900	1,826	1,595	27,800 – 27,900	2,276	2,045	32,800 – 32,900	2,726	2,495	37,800 – 37,900	3,176	2,945	22,900 – 23,000	1,835	1,604	27,900 – 28,000	2,285	2,054	32,900 – 33,000	2,735	2,504	37,900 – 38,000	3,185	2,954
<b>\$ 23,000</b>				<b>\$ 28,000</b>				<b>\$ 33,000</b>				<b>\$ 38,000</b>											
23,000 – 23,100	1,844	1,613	28,000 – 28,100	2,294	2,063	33,000 – 33,100	2,744	2,513	38,000 – 38,100	3,194	2,963	23,100 – 23,200	1,853	1,622	28,100 – 28,200	2,303	2,072	33,100 – 33,200	2,753	2,522	38,100 – 38,200	3,203	2,972
23,200 – 23,300	1,862	1,631	28,200 – 28,300	2,312	2,081	33,200 – 33,300	2,762	2,531	38,200 – 38,300	3,212	2,981	23,300 – 23,400	1,871	1,640	28,300 – 28,400	2,321	2,090	33,300 – 33,400	2,771	2,540	38,300 – 38,400	3,221	2,990
23,400 – 23,500	1,880	1,649	28,400 – 28,500	2,330	2,099	33,400 – 33,500	2,780	2,549	38,400 – 38,500	3,230	2,999	23,500 – 23,600	1,889	1,658	28,500 – 28,600	2,339	2,108	33,500 – 33,600	2,789	2,558	38,500 – 38,600	3,239	3,008
23,600 – 23,700	1,898	1,667	28,600 – 28,700	2,348	2,117	33,600 – 33,700	2,798	2,567	38,600 – 38,700	3,248	3,017	23,700 – 23,800	1,907	1,676	28,700 – 28,800	2,357	2,126	33,700 – 33,800	2,807	2,576	38,700 – 38,800	3,257	3,026
23,800 – 23,900	1,916	1,685	28,800 – 28,900	2,366	2,135	33,800 – 33,900	2,816	2,585	38,800 – 38,900	3,266	3,035	23,900 – 24,000	1,925	1,694	28,900 – 29,000	2,375	2,144	33,900 – 34,000	2,825	2,594	38,900 – 39,000	3,275	3,044

# 2014 Tax Tables for Form 40

**S** Use column S if you are:

- Single
- Married or RDP filing separately

**J** Use column J if you are:

- Married or RDP filing jointly
- Head of household
- Widow(er) with dependent child

If income from Form 40, line 28 is:		And you use column:		If income from Form 40, line 28 is:		And you use column:		If income from Form 40, line 28 is:		And you use column:		If income from Form 40, line 28 is:		And you use column:									
At least:	But less than:	<b>S</b>	<b>J</b>	At least:	But less than:	<b>S</b>	<b>J</b>	At least:	But less than:	<b>S</b>	<b>J</b>	At least:	But less than:	<b>S</b>	<b>J</b>								
		Your tax is:				Your tax is:				Your tax is:				Your tax is:									
<b>\$ 39,000</b>				<b>\$ 42,000</b>				<b>\$ 45,000</b>				<b>\$ 48,000</b>											
39,000 – 39,100	3,284	3,053	42,000 – 42,100	3,554	3,323	45,000 – 45,100	3,824	3,593	48,000 – 48,100	4,094	3,863	39,100 – 39,200	3,293	3,062	42,100 – 42,200	3,563	3,332	45,100 – 45,200	3,833	3,602	48,100 – 48,200	4,103	3,872
39,200 – 39,300	3,302	3,071	42,200 – 42,300	3,572	3,341	45,200 – 45,300	3,842	3,611	48,200 – 48,300	4,112	3,881	39,300 – 39,400	3,311	3,080	42,300 – 42,400	3,581	3,350	45,300 – 45,400	3,851	3,620	48,300 – 48,400	4,121	3,890
39,400 – 39,500	3,320	3,089	42,400 – 42,500	3,590	3,359	45,400 – 45,500	3,860	3,629	48,400 – 48,500	4,130	3,899	39,500 – 39,600	3,329	3,098	42,500 – 42,600	3,599	3,368	45,500 – 45,600	3,869	3,638	48,500 – 48,600	4,139	3,908
39,600 – 39,700	3,338	3,107	42,600 – 42,700	3,608	3,377	45,600 – 45,700	3,878	3,647	48,600 – 48,700	4,148	3,917	39,700 – 39,800	3,347	3,116	42,700 – 42,800	3,617	3,386	45,700 – 45,800	3,887	3,656	48,700 – 48,800	4,157	3,926
39,800 – 39,900	3,356	3,125	42,800 – 42,900	3,626	3,395	45,800 – 45,900	3,896	3,665	48,800 – 48,900	4,166	3,935	39,900 – 40,000	3,365	3,134	42,900 – 43,000	3,635	3,404	45,900 – 46,000	3,905	3,674	48,900 – 49,000	4,175	3,944
<b>\$ 40,000</b>				<b>\$ 43,000</b>				<b>\$ 46,000</b>				<b>\$ 49,000</b>											
40,000 – 40,100	3,374	3,143	43,000 – 43,100	3,644	3,413	46,000 – 46,100	3,914	3,683	49,000 – 49,100	4,184	3,953	40,100 – 40,200	3,383	3,152	43,100 – 43,200	3,653	3,422	46,100 – 46,200	3,923	3,692	49,100 – 49,200	4,193	3,962
40,200 – 40,300	3,392	3,161	43,200 – 43,300	3,662	3,431	46,200 – 46,300	3,932	3,701	49,200 – 49,300	4,202	3,971	40,300 – 40,400	3,401	3,170	43,300 – 43,400	3,671	3,440	46,300 – 46,400	3,941	3,710	49,300 – 49,400	4,211	3,980
40,400 – 40,500	3,410	3,179	43,400 – 43,500	3,680	3,449	46,400 – 46,500	3,950	3,719	49,400 – 49,500	4,220	3,989	40,500 – 40,600	3,419	3,188	43,500 – 43,600	3,689	3,458	46,500 – 46,600	3,959	3,728	49,500 – 49,600	4,229	3,998
40,600 – 40,700	3,428	3,197	43,600 – 43,700	3,698	3,467	46,600 – 46,700	3,968	3,737	49,600 – 49,700	4,238	4,007	40,700 – 40,800	3,437	3,206	43,700 – 43,800	3,707	3,476	46,700 – 46,800	3,977	3,746	49,700 – 49,800	4,247	4,016
40,800 – 40,900	3,446	3,215	43,800 – 43,900	3,716	3,485	46,800 – 46,900	3,986	3,755	49,800 – 49,900	4,256	4,025	40,900 – 41,000	3,455	3,224	43,900 – 44,000	3,725	3,494	46,900 – 47,000	3,995	3,764	49,900 – 50,000	4,265	4,034
<b>\$ 41,000</b>				<b>\$ 44,000</b>				<b>\$ 47,000</b>															
41,000 – 41,100	3,464	3,233	44,000 – 44,100	3,734	3,503	47,000 – 47,100	4,004	3,773	41,100 – 41,200	3,473	3,242	44,100 – 44,200	3,743	3,512	47,100 – 47,200	4,013	3,782						
41,200 – 41,300	3,482	3,251	44,200 – 44,300	3,752	3,521	47,200 – 47,300	4,022	3,791	41,300 – 41,400	3,491	3,260	44,300 – 44,400	3,761	3,530	47,300 – 47,400	4,031	3,800						
41,400 – 41,500	3,500	3,269	44,400 – 44,500	3,770	3,539	47,400 – 47,500	4,040	3,809	41,500 – 41,600	3,509	3,278	44,500 – 44,600	3,779	3,548	47,500 – 47,600	4,049	3,818						
41,600 – 41,700	3,518	3,287	44,600 – 44,700	3,788	3,557	47,600 – 47,700	4,058	3,827	41,700 – 41,800	3,527	3,296	44,700 – 44,800	3,797	3,566	47,700 – 47,800	4,067	3,836						
41,800 – 41,900	3,536	3,305	44,800 – 44,900	3,806	3,575	47,800 – 47,900	4,076	3,845	41,900 – 42,000	3,545	3,314	44,900 – 45,000	3,815	3,584	47,900 – 48,000	4,085	3,854						

## 2014 Tax rate charts

### Chart S: For persons filing single or married/RDP filing separately—

If your taxable income is over \$50,000 but not over \$125,000.....your tax is \$4,269 plus 9% of excess over \$50,000

If your taxable income is over \$125,000.....your tax is \$11,019 plus 9.9% of excess over \$125,000

### Chart J: For persons filing jointly, head of household, or qualifying widow(er) with dependent child—

If your taxable income is over \$50,000 but not over \$250,000.....your tax is \$4,038 plus 9% of excess over \$50,000

If your taxable income is over \$250,000.....your tax is \$22,038 plus 9.9% of excess over \$250,000



Oregon Department of Revenue  
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Salem OR 97301-2555

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- Check your refund status.
- Make payments.
- Find out how much you owe.

**Twitter:** ORrevenue

### Email or write

#### [questions.dor@oregon.gov](mailto:questions.dor@oregon.gov)

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

- Include your name and daytime phone number.
- Include the last four digits of your SSN or ITIN.

#### **Printed forms or publications:**

Forms  
Oregon Department of Revenue  
PO Box 14999  
Salem OR 97309-0990

**Español:** [preguntas.dor@oregon.gov](mailto:preguntas.dor@oregon.gov)

### Phone

**Salem area or outside Oregon** ..... 503-378-4988

**Toll-free from an Oregon prefix** ..... 1-800-356-4222

- Check your refund status.
- Order forms, instructions, and publications.
- Listen to recorded information.
- Speak with a representative:

Monday–Friday ..... 7:30 a.m.–5 p.m.  
*Closed Thursdays from 9–11 a.m. Closed holidays. Extended hours during tax season; wait times may vary.*

#### **Asistencia en español:**

En Salem o fuera de Oregon ..... 503-378-4988

Gratis de prefijo de Oregon ..... 1-800-356-4222

#### **TTY (hearing or speech impaired; machine only):**

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