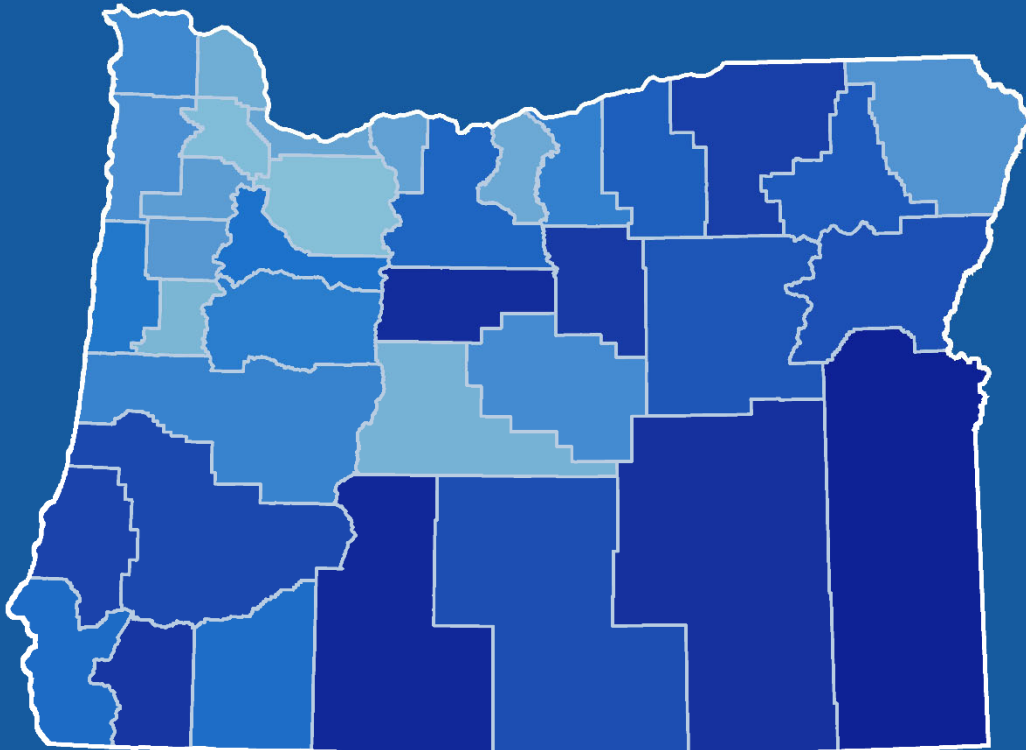


Oregon Personal Income Tax Statistics

Characteristics of Filers

2022 Edition: Tax Year 2020

150-101-406 (Rev. 06-22)



Tax Year 2020

Cover image: Color gradient serves as an indicator representing the percentage of tax year 2020 full-year resident personal income tax filers claiming the Oregon earned income credit by county; the color darkens as the percentage increases. The details of this image are discussed further in Section IV Characteristics of Filers: County Data.

Disclaimer: This report is not for the purpose of providing legal advice.

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Oregon Personal Income Tax Statistics

Characteristics of Filers

**2022 Edition
Tax Year 2020**

Prepared by

**Research Section
Principal analyst: Mark Beilby**

**Oregon Department of Revenue
Salem OR 97301-2555**

150-303-405 (Rev. 06-22)

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Oregon's largest source of tax revenue is the personal income tax, and it is forecasted to account for about 86 percent of the General Fund for the 2021-23 biennium. Because it is the state's primary revenue source for discretionary spending, information about this tax program is valuable to businesses, government officials, policymakers, taxpayers, and the general public.

This annual report presents statistical summaries of information about the personal income tax system and provides a foundation for understanding the characteristics of Oregon's personal income tax filers.

The structure of information in the report follows the general flow of calculations on the federal and Oregon tax return forms:

- *Federal Form 1040*: Historical information for federal adjusted gross income (AGI) and detailed information on types of income and adjustments that make up AGI.
- *Oregon Form OR-40*: High-level and historical information on Oregon taxable income, tax liability, additions, subtractions, deductions, reduced tax rates for business income, credits, and payments and refunds.
- *Oregon Schedule OR-ASC*: Detailed information on Oregon additions, subtractions, and credits.
- *Oregon Schedule OR-A*: Detailed information on Oregon itemized deductions.

This edition of *Oregon Personal Income Tax Statistics* provides detailed statistics based on tax year 2020 income tax returns received by the Oregon Department of Revenue in the 2021 calendar year. Also included in the report are comparisons of tax year 2020 personal income tax statistics to those of previous tax years.

The document contains the following main sections:

- *Highlights*: This section illustrates selected statistics showcasing a comparison between the 2019 and 2020 tax years.
- *Personal Income Tax Calculation*: This section explains how personal income tax is calculated and includes a diagram outlining its main components.
- *Characteristics of Filers*: This section provides a historical summary of returns, information from the components of the federal and Oregon tax return forms, information on part-year resident and nonresident returns, and county-level data.

Section I: Introduction

- *Appendices:*
 - A: Discusses the surplus refund (kicker) and historical data for 1979 through 2021.
 - B: Provides additional discussion about return data, statistical reporting, and the components of income for the current report.
 - C: Contains a glossary of terms used in this report; however, the glossary does not define all terms related to Oregon’s personal income tax. See *Publication OR-17, Oregon Individual Income Tax Guide, 2020* for a complete listing with additional information at the following link: www.oregon.gov/dor/forms.

The data presented in this report includes only people who have filed an Oregon personal income tax return. Some people may not be required to file an Oregon personal income tax return, therefore the data does not provide a complete picture of income earned by Oregonians and nonresidents with Oregon sourced income. Others may have income but could have no tax liability after including their standard deduction and personal exemption credit and therefore may not be required to file a tax return.

Actual tax receipts may vary from this report because some filers failed to pay their full Oregon tax liability or paid after 2021. The report does not include information from audits, amended tax returns, or original returns received after December 2021. Typically, several thousand amended and late returns are received during the following calendar year, which is relatively small compared to the roughly 2 million returns received per tax year.

Additional information about Oregon’s personal income tax and areas of particular interest are available. Such information, publications, and forms are found on the following Oregon Department of Revenue webpages:

www.oregon.gov/dor/stats

- The history of Oregon tax law changes and tables of changes to personal income brackets, tax rates, standard deduction, and personal exemption deduction and credit through the years.
- Detailed tables on the statistics of Oregon personal income tax for tax year 2020 and previous years, as well as past personal income tax statistics reports.
- Information about adjustments, deductions, subtractions, and credits within the *State of Oregon 2021–23 Tax Expenditure Report*.

www.oregon.gov/dor/forms

- Personal income tax filing requirements and a complete list with detailed descriptions of types of taxable and nontaxable income, federal adjustments, and Oregon additions, subtractions, and credits within *Publication OR-17, Oregon Individual Income Tax Guide, 2020* edition and previous yearly editions.
- Personal income tax forms and instructions for current and previous tax years.

This section gives high-level information on Oregon personal income tax returns¹ received for tax year 2020. A return is associated with only one filer. This information focuses on the total number of returns filed, those filed electronically, and the Oregon adjusted gross income, taxable income and tax liability reported on returns for full-year residents, part-year residents, and nonresidents.

Exhibit 1—Oregon Personal Income Tax Selected Statistics Tax Years 2019 and 2020

	Full-Year Resident			Part-Year and Nonresident			All Returns		
	2019	2020	Growth	2019	2020	Growth	2019	2020	Growth
Number of Returns	1,889,720	1,919,410	1.6%	322,970	304,610	-5.7%	2,212,690	2,224,020	0.5%
Electronically Filed Returns	1,689,160	1,750,510	3.6%	291,410	280,120	-3.9%	1,980,570	2,030,630	2.5%
Oregon AGI* (\$ billions)	\$138.0	\$143.0	3.6%	\$11.4	\$11.2	-1.2%	\$149.4	\$154.3	3.3%
Taxable Income* (\$ billions)	\$111.4	\$117.9	5.8%	\$10.5	\$10.8	2.9%	\$121.8	\$128.6	5.6%
Tax Liability* (\$ billions)	\$8.7	\$9.1	4.1%	\$0.8	\$0.8	0.6%	\$9.5	\$9.8	3.8%
Average Oregon AGI (\$)	\$73,050	\$74,520	2.0%	\$35,210	\$36,890	4.8%	\$67,520	\$69,370	2.7%
Average Tax Liability (\$)	\$4,610	\$4,720	2.4%	\$2,400	\$2,560	6.7%	\$4,280	\$4,430	3.5%
Effective Tax Rate**	6.3%	6.3%		6.8%	6.9%		6.3%	6.4%	

* See glossary of terms in Appendix C.

** Tax liability divided by adjusted gross income.

Tax year 2020 was unusual because of the COVID-19 pandemic, which started significantly impacting the national economy in March 2020. Even though there was a large impact on Oregon’s economy, many of the high-level Oregon personal tax indicators showed typical growth from tax year 2019 to 2020. For returns from full-year residents, the number of returns grew by 1.6 percent, electronically filed returns grew by 3.6 percent, total Oregon adjusted gross income grew by 3.6 percent, and total tax liability grew by 4.1 percent.

However, there are some notable impacts that can be seen in parts of Oregon’s personal income tax system, due to impacts on the economy and federal personal income tax legislation: the Coronavirus Aid, Relief, and Economic Security (CARES) Act and the American Rescue Plan Act (ARPA).

- The largest impact is the growth in reported gross unemployment compensation which increased from about \$400 million in 2019 to nearly \$5 billion in 2020 for full-year resident filers. See Exhibit 22.

¹ See also Section IV Characteristics of Filers: Returns and Appendix C: Glossary of Terms for additional information.

Section II: Highlights

- The ARPA allowed taxpayers with unemployment compensation and federal AGI of not more than \$150,000 (not including any unemployment compensation) to exclude the first \$10,200 of unemployment compensation per taxpayer (filer and spouse), which was reported as a negative amount in other income. The total excluded unemployment compensation amounted to about \$3 billion for full-year resident returns. See Exhibit 22.
- The adjustment for student loan interest paid dropped by about 50 percent due the temporary suspension of payments for federal student loans in the CARES Act. See Exhibit 24.
- For 2020, the CARES Act allowed an adjustment for charitable contribution of up to \$300 for those taxpayers who did not itemize on their federal return. See Exhibit 24.
- Federal Economic Impact Payments as pre-payment of the refundable Recovery Rebate Credit for tax year 2020 (included in the CARES Act and subsequent federal legislation) had to be included in the subtraction for federal tax liability calculation and hence reduced the total federal tax subtracted from Oregon returns by over \$1.4 billion in 2020, a reduction of 29 percent for full-year resident filers. See Exhibit 27.
- The growth in the number of full-year resident returns of 1.6 percent was predominately from an increase in returns with zero taxable income. See Exhibit 21.
- The number of returns from part-year residents decreased by nearly 8 percent, since people did not move as much in 2020. See Exhibit 42c.

Federal Connection

Calculating Oregon’s personal income tax starts at the federal level as shown in the Exhibit 2 flowchart on the following page. This flowchart is a visual representation of the income tax calculation as it relates to the full-year resident. This section discusses the components² of the calculation, provides examples, and presents additional information.

The connection to the federal definition of taxable income makes the tax easier for the state of Oregon to administer. Using the same definition of income also helps simplify the Oregon tax return and reduces the number of calculations filers need to make.

Oregon’s personal income tax has been connected to federal taxable income since 1969. The connection usually had exceptions, which varied over the years. From 1981 to 1997, the Legislature regularly acted to tie Oregon taxable income to the federal definition as of a specific date. In 1997, the Legislature began a ‘rolling reconnect’ where Oregon’s definition of taxable income would automatically change with federal changes. The rolling reconnect was suspended intermittently for several years from 2003 to 2010. Since 2011, the rolling reconnect has been in place.

Even though Oregon ties to the federal definition of taxable income, which includes the itemized deductions allowed federally, the starting point for the Oregon personal income tax calculation on the tax return is the federal adjusted gross income. The itemized deductions are subtracted at a later point in the calculation. One consequence to note from the Tax Cuts and Jobs Act (TCJA), passed by Congress in late 2017 and beginning in tax year 2018, is related to itemized deductions. The number of taxpayers itemizing at the federal level decreased significantly because the federal standard deduction was increased significantly. However, since the Oregon standard deduction did not change (except for an inflation adjustment), beginning with tax year 2018, many taxpayers itemized their deductions only for their Oregon personal income tax return and claimed the standard deduction on their federal return.

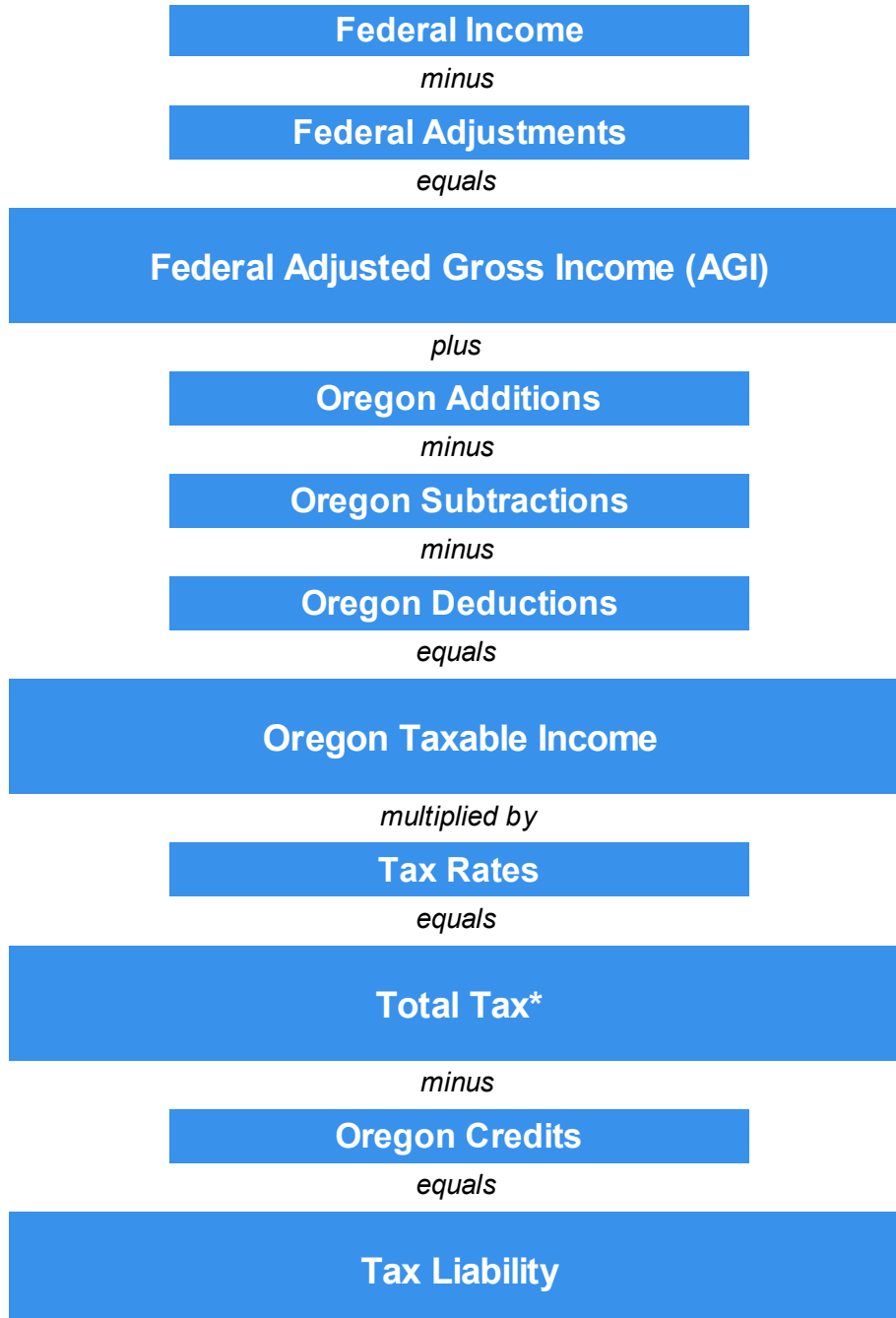
Part-year Residents and Nonresidents (PY/NR) of Oregon

For part-year residents, their taxable income is based on income from all sources and the tax is prorated by the ratio of Oregon income to federal income. Their Oregon income is income from all sources while an Oregon resident and any Oregon sourced income while a nonresident. For nonresidents, the federal tax subtraction and standard or itemized deductions are prorated based on the ratio of Oregon income to federal income and the tax rates are applied to income from only Oregon sources. Oregon prorates some credits, such as the exemption credit, credit for contributions to the Oregon Cultural Trust, and residential energy tax credit for part-year residents and nonresidents.

² The Appendix C: Glossary of Terms, gives specific definitions for many of the components. Since the glossary does not define all terms related to Oregon’s personal income tax, see *Publication OR-17, Oregon Individual Income Tax Guide, 2020* at www.oregon.gov/dor/forms for additional information.

Section III: Personal Income Tax Calculation

**Exhibit 2—Calculation
How Oregon Personal Income Tax is Calculated**



* For a small number of filers, Total Tax includes interest on installment sales, farm capital gains taxed at five percent, taxes calculated from income averaging, or income from qualified pass-through entities at reduced rates.

Federal Income

Federal income is the gross income people receive from all sources in the form of money, goods, property, and services that is not exempt from federal income tax, including any income from sources outside the United States.

Federal income types include:

- Salaries and wages
- Interest
- Dividends
- State income tax refunds (if deductions were itemized in the prior year)
- Alimony received
- Business income/loss
- Farm income/loss
- Capital gains/losses
- Rental income
- Royalties
- Partnership income/loss
- S corporation income/loss
- Estate and trust income/loss
- Unemployment compensation
- Social Security income
- Retirement plan distributions

Filing Requirements

A single person or married persons who have income may not have to file an Oregon personal income tax return if their gross income is below a certain amount. A taxpayer is an individual or individuals represented by a return. In the case of joint returns, there are two taxpayers represented: the filer and the spouse. Oregon registered domestic partners (RDPs) are required to file as married filing jointly or married filing separately. Dependents listed on taxpayers’ returns are not considered taxpayers unless they file their own Oregon personal income tax return. Exhibit 3 shows the level of gross income for which a taxpayer is required to file a full-year Oregon personal income tax return (Form OR-40) based on their filing status.

**Exhibit 3—Minimum Filing Requirements for Full-Year Residents
Tax Year 2020**

<u>Filing status</u>	<u>Gross income more than</u>
Single	\$6,495
Married filing jointly	\$12,990
Married filing separately	\$6,495
Head of household	\$8,150
Qualifying widow(er)	\$9,055
Can be claimed as a dependent	\$1,100

(1) Amounts are larger for those over 65 and/or blind
 (2) Those persons with any Oregon income tax withheld from wages are required to file.

Section III: Personal Income Tax Calculation

Federal Adjustments

Federal adjustments include:

- IRA, SIMPLE, and SEP contributions
- Self-employment health insurance
- Forfeited interest
- Moving expenses
- Alimony paid
- Self-employment tax
- Student loan interest
- Tuition and fees
- Educator expenses
- Qualified business expenses
- Health savings account contributions

Federal Adjusted Gross Income (AGI)

Federal adjusted gross income is the total from all federal income sources minus federal adjustments.³ Federal AGI is the starting point on the Oregon personal income tax return for full-year resident filers when they calculate their Oregon personal income tax. For full-year resident filers their federal AGI is the same as their Oregon AGI, and in this report will often be referred to as adjusted gross income or AGI.

Oregon Additions

Oregon additions include:

- Interest on bonds from other states
- Charitable contribution deductions for which a tax credit is claimed
- Federal income tax refunds from an amended or audited return
- Federal deduction of unused business credits
- Lump-sum payment from a qualified retirement plan
- Federal deductions not allowed by Oregon

Oregon Subtractions

Oregon subtractions include:

- Oregon income tax refunds
- Federal income tax (up to \$6,950 for 2020)
- Social Security income
- Federal pension income
- U.S. bond interest
- Military active duty pay
- Scholarship awards used for housing expenses

Oregon Deductions

In general, filers are allowed to reduce their Oregon AGI by either their allowed standard deduction or their itemized deduction, whichever is larger.

³ See Section IV Characteristics of Filers: Adjustments and Appendix C: Glossary of Terms for additional information.

- **Standard deductions for 2020:**

- \$4,630 if joint filer,
- \$3,725 if head-of-household filer
- \$2,315 if single filer
- \$2,315 if married filing separately (exception if spouse itemized)
- One of the listed four amounts plus an additional \$1,000 for each taxpayer at least age 65 or blind, filing married or qualifying widow(er).
The additional amount is \$1,200 for single and head of household filers.
For taxpayers who are both, age 65 or older and blind, this additional amount can be doubled.
- Exceptions for taxpayers who are nonresident aliens or dependents.

- **Itemized deductions include:**

- Medical and dental expenses
- Property taxes
- Home mortgage interest
- Charitable gifts

Oregon Taxable Income

Taxable income is Oregon AGI plus any Oregon additions⁴ minus any Oregon subtractions⁵ and deductions.⁶ If the result is negative, taxable income is set equal to zero.

Tax Rates and Total Tax

The total tax before any tax credits are subtracted consists of the amount of tax computed from taxable income using the current tax rates. The applicable tax rates and taxable income brackets are shown in Exhibit 4. Taxable income for returns with filing status of single or married filing separately is subject to bracket levels (S tax brackets) half that for returns with other filing statuses (J tax brackets). The legislation in 2019 that created the Corporate Activity Tax, also reduced the tax rates of the three lowest brackets by 0.25 percent, which had been 5, 7, and 9 percent, respectively. Beginning with tax year 2020, the new tax rates for the three lowest brackets are 4.75, 6.75, and 8.75 percent, respectively. The income bracket levels have been

⁴ See Section IV Characteristics of Filers: Additions and Appendix C: Glossary of Terms for additional information.

⁵ See Section IV Characteristics of Filers: Subtractions and Appendix C: Glossary of Terms for additional information.

⁶ See Section IV Characteristics of Filers: Deductions and Appendix C: Glossary of Terms for additional information.

Section III: Personal Income Tax Calculation

indexed for inflation since 1993, currently using the U.S. City Average Consumer Price Index (CPI) as the gauge of inflation. The 2009 Legislature created two additional income brackets, which were in effect for tax years 2009-2011 after Oregon voters approved the tax increase in January 2010 (Measure 66). The tax rates for those additional brackets were 10.8 percent for returns with taxable income from \$125,001-\$250,000 (S tax bracket), \$250,001-\$500,000 (J tax bracket), and 11 percent for returns with taxable income above \$250,000 (S tax bracket) and \$500,000 (J tax bracket). For 2012 and forward, the top rate bracket was eliminated and the tax rate for the next bracket was reduced to 9.9 percent.

Exhibit 4—Tax Brackets

Tax Year 2020

S Tax Brackets—for persons whose filing status is single or married filing separately

If taxable income is:	then tax is:
Not over \$3,600	4.75% of taxable income
Over \$3,600 but not over \$9,050	\$171 plus 6.75% of excess over \$3,600
Over \$9,050 but not over \$125,000	\$539 plus 8.75% of excess over \$9,050
Over \$125,000	\$10,865 plus 9.9% of excess over \$125,000

J Tax Brackets—for persons whose filing status is married filing jointly, head of household, or qualifying widow(er) with dependent child

If taxable income is:	then tax is:
Not over \$7,200	4.75% of taxable income
Over \$7,200 but not over \$18,100	\$342 plus 6.75% of excess over \$7,200
Over \$18,100 but not over \$250,000	\$1,078 plus 8.75% of excess over \$18,100
Over \$250,000	\$21,369 plus 9.9% of excess over \$250,000

Qualified Business Income Reduced Tax Rate

A reduced tax rate⁷ structure on business income from sole proprietorships and pass-through entities (PTE) that meet certain requirements is available to Oregon personal income taxpayers. Beginning with tax year 2015, taxpayers with qualifying business income from a partnership, S corporation, or sole proprietorship (added beginning tax year 2018) can elect to use the following marginal tax rates on that income as referenced in Exhibit 5.

⁷ See Section IV Characteristics of Filers: Qualified Business Income Reduced Tax Rate and Appendix C: Glossary of Terms for additional information.

Exhibit 5—Tax Rates for Qualified Business Income from Pass-through Entities Tax Year 2020

Qualified Business Income	Tax Rate
\$1 to \$250,000.....	7.0%
\$250,001 to \$500,000.....	7.2%
\$500,001 to \$1,000,000.....	7.6%
\$1,000,001 to \$2,500,000.....	8.0%
\$2,500,001 to \$5,000,000.....	9.0%
More than \$5,000,000	9.9%

The taxpayer and the business from which they receive income must meet certain requirements for that income to qualify for the reduced tax rates. The taxpayer must be an active participant in the partnership, S corporation, or sole proprietorship. The partnership, S corporation, or sole proprietorship must employ at least one person other than the taxpayer or another shareholder/partner of the partnership or S corporation, who must work at least 1,200 hours per year in Oregon; only weeks in which an employee works at least 30 hours count toward the total.

The only addition or subtraction allowed to modify the qualifying income is any depreciation adjustment directly related to the partnership, S corporation, or sole proprietorship. The tax on the qualifying income is determined by applying the tax rates in Exhibit 5 to the qualifying income. The taxpayer's remaining income, adjusted by any other Oregon additions, subtractions, and/or deductions, is taxed at the standard tax rates. The taxpayer's total tax is the sum of the tax on the qualifying business income and the tax on the remaining income.

For some taxpayers, particularly those with little income in addition to their qualifying income and large other subtractions and/or deductions, it is possible to pay a lower tax by applying the standard rates to all their income. Hence, they would not choose to use the reduced tax rates on their qualifying income, since they cannot apply those other subtractions and deductions to the qualifying income.

Oregon Credits

Oregon tax credits include:

- Earned income (refundable)
- Retirement income
- Income tax paid to other states
- Rural health practitioners
- Working family household and dependent care (refundable)
- Oregon Cultural Trust contributions
- Political contributions

Section III: Personal Income Tax Calculation

Tax Liability

Tax liability is the amount of tax owed by a taxpayer before accounting for any payments made by the taxpayer. It is the total tax reduced by credits, notably non-refundable credits and further reduced by any portion of refundable credits up to the amount of remaining tax. If refundable credits exceed the amount of remaining tax, then the taxpayer has no tax liability and receives a payment for the excess portion of the refundable credit.

Payments and Refunds

The amount a taxpayer is required to pay with the tax return is typically less than the final tax liability because most taxpayers have already made payments by having Oregon tax withheld⁸ from their paycheck or by making estimated tax payments. If these payments are less than the tax liability, then an additional payment is required with their return to cover the tax due. If these payments are more than the tax liability, the taxpayer receives a refund for the overpayment plus any payment for the excess portion of a refundable credit.

Payment types include:

- Withholding
- Estimated payments
- Payment with the submitted return

⁸ See Section IV Characteristics of Filers: Payments and Refunds and Appendix C: Glossary of Terms for additional information.

An individual who files a personal income tax return is considered a filer. A return, either physical or electronic, is associated with only one filer. For joint returns, the person listed first on the tax return is the filer. The federal and Oregon tax returns are organized into distinct sections, each focusing on a specific component of the income tax system. This section discusses each component separately as a characteristic and provides summaries as well as historical trends. Key figures from tax year 2020 are compared to historical numbers to show trends and changes over time. Previous year data is the actual dollar amounts as reported and not adjusted for inflation. Also included is historical data about filers moving to and from Oregon and tax information by county, including county maps with selected tax information.

Most exhibits and tables in this report are devoted to full-year (FY) resident returns as Oregon taxes all the reported federal taxable income except for specific Oregon subtractions. Full-year resident returns represent over 85 percent of all returns filed and 92 percent of tax liability. Part-year (PY) resident returns⁹ and nonresident (NR) returns¹⁰ may include significant income and deductions not related to economic activity in Oregon and only part of the income is subject to Oregon taxation. Consequently, full-year resident returns constitute the most stable base for statistical inference.

The number and types of returns filed are discussed first, followed by income and tax trends. Summaries of adjustments, additions, subtractions, deductions, reduced tax rates for business income, credits, and payments and refunds are followed by information on part-year resident returns and county-level data. Due to rounding¹¹, the sum of separate quantities may not correspond exactly to some totals.

⁹ See Section IV Characteristics of Filers: Returns, Income and Tax, Part-Year Residents, and Appendix C: Glossary of Terms for additional information.

¹⁰ See Section IV Characteristics of Filers: Returns, Income and Tax, and Appendix C: Glossary of Terms for additional information.

¹¹ See Appendix B: Data Validation and Statistical Reporting for rounding details.

Section IV: Characteristics of Filers

Returns

The information making up the return is divided in several ways and described in this section: filing status, number of returns, return form type, return submittal type (i.e., electronic, 2-D, or paper), age of taxpayers, and historical trends.

Returns by Filing Status and Form Type

Exhibit 6 shows the number of 2020 returns by filing status and form type. Full-year residents use Form OR-40, part-year residents use Form OR-40-P, and nonresidents use Form OR-40-N. Of the more than 2.22 million returns filed for tax year 2020, over 86 percent of returns were from full-year resident taxpayers.

Exhibit 6—All Income Tax Returns by Filing Status and Form Type Tax Year 2020

Filing Status	Full-Year Resident	Part-Year (PY)	Nonresident (NR)	Total
	OR-40	OR-40-P	OR-40-N	
Single	977,600	62,030	82,330	1,121,960
Married Filing Jointly	715,530	26,560	105,630	847,720
Married Filing Separately	37,490	2,500	4,740	44,730
Head-of-Household	187,890	5,750	14,980	208,620
Qualifying Widow(er)	910	30	60	1,000
Total	1,919,410	96,870	207,740	2,224,020

Returns—Historical Trends

Exhibits 7a and 7b on the following page, show the trend in returns filed since 2009 for full-year resident returns and part-year resident/nonresident (PY/NR) returns. The number of returns filed generally increases each year due to an increase in Oregon's population. However, the number of returns filed can fluctuate depending on economic conditions. The number of returns filed typically has decreased during recessions, as some people who filed the previous year may not have had enough income to require them to file in the current year. Tax year 2020 was unusual in that the pandemic impacted parts of the economy negatively, but there was still a rise in the total number of full-year resident returns filed. This phenomenon will be explored in more detail in Exhibit 21, which looks at the number of full-year resident returns filed by tax bracket.

Exhibit 7a—Income Tax Returns (Historical) by Full-year Resident and Part-year Resident/Nonresident, Tax Years 2009 to 2020

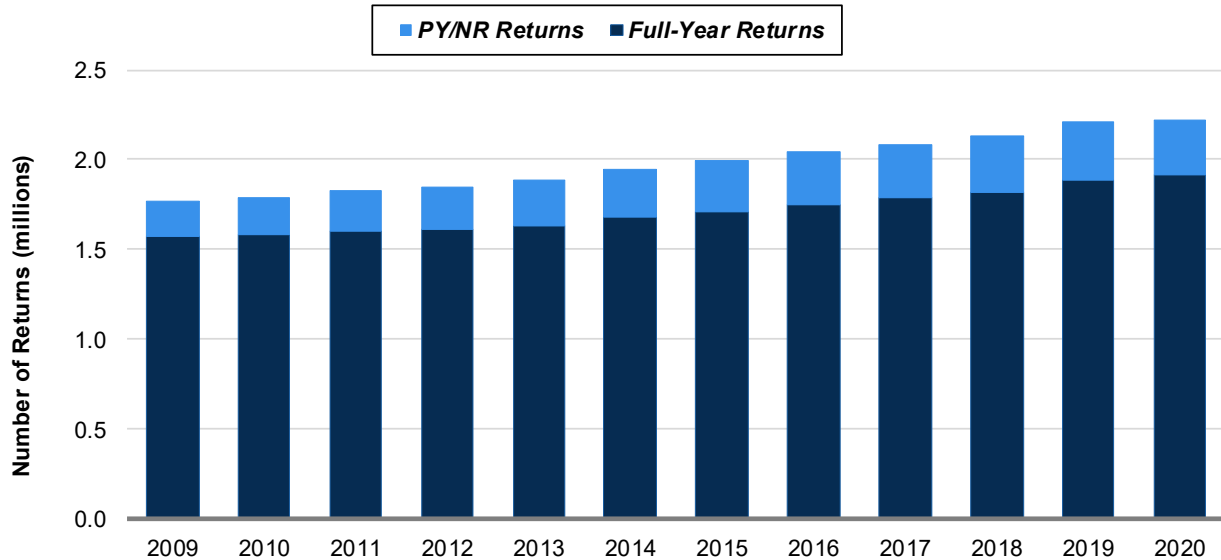


Exhibit 7b—Income Tax Returns (Historical Details) by Full-year Resident and Part-year Resident/Nonresident, Tax Years 2009 to 2020

Tax Year	Oregon Population*		Full-Year Returns		PY/NR Returns		All Returns	
	Number	Growth	Number	Growth	Number	Growth	Number	Growth
2009	3,815,800	0.8%	1,571,300	-1.4%	197,100	-7.2%	1,768,400	-2.1%
2010	3,837,300	0.6%	1,581,270	0.6%	210,410	6.8%	1,791,680	1.3%
2011	3,854,947	0.5%	1,599,960	1.2%	224,820	6.9%	1,824,790	1.8%
2012	3,878,877	0.6%	1,612,450	0.8%	233,810	4.0%	1,846,260	1.2%
2013	3,911,943	0.9%	1,636,510	1.5%	249,930	6.9%	1,886,440	2.2%
2014	3,953,356	1.1%	1,679,610	2.6%	263,070	5.3%	1,942,680	3.0%
2015	4,002,145	1.2%	1,711,180	1.9%	282,390	7.3%	1,993,570	2.6%
2016	4,062,203	1.5%	1,751,140	2.3%	289,600	2.6%	2,040,740	2.4%
2017	4,124,435	1.5%	1,785,350	2.0%	299,800	3.5%	2,085,150	2.2%
2018	4,176,095	1.3%	1,819,170	1.9%	309,580	3.3%	2,128,750	2.1%
2019	4,214,664	0.9%	1,889,720	3.9%	322,970	4.3%	2,212,690	3.9%
2020	4,243,791	0.7%	1,919,410	1.6%	304,610	-5.7%	2,224,020	0.5%

*Oregon Office of Economic Analysis, Demographic Forecast, June 2022 release, population estimate is for July 1 of given year
<https://www.oregon.gov/das/OEA/Pages/forecastdemographic.aspx>

Section IV: Characteristics of Filers

Electronic Returns

Oregon started offering electronic filing with a pilot project in 1993. Between 1994 and 1997, only professional tax preparers could file electronic returns and the number of electronic filers tripled from roughly 35,000 to just over 113,000. When individuals started filing their own returns electronically for the first time in 1998, electronic filings increased by 45 percent. The increase continued in 1999, when part-year and nonresident filers began filing electronically. Electronic filings increased even more in 2004 when the IRS introduced a web service to help tax preparers file electronically. In 2010, the IRS started requiring that professional tax preparers who prepare 100 or more returns file federal returns electronically. They tightened those requirements in 2011 to include tax preparers who file 10 or more tax returns. Additionally, beginning in 2011, any filer could submit their Oregon personal income tax return online through Oregon Free Fillable Forms. Exhibits 8a and 8b illustrates the growth in electronic filing from 2009 to 2020.

Exhibit 8a—Electronically Filed Income Tax Returns (Historical) by Full-year Resident and Part-year Resident/Nonresident, Tax Years 2009 to 2020

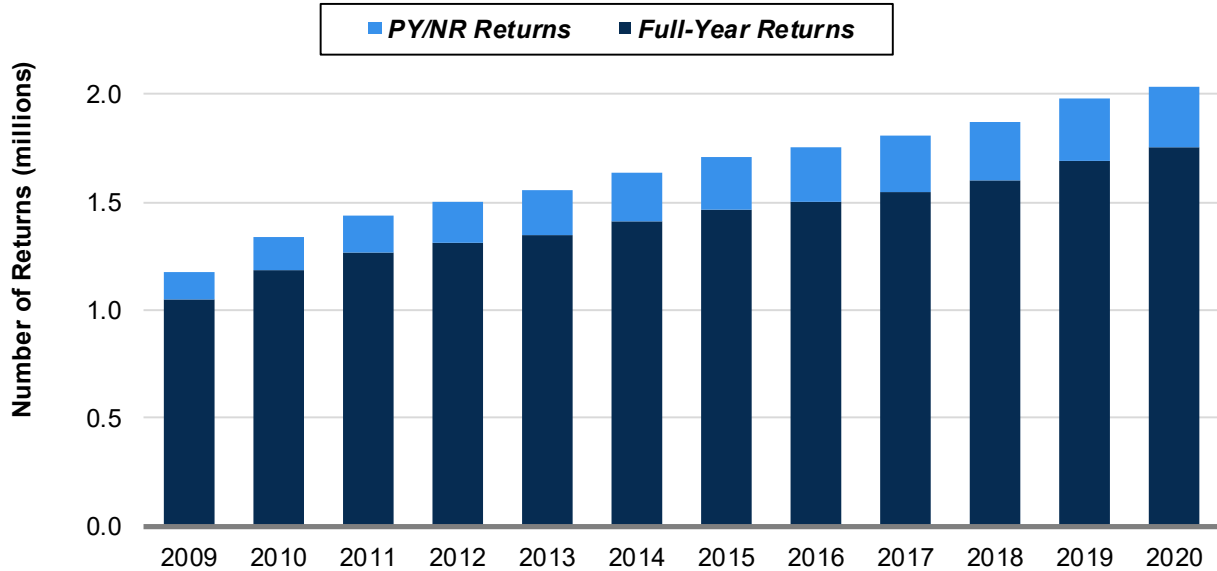


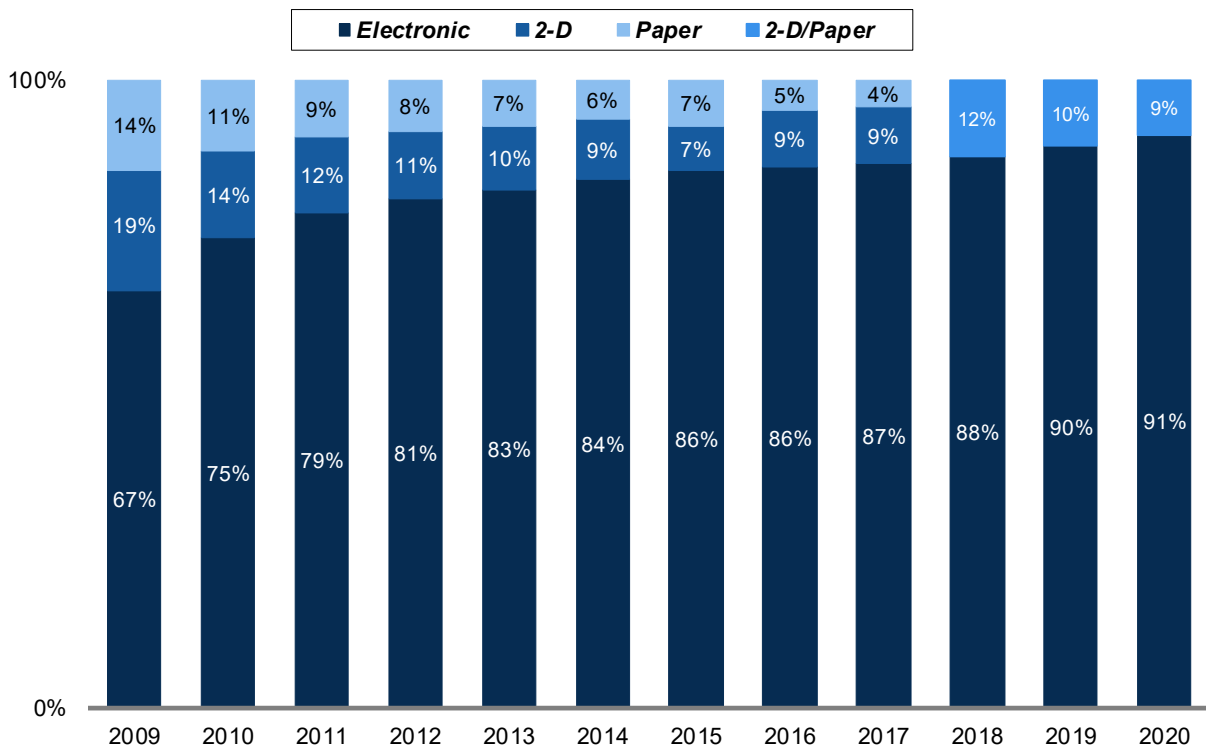
Exhibit 8b—Electronically Filed Income Tax Returns (Historical Details) by Full-year Resident and Part-year Resident/Nonresident, Tax Years 2009 to 2020

Tax Year	Full-Year Returns		PY/NR Returns		All Returns	
	Number	Growth	Number	Growth	Number	Growth
2009	1,046,160	3.7%	130,100	0.6%	1,176,250	3.4%
2010	1,182,920	13.1%	156,850	20.6%	1,339,770	13.9%
2011	1,264,050	6.9%	176,790	12.7%	1,440,850	7.5%
2012	1,308,190	3.5%	189,670	7.3%	1,497,860	4.0%
2013	1,346,560	2.9%	209,680	10.6%	1,556,240	3.9%
2014	1,410,680	4.8%	225,020	7.3%	1,635,700	5.1%
2015	1,461,900	3.6%	244,160	8.5%	1,706,060	4.3%
2016	1,504,570	2.9%	250,790	2.7%	1,755,350	2.9%
2017	1,546,750	2.8%	262,620	4.7%	1,809,360	3.1%
2018	1,597,200	3.3%	274,750	4.6%	1,871,950	3.5%
2019	1,689,160	5.8%	291,410	6.1%	1,980,570	5.8%
2020	1,750,510	3.6%	280,120	-3.9%	2,030,630	2.5%

Section IV: Characteristics of Filers

In 2001, Oregon first offered 2-D barcode filing, a hybrid of paper and electronic filing. Taxpayers mail their 2-D paper form to the Department of Revenue. The department then scans the tax return information from a barcode on the paper form, which does not require manual data entry. Only full-year resident forms were available for 2-D filing until 2007 when the department added nonresident and part-year resident forms. In the first year, only two percent of filed returns used 2-D. In tax year 2006, software companies creating Oregon tax returns were required to have the 2-D barcode. The mandate increased 2-D filings from 12 to 21 percent and it stayed relatively constant until 2009. Since the large growth of electronically filed returns for tax year 2010, both paper and 2-D filed returns have generally decreased. The slight increase in paper returns in 2015 was due to an issue in processing 2-D returns, so some of the 2-D barcode returns were manually entered. Toward the end of processing tax year 2018 returns, the Department of Revenue installed a new imaging system to process paper and 2-D returns. The information received from this system does not differentiate paper from 2-D barcode returns.

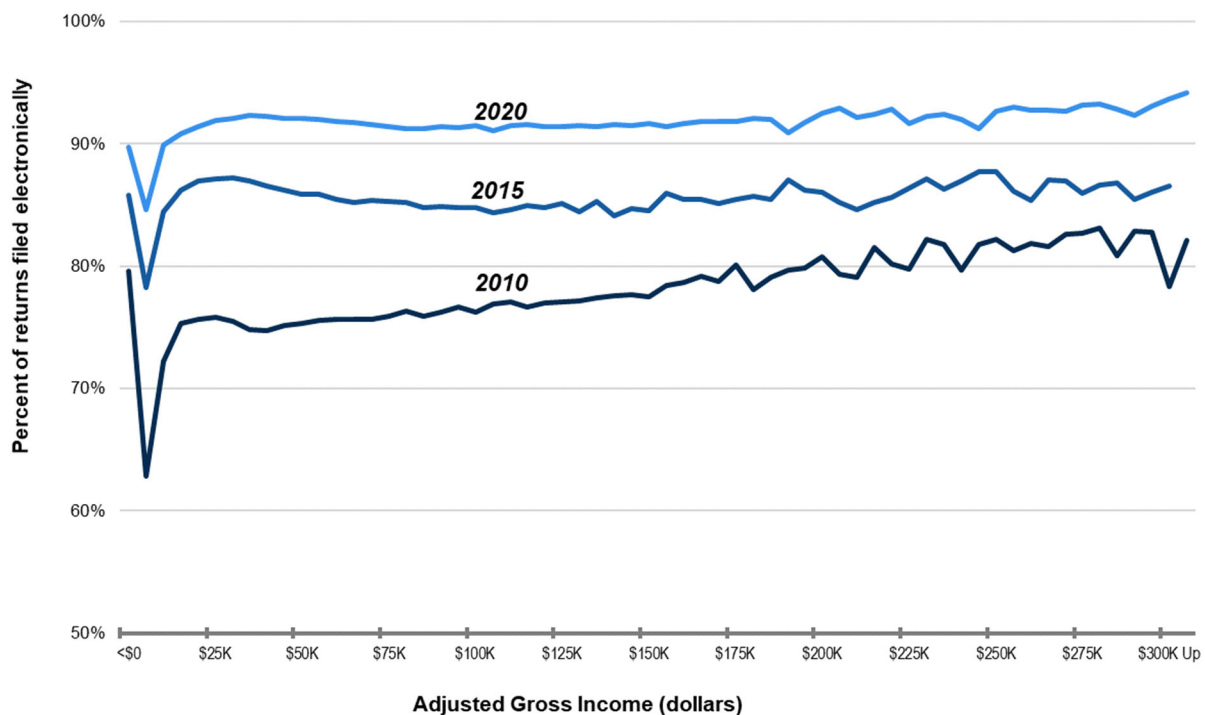
**Exhibit 9—All Returns (Historical) by Electronic, 2-D, and Paper
Tax Years 2009 to 2020**



Beginning in tax year 2018, the data for 2D barcode returns and paper returns are combined.

Exhibit 10 shows the percent of full-year resident electronically filed returns by income level for 2009 to 2020. For tax year 2020, the percent of returns filed electronically is relatively constant across all incomes, except for individuals who report very low income, which are often simple returns by the older sector of the population, and they opt to file more often by paper. Returns with adjusted gross income less than \$0 tend to be more complicated returns with business losses and most file electronically at close to the overall electronic filing rate.

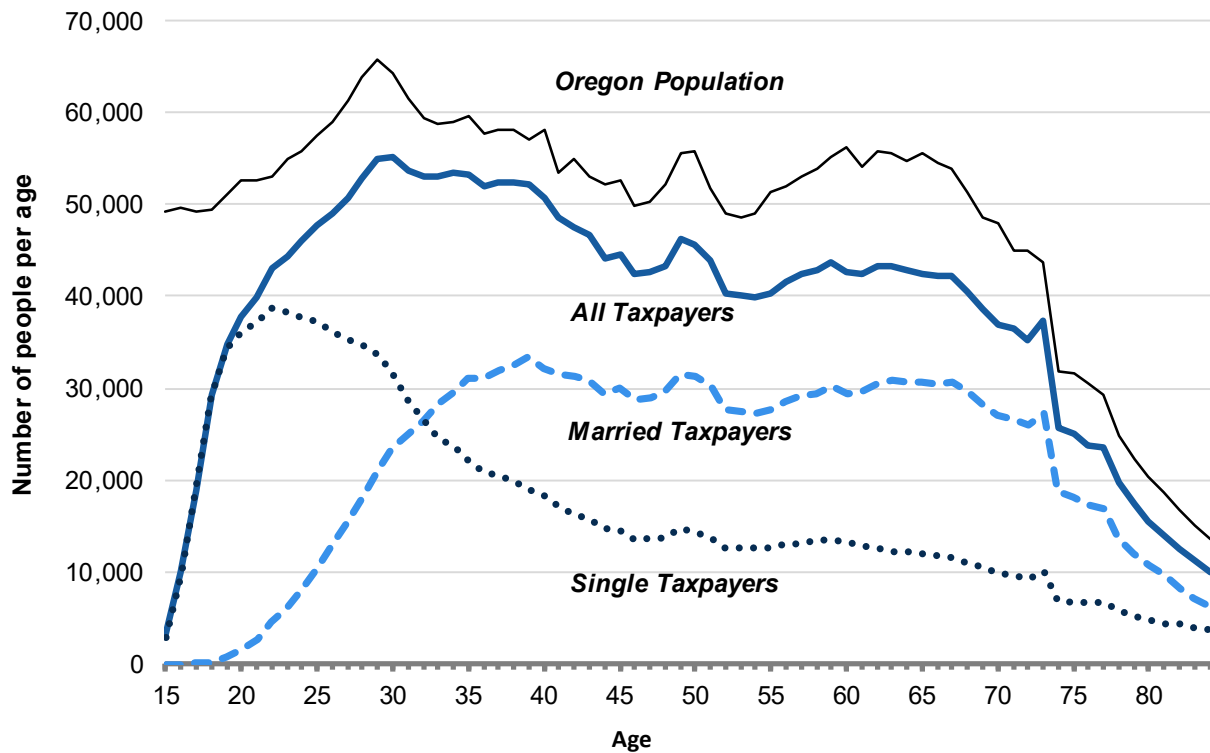
Exhibit 10—Percent of Full-Year Resident Returns Filed Electronically by Adjusted Gross Income, Tax Years 2010, 2015, and 2020



Age of Taxpayers

Exhibit 11 shows information on all returns filed by full and part-year Oregon residents by the age of the taxpayer on July 1, 2020 (includes both the filer and spouse for joint returns). The data shows number of taxpayers on returns filed by single and married taxpayers separately, along with the overall Oregon population. The population data is not directly comparable to the tax return data, as the population data is the best estimate of the population on July 1, 2020, while tax return data represents tax year 2020 Oregon resident returns submitted during calendar year 2021. However, we see similarities between the population and tax return data. The number of taxpayers represented by the tax returns is less than the overall population, as many taxpayers do not file because they do not have enough income.

**Exhibit 11—Resident (Full and Part-Year) Taxpayer Returns by Age
Tax Year 2020**



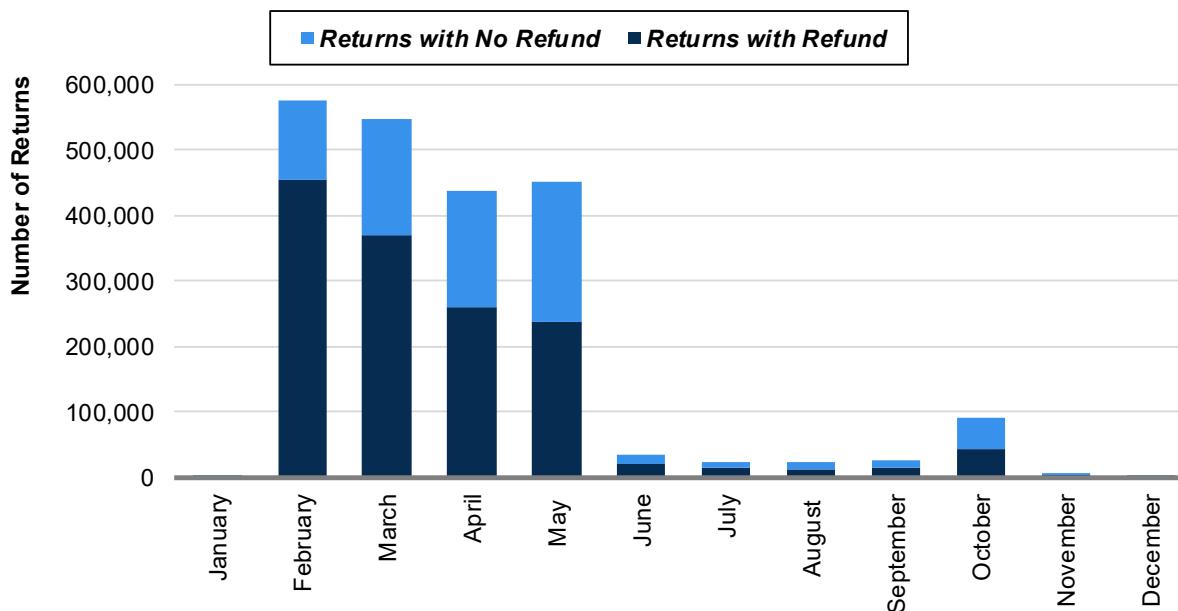
- (1) Age of taxpayer on July 1, 2020 computed from the date of birth listed on the return
- (2) The chart represents 2.74 million resident (full and part-year) taxpayers.
- (3) Age is not known for less than 1 percent of taxpayers, so they are not represented.
- (4) Oregon population age data is from the Oregon Office of Economic Analysis, Demographic Forecast, June 2022 release, population estimate is for July 1, 2020 <https://www.oregon.gov/das/OEA/Pages/forecastdemographic.aspx>

Timing of Filing Tax Returns

The information in Exhibit 12 is based on original 2020 income tax returns received by the Oregon Department of Revenue in the 2021 calendar year. The department receives returns throughout the year and typically receives most of those returns by the April 15 deadline. Tax year 2020 was a bit unusual because in March 2021 the department extended the due date until May 17, 2021 following the federal personal income tax due date extension. Legislation from the American Rescue Plan Act (ARPA) changed some federal tax personal income tax policy retroactively for tax year 2020 in the middle of the tax year 2020 filing season. Exhibits 12a and 12b, on the following page, show the total number of returns submitted by month, broken out into returns that claim a refund and those that do not claim a refund. About 4 percent of taxpayers filed near the extension deadline of October 15.

Section IV: Characteristics of Filers

**Exhibit 12a—Number of Returns Received from All Returns by Month
Tax Year 2020**



**Exhibit 12b—Number of Returns Received from All Returns (Details) by Month
Tax Year 2020**

	Returns with No Refund	Returns with Refund	All Returns		
			Number	Share	Cumulative
January	160	330	490	0.0%	0.0%
February	122,370	454,280	576,650	25.9%	26.0%
March	177,970	370,510	548,480	24.7%	50.6%
April	175,720	261,460	437,180	19.7%	70.3%
May	215,830	237,080	452,910	20.4%	90.6%
June	14,780	20,930	35,710	1.6%	92.2%
July	10,470	14,070	24,540	1.1%	93.3%
August	9,760	12,230	21,990	1.0%	94.3%
September	12,500	14,510	27,010	1.2%	95.6%
October	48,410	42,350	90,760	4.1%	99.6%
November	2,870	3,020	5,890	0.3%	99.9%
December	1,180	1,240	2,420	0.1%	100.0%
Total	792,020	1,432,000	2,224,020		

Income and Tax

This section looks at income and tax in several different ways, including categorical by resident type, historical trends, effective tax rates, distribution by income, and types of income.

Oregon Adjusted Gross Income and Tax Liability by Residence Type

Federal adjusted gross income (AGI) consists of income subject to federal tax minus federal adjustments. For full-year residents, Oregon AGI equals federal AGI. Part-year residents derive their Oregon AGI from all income while the taxpayer was a resident of Oregon and any Oregon sourced income while they were a nonresident. Nonresidents derive their Oregon AGI from income sourced in Oregon.

Full-year residents accounted for over 86 percent of the tax returns, over 92 percent of Oregon AGI, and about 92 percent of the tax liability in 2020. Exhibit 13 is a summary of the number of returns, AGI, and Oregon tax liability by residency status, as determined by the type of return the taxpayer filed.

Exhibit 13—Returns, Oregon AGI, and Tax Liability from All Returns by Residence Type, Tax Year 2020

Return Type	Returns		Oregon AGI		Tax Liability	
	Number	Share	\$ (millions)	Share	\$ (millions)	Share
Full-Year (OR-40)	1,919,410	86.3%	\$143,031.9	92.7%	\$9,063.1	92.1%
Part-Year (OR-40-P)	96,870	4.4%	\$3,650.4	2.4%	\$258.4	2.6%
Nonresident (OR-40-N)	207,740	9.3%	\$7,587.2	4.9%	\$520.7	5.3%
Total	2,224,020	100%	\$154,269.6	100%	\$9,842.2	100%

Oregon Adjusted Gross Income—Historical Trends

Exhibits 14a and 14b on the following page, show the trend in Oregon AGI since 2009 for full-year resident returns, part-year resident/nonresident returns and all returns. Oregon AGI grows in most years due to Oregon's increasing taxpayer population and inflation. The total Oregon AGI increased 3.3 percent in 2020, going from \$149.4 billion in 2019 to \$154.3 billion in 2020. As noted, tax year 2020 was unusual in that the pandemic affected parts of the economy negatively. However, there were still many taxpayers that saw growth in their income, especially those with higher income from wages, capital gains, and partnership and S corporations. The large increase in taxable unemployment compensation also contributed to an increase in total AGI in 2020. See Exhibit 22 for more detail on how the pandemic affected different type of income.

Section IV: Characteristics of Filers

Exhibit 14a–Total Oregon Adjusted Gross Income (Historical) by Full-Year Resident and PY/NR Returns, Tax Years 2009 to 2020

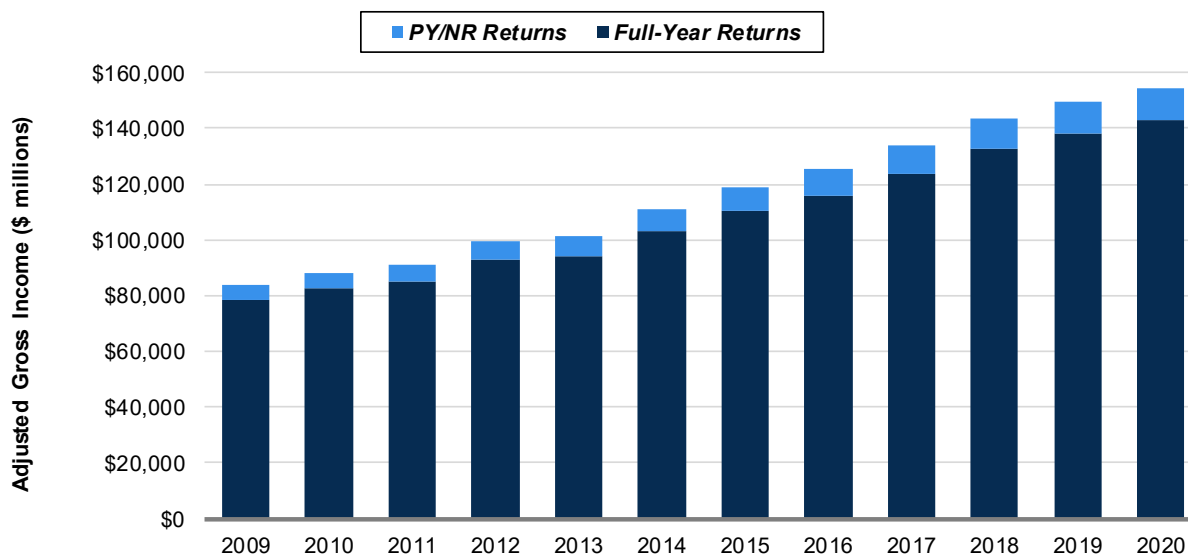


Exhibit 14b–Total Oregon Adjusted Gross Income (Historical Details) by Full-Year Resident and PY/NR Returns, Tax Years 2009 to 2020

Tax Year	Full-Year Returns			PY/NR Returns			All Returns		
	Average (\$)	Total (\$ millions)	Growth in Total	Average (\$)	Total (\$ millions)	Growth in Total	Average (\$)	Total (\$ millions)	Growth in Total
2009	\$50,100	\$78,717.4	-6.4%	\$25,180	\$4,962.9	-17.4%	\$47,320	\$83,680.4	-7.1%
2010	\$52,270	\$82,655.9	5.0%	\$26,630	\$5,602.7	12.9%	\$49,260	\$88,258.6	5.5%
2011	\$53,070	\$84,904.9	2.7%	\$26,950	\$6,059.3	8.1%	\$49,850	\$90,964.2	3.1%
2012	\$57,490	\$92,703.6	9.2%	\$29,590	\$6,918.0	14.2%	\$53,960	\$99,621.6	9.5%
2013	\$57,690	\$94,405.0	1.8%	\$28,840	\$7,206.8	4.2%	\$53,860	\$101,611.7	2.0%
2014	\$61,430	\$103,179.0	9.3%	\$29,930	\$7,874.3	9.3%	\$57,170	\$111,053.4	9.3%
2015	\$64,420	\$110,226.4	6.8%	\$31,250	\$8,824.3	12.1%	\$59,720	\$119,050.6	7.2%
2016	\$66,300	\$116,101.2	5.3%	\$33,090	\$9,583.7	8.6%	\$61,590	\$125,684.9	5.6%
2017	\$69,420	\$123,945.0	6.8%	\$34,090	\$10,219.7	6.6%	\$64,340	\$134,164.7	6.7%
2018	\$72,850	\$132,522.9	6.9%	\$35,520	\$10,997.5	7.6%	\$67,420	\$143,520.4	7.0%
2019	\$73,050	\$138,036.4	4.2%	\$35,210	\$11,372.1	3.4%	\$67,520	\$149,408.6	4.1%
2020	\$74,520	\$143,031.9	3.6%	\$36,890	\$11,237.6	-1.2%	\$69,370	\$154,269.6	3.3%

Taxable Income–Historical Trends

Taxable income is the amount of income subject to Oregon tax and equals Oregon AGI plus additions, minus subtractions, minus allowable deductions, limited to a minimum of zero. Exhibits 15a and 15b show the trend in Oregon taxable income since 2009 for full-year resident returns, part-year resident/nonresident returns (PY/NR), and all returns. The yearly trend in the total taxable income closely correlates to total Oregon AGI.

Exhibit 15a–Total Taxable Income (Historical) by Full-Year Resident and PY/NR Returns, Tax Years 2009 to 2020

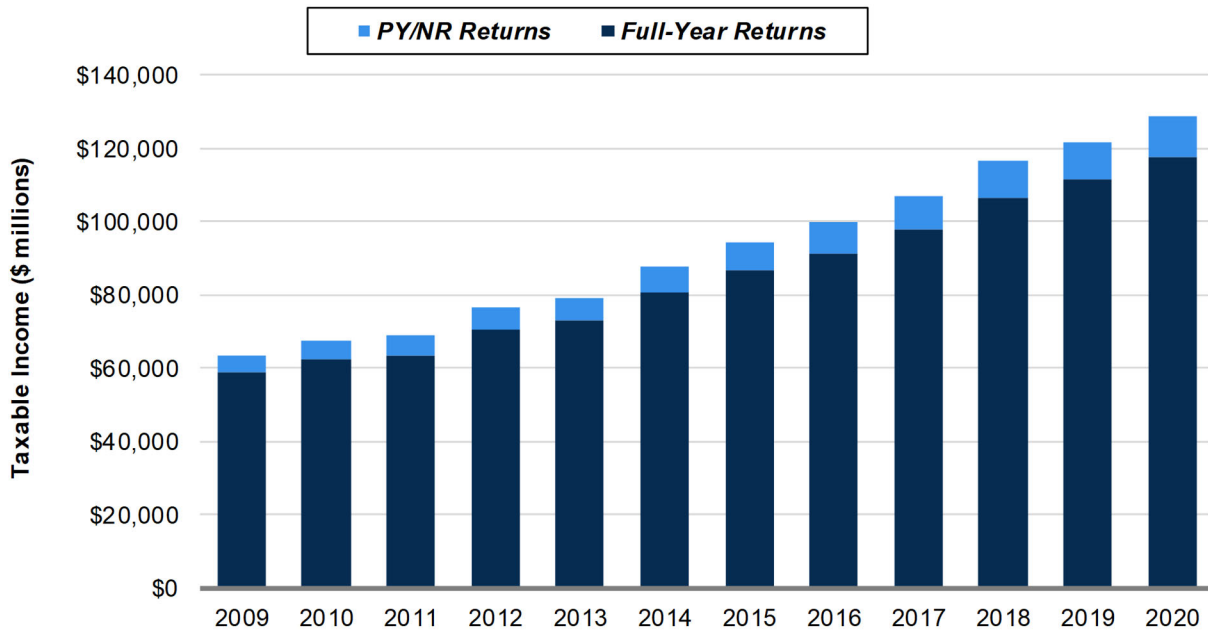


Exhibit 15b–Total Taxable Income (Historical Details) by Full-Year Resident and PY/NR Returns, Tax Years 2009 to 2020

Tax Year	Full-Year Returns			PY/NR Returns			All Returns		
	Average (\$)	Total (\$ millions)	Growth in Total	Average (\$)	Total (\$ millions)	Growth in Total	Average (\$)	Total (\$ millions)	Growth in Total
2009	\$37,440	\$58,828.0	-7.1%	\$22,880	\$4,510.0	-11.7%	\$35,820	\$63,338.0	-7.4%
2010	\$39,490	\$62,439.5	6.1%	\$23,370	\$4,917.1	9.0%	\$37,590	\$67,356.7	6.3%
2011	\$39,810	\$63,697.3	2.0%	\$23,330	\$5,245.8	6.7%	\$37,780	\$68,943.1	2.4%
2012	\$43,900	\$70,782.3	11.1%	\$25,760	\$6,022.0	14.8%	\$41,600	\$76,804.3	11.4%
2013	\$44,580	\$72,962.2	3.1%	\$25,320	\$6,328.3	5.1%	\$42,030	\$79,290.5	3.2%
2014	\$47,970	\$80,570.9	10.4%	\$26,920	\$7,082.8	11.9%	\$45,120	\$87,653.7	10.5%
2015	\$50,610	\$86,601.8	7.5%	\$27,820	\$7,856.7	10.9%	\$47,380	\$94,458.5	7.8%
2016	\$52,100	\$91,228.7	5.3%	\$29,540	\$8,554.8	8.9%	\$48,900	\$99,783.5	5.6%
2017	\$54,900	\$98,021.7	7.4%	\$30,510	\$9,147.1	6.9%	\$51,400	\$107,168.9	7.4%
2018	\$58,540	\$106,489.2	8.6%	\$32,590	\$10,087.7	10.3%	\$54,760	\$116,576.9	8.8%
2019	\$58,930	\$111,370.6	4.6%	\$32,370	\$10,455.3	3.6%	\$55,060	\$121,825.9	4.5%
2020	\$61,400	\$117,860.2	5.8%	\$35,330	\$10,763.3	2.9%	\$57,830	\$128,623.5	5.6%

Section IV: Characteristics of Filers

Tax Liability–Historical Trends

Tax liability is the amount of tax owed by a taxpayer. It is equal to the total tax reduced by non-refundable credits and any portion of refundable credits up to the amount of remaining tax. If refundable credits exceed the amount of remaining tax, then the taxpayer has no tax liability and receives a payment for the balance. In 2020, tax liability totaled \$9.8 billion, a 3.8 percent increase from 2019. Exhibits 16a and 16b show the trend in total tax liability since 2009 for full-year resident returns, part-year resident/nonresident returns (PY/NR) and all returns. The yearly trend in the total tax liability closely correlates to total Oregon AGI.

Exhibit 16a–Total Personal Income Tax Liability (Historical) by Full-Year Resident and PY/NR Returns, Tax Years 2009 to 2020

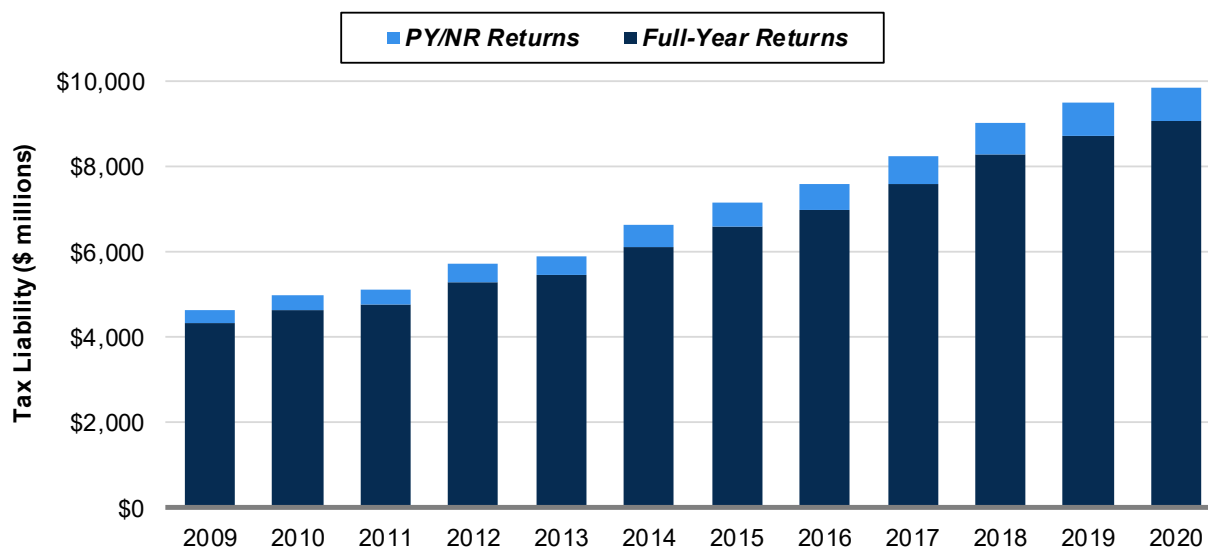


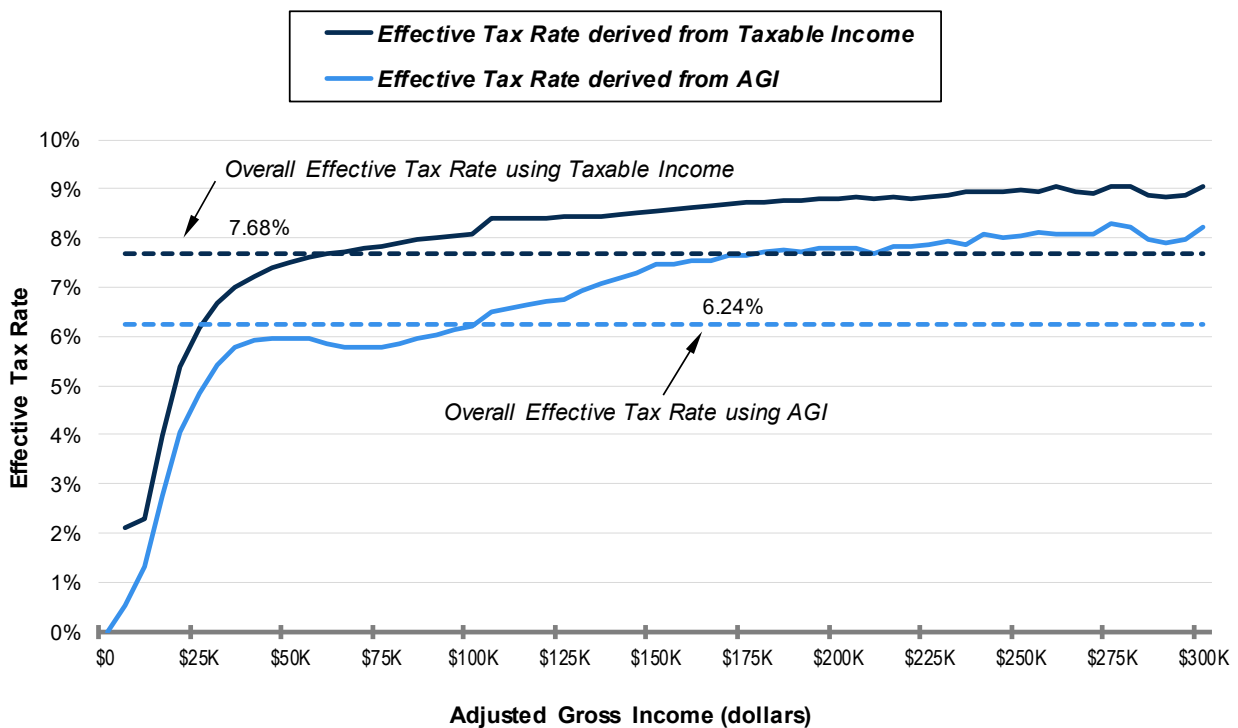
Exhibit 16b–Total Personal Income Tax Liability (Historical Details) by Full-Year Resident and PY/NR Returns, Tax Years 2009 to 2020

Tax Year	Full-Year Returns			PY/NR Returns			All Returns		
	Average (\$)	Total (\$ millions)	Growth in Total	Average (\$)	Total (\$ millions)	Growth in Total	Average (\$)	Total (\$ millions)	Growth in Total
2009	\$2,760	\$4,337.7	-6.9%	\$1,620	\$318.5	-10.9%	\$2,630	\$4,656.2	-7.2%
2010	\$2,940	\$4,646.2	7.1%	\$1,680	\$353.2	10.9%	\$2,790	\$4,999.4	7.4%
2011	\$2,970	\$4,749.4	2.2%	\$1,680	\$378.4	7.1%	\$2,810	\$5,127.8	2.6%
2012	\$3,280	\$5,288.4	11.3%	\$1,860	\$434.7	14.9%	\$3,100	\$5,723.0	11.6%
2013	\$3,330	\$5,457.2	3.2%	\$1,820	\$453.9	4.4%	\$3,130	\$5,911.1	3.3%
2014	\$3,640	\$6,109.1	11.9%	\$1,950	\$513.3	13.1%	\$3,410	\$6,622.4	12.0%
2015	\$3,850	\$6,590.5	7.9%	\$1,990	\$561.1	9.3%	\$3,590	\$7,151.6	8.0%
2016	\$3,980	\$6,970.1	5.8%	\$2,110	\$611.6	9.0%	\$3,720	\$7,581.7	6.0%
2017	\$4,240	\$7,565.4	8.5%	\$2,230	\$668.5	9.3%	\$3,950	\$8,233.9	8.6%
2018	\$4,560	\$8,298.5	9.7%	\$2,380	\$737.7	10.4%	\$4,240	\$9,036.2	9.7%
2019	\$4,610	\$8,704.0	4.9%	\$2,400	\$774.7	5.0%	\$4,280	\$9,478.8	4.9%
2020	\$4,720	\$9,063.1	4.1%	\$2,560	\$779.1	0.6%	\$4,430	\$9,842.2	3.8%

Effective Tax Rates

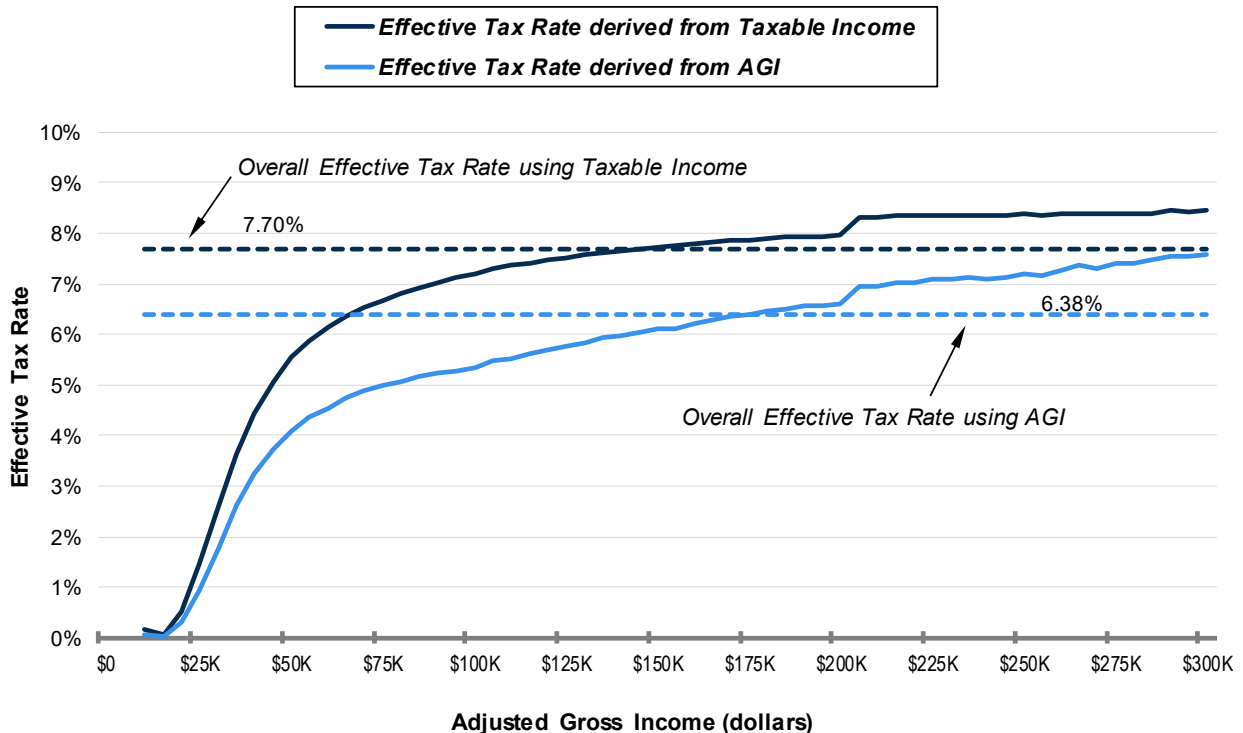
Exhibits 17a and 17b show tax as a percentage of AGI (effective tax rate derived from AGI) and as a percentage of taxable income (effective tax rate derived from taxable income) for full-year resident returns by adjusted gross income. Exhibit 17a shows returns where tax was computed using the S tax brackets (single, or married filing separately filing statuses–S returns), and Exhibit 17b shows returns where tax was computed using the J tax brackets (married filing jointly, head of household, or qualifying widow(er) filing statuses–J returns).

Exhibit 17a–Full-Year Resident Returns Using S Tax Brackets* by Effective Tax Rates Derived from AGI and Taxable Income, Tax Year 2020



* S tax brackets are for single and married filing separately.

Exhibit 17b—Full-Year Resident Returns Using J Tax Brackets by Effective Tax Rates Derived from AGI and Taxable Income, Tax Year 2020**



** J tax brackets are for married filing jointly, head of household and qualifying widow(er).

The top curve (on both 17a and 17b charts) shows the effective rate derived from taxable income. The effective rate increases quickly as additional income is taxed at increasing marginal tax rates of 4.75, 6.75, and 8.75 percent and then gradually approaches 9.9 percent beyond the limits of this chart. The effective tax rate cannot reach the highest marginal rate of 9.9 percent, because even the highest income taxpayers have some income taxed at the 4.75, 6.75, and 8.75 percent rates. In addition, any tax credits claimed by taxpayers can reduce their effective tax rate.

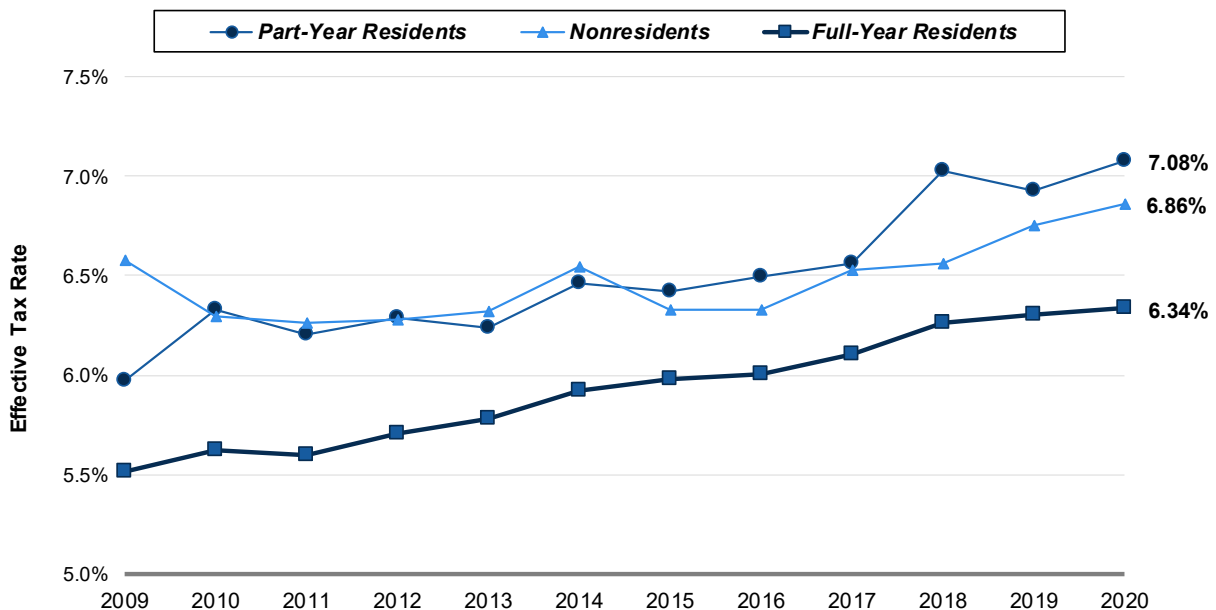
The bottom curve (on both 17a and 17b charts) shows the effective rate derived from AGI. It has the same general shape as the top curve but shifted down on the percent scale. The effective rate derived from AGI encompasses the net additions, subtractions, and deductions, which on average, lowers the tax relative to AGI.

An overall effective tax rate is the required rate necessary to raise the same amount of revenue as current tax law, if the tax rate was a flat percentage applied to AGI or taxable income. This is shown by the dotted lines in both charts. For example, S taxpayers would pay a flat rate of 6.24 percent and J taxpayers would pay a flat rate of 6.38 percent of their AGI or taxpayers would pay flat rates of 7.68 percent and 7.70 percent, respectively, of their taxable income.

There are a couple of interesting features to note from the charts. The jump in the curves at an AGI of \$100,000 for S returns and at an AGI of \$200,000 for J returns is due to the elimination of the personal exemption credit above those income values and hence the effective tax rate increases when the personal exemption credit can no longer reduce the tax. On the effective rate curve from AGI for S returns, the effective tax rate goes down between AGIs of about \$55,000 to \$65,000. This is a result of interaction between Oregon’s income tax brackets and the federal tax brackets when taxpayers claim the subtraction for a federal tax liability. This effect is further enhanced for single taxpayers because they effectively have twice the limit of federal tax liability that they are allowed to subtract compared to married filing jointly taxpayers. The actual limit is the same for both groups, so for married filing jointly filers the limit per taxpayer is half that of single taxpayers.

Exhibit 18 shows the effective tax rate as derived from AGI for tax years 2009 to 2020. Data for returns from full-year residents, part-year residents, and nonresidents is shown separately. The general upward trend of the effective rate is in part due to certain components of the Oregon’s personal tax system that are not adjusted for inflation and affect mainly high-income taxpayers. These components include the elimination of the personal exemption credit above a certain AGI, as mentioned above, the phase-out of the federal tax subtraction with income, and the top tax bracket (see also Exhibit 21). As taxpayers’ income increases with inflation over the years, they will have income taxed at a higher effective tax rate.

**Exhibit 18—Full-Year Resident Returns Effective Tax Rate Derived from AGI
Tax Years 2009 to 2020**



Section IV: Characteristics of Filers

Distribution of Returns, Income, and Tax by AGI Level

A quintile¹² represents a subset of a database that contains 20 percent of all records. It is determined by arranging the set of records from the lowest income to the highest income and then dividing the data into five equally sized subsets. Exhibit 19 shows total Oregon AGI, total tax liability, and share of total tax liability by AGI quintile for 2019 and 2020 for full-year resident returns. The fifth quintile is subdivided into the first 15 percent, the next four percent, and the top one percent.

A couple of observations can be made which show how the tax liability is concentrated by income level. In 2020, the bottom 40 percent of filers by income accounted for 4.4 percent of the total tax liability, while the top 40 percent accounted for over 86 percent of the total tax liability. The top one percent of full-year filers accounted for about 22 percent of the total tax liability.

Exhibit 19—Income and Tax Liability Full-Year Resident Returns by AGI Quintiles Tax Years 2019 and 2020

Quintile	Approximate AGI Range in 2020 (dollars)	Total AGI (\$ millions)		Total Tax Liability (\$ millions)		Share of Total Tax Liability	
		2019	2020	2019	2020	2019	2020
Lowest 20%	Below \$15K	\$918.2	\$119.0	\$58.0	\$41.2	0.7%	0.5%
Second 20%	\$15K-\$33K	\$9,345.1	\$9,134.9	\$372.4	\$354.4	4.3%	3.9%
Middle 20%	\$33K-\$58K	\$16,707.6	\$16,921.0	\$845.2	\$861.4	9.7%	9.5%
Fourth 20%	\$58K-\$102K	\$29,078.2	\$29,698.0	\$1,565.9	\$1,609.0	18.0%	17.8%
Next 15%	\$102K-\$210K	\$39,071.9	\$40,327.8	\$2,473.9	\$2,523.7	28.4%	27.8%
Next 4%	\$210K-\$481K	\$21,373.1	\$22,438.3	\$1,635.9	\$1,702.5	18.8%	18.8%
Top 1%	above \$481K	\$21,542.3	\$24,392.9	\$1,752.7	\$1,971.0	20.1%	21.7%
Total		\$138,036.4	\$143,031.9	\$8,704.0	\$9,063.1	100.0%	100.0%

(1) Each quintile contains one-fifth of the total number of full-year resident returns, which is approximately 378,000.

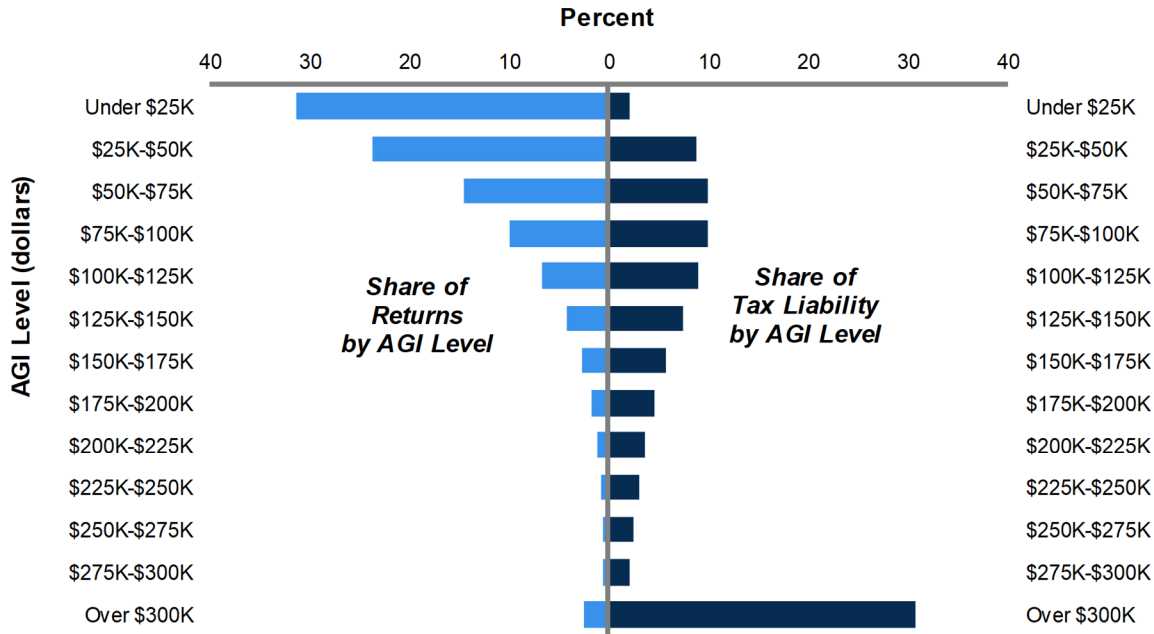
(2) The AGI breakpoints between the quintiles were slightly less for tax year 2019.

Exhibit 20a and 20b, on the following page, compare the percentage of full-year resident returns (left chart) to the percentage of total tax liability (right chart) by AGI levels for 2020.

Approximately 55 percent of filers reported AGI less than \$50,000 in 2020. This group reported about 11 percent of the total tax liability. Filers with AGI above \$300,000 represented only 2.5 percent of total returns but reported nearly 31 percent of total tax liability in 2020.

¹² See Appendix B: Data Validation and Statistical Reporting and Appendix C: Glossary of Terms for additional information.

**Exhibit 20a—Full-Year Resident Returns and Tax Liability by AGI Levels
Tax Year 2020**



**Exhibit 20b—Full-Year Resident Returns and Tax Liability (Details) by AGI Levels
Tax Year 2020**

AGI Level (dollars)	Returns		Tax Liability	
	Number	Share	\$ (millions)	Share
Under \$25,000	601,970	31.4%	\$186.6	2.1%
\$25,000 - \$50,000	453,520	23.6%	\$799.9	8.8%
\$50,000 - \$75,000	277,580	14.5%	\$901.0	9.9%
\$75,000 - \$100,000	188,540	9.8%	\$897.6	9.9%
\$100,000 - \$125,000	126,460	6.6%	\$824.2	9.1%
\$125,000 - \$150,000	81,170	4.2%	\$684.5	7.6%
\$150,000 - \$175,000	49,710	2.6%	\$519.9	5.7%
\$175,000 - \$200,000	34,110	1.8%	\$425.8	4.7%
\$200,000 - \$225,000	22,420	1.2%	\$337.1	3.7%
\$225,000 - \$250,000	15,880	0.8%	\$271.9	3.0%
\$250,000 - \$275,000	11,870	0.6%	\$230.2	2.5%
\$275,000 - \$300,000	8,850	0.5%	\$192.4	2.1%
Over \$300,000	47,320	2.5%	\$2,792.0	30.8%
Total	1,919,410	100.0%	\$9,063.1	100.0%

Section IV: Characteristics of Filers

Distribution of Returns and Tax by Oregon Tax Brackets

Exhibit 21 shows the number of filers and the total tax liability by those filers in each tax bracket. Note that in 2020 there were about 165,000 returns with no taxable income. One reason that taxpayers submit returns with zero taxable income is that they are due a refund from withholding and/or estimated payments made on income such as wages. In addition, they might have business losses and/or subtractions and deductions which reduce their taxable income to zero. There are also more than 30,000 additional zero taxable income returns in 2020, as compared to 2019. One possible reason is that taxpayers with zero taxable income in 2020 submitted a federal return to claim their Recovery Rebate Credit and their Oregon return was also filed in the process. Also, note that there is about a 10 percent growth in the number of returns in the top tax bracket as inflation moves more taxpayers into that tax bracket, which is not inflation adjusted.

Exhibit 21—Full-Year Resident Returns and Tax Liability by Oregon Tax Brackets Tax Years 2019 and 2020

2020 Taxable Income: Single or Married Filing Separately (all others double the amount)	2020	2020 Returns		2020 Tax Liability	
	Tax Bracket	Number	Share	\$ (millions)	Share
\$0	No Taxable Income	164,870	8.6%	\$0.0	0%
\$1- \$3,600	4.75%	113,190	5.9%	\$1.8	<0.1%
\$3,601-\$9,050	6.75%	190,030	9.9%	\$30.2	0.3%
\$9,051-\$125,000	8.75%	1,375,780	71.7%	\$5,762.4	63.6%
Over \$125,000	9.9%	75,540	3.9%	\$3,268.7	36.1%
Total		1,919,410	100.0%	\$9,063.1	100.0%

2019 Taxable Income: Single or Married Filing Separately (all others double the amount)	2019	2019 Returns		2019 Tax Liability	
	Tax Bracket	Number	Share	\$ (millions)	Share
\$0	No Taxable Income	132,650	7.0%	\$0.0	0%
\$1- \$3,450	5%	114,260	6.0%	\$2.5	<0.1%
\$3,451-\$8,700	7%	187,420	9.9%	\$34.0	0.4%
\$8,701-\$125,000	9%	1,386,940	73.4%	\$5,774.7	66.3%
Over \$125,000	9.9%	68,440	3.6%	\$2,892.9	33.2%
Total		1,889,720	100.0%	\$8,704.0	100.0%

Some taxpayers with no taxable balance, have a tax liability because of interest on certain installment sales.

Types of Income

Exhibit 22, on the following page, shows the types of income reported on federal Form 1040 for 2019 and 2020 with the corresponding number of returns that claimed that type of income, the average amount claimed per return, and the total amount of that type of income for full-year resident filers. For several types of income (capital gain, other gain, business income, rents, partnerships, S corporations, and farm income), it is possible for an individual to report a loss, represented by a negative number. Wages are the dominant source of income, representing over \$94 billion of the \$140 billion total gross income, or 66 percent of the total in 2020.

Even though most of tax year 2020 coincided with the first phase of the COVID-19 pandemic, overall total income, wages, capital gains, and partnership and S corporation income still showed increases. However, there are several notable effects related to the pandemic and federal legislation. Interest income fell by about 16 percent as people were using their savings and interest rates fell. IRA distributions fell over 13 percent due to federal changes in the required distribution amount included in the CARES Act. Gross unemployment compensation increased by \$4.5 billion but about 3 billion of that was subtracted from the gross amount as taxpayers were allowed to exclude up to \$10,200 per taxpayer (filer and spouse). The Department of Revenue manually adjusted about 160,000 returns to allow this exclusion for those that were submitted before the ARPA was passed by Congress.

Exhibit 22—Full-Year Resident Returns by Types of Income Tax Years 2019 and 2020

Income Type	Number of Returns		Average (\$)		Total (\$ millions)		Growth in Total
	2019	2020	2019	2020	2019	2020	
Wages, Salaries, Tips	1,510,180	1,494,960	\$60,820	\$62,840	\$91,856.6	\$93,936.7	2.3%
Interest	756,990	679,770	\$2,000	\$1,870	\$1,514.0	\$1,269.2	-16.2%
Dividends	380,250	403,750	\$9,760	\$8,850	\$3,710.6	\$3,572.2	-3.7%
Capital Gain (loss)	355,390	391,550	\$24,180	\$25,940	\$8,595.1	\$10,157.4	18.2%
Other Gain (loss)	27,370	25,810	\$5,090	\$4,160	\$139.3	\$107.3	-23.0%
Business Income (loss)	279,230	279,110	\$15,790	\$15,690	\$4,409.7	\$4,378.6	-0.7%
Rent, Part., S Corp (income or loss)	227,250	224,210	\$43,410	\$46,630	\$9,864.3	\$10,454.0	6.0%
IRA Distributions	235,920	191,670	\$19,580	\$20,830	\$4,618.8	\$3,992.7	-13.6%
Pensions	357,770	366,080	\$29,290	\$29,520	\$10,479.3	\$10,806.6	3.1%
Social Security Benefits	319,070	324,280	\$16,320	\$16,560	\$5,206.8	\$5,369.3	3.1%
Unemployment Compensation	73,670	397,210	\$5,050	\$12,380	\$371.7	\$4,915.9	1222.6%
Farm Income (loss)	27,950	27,860	-\$11,930	-\$11,920	-\$333.5	-\$332.0	*
State Tax Refunds	88,930	106,860	\$1,220	\$1,570	\$108.4	\$167.5	54.4%
Alimony	7,040	5,910	\$23,780	\$24,030	\$167.3	\$141.9	-15.2%
Other Income (loss)	135,920	482,890	-\$5,390	-\$8,120	-\$732.4	-\$3,919.7	*
Total					\$139,975.9	\$145,017.5	3.6%

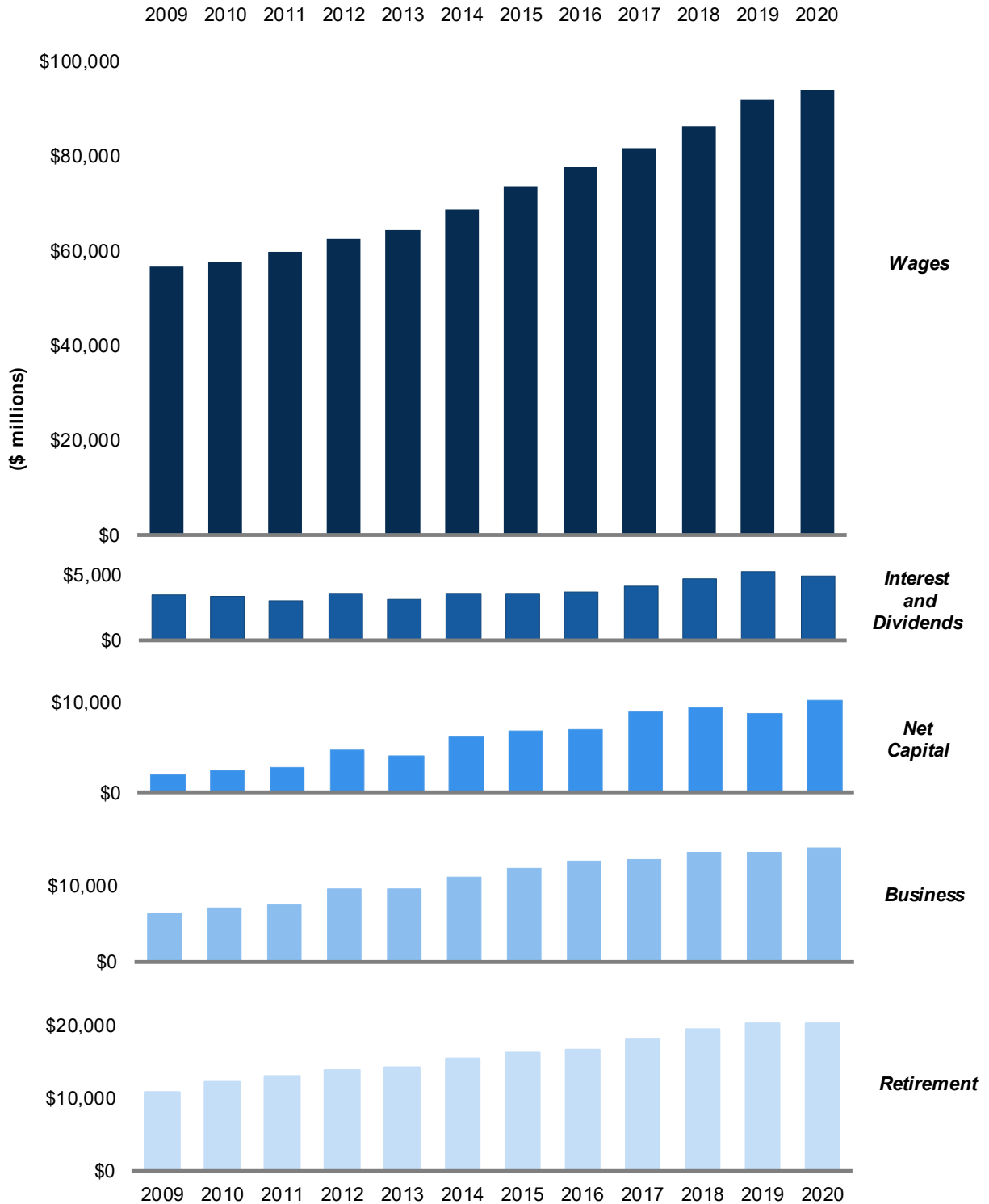
* Growth in total is not computed when the particular income type has a significant negative component.

Categories of Income—Historical

This section discusses the income reported on federal returns historically for similar income types grouped into categories. Exhibit 23 on the following page, shows these income categories for tax years 2009 through 2020 for full-year resident filers. The interest and dividend income category is comprised of passive types of investments. The category of net capital gains includes capital gains and other gains of income. In addition to business income, the business category includes rent, partnership, and S corporation income. The retirement category includes taxable pensions, such as, pension income, taxable portions of Social Security income, and taxable IRA distributions. The remaining miscellaneous income types, unemployment, farm, state tax refunds, alimony and other income, account for a net of about \$1 billion (or less than 1 percent) of the total gross income in 2020 and are not included in this exhibit.

Wage income, investment income, capital gains, and business income, in general, follow the trends of economic conditions, with capital gains being the most sensitive. Because of the volatility of capital gain income, its share of gross income changes greatly. In 2020, capital gains accounted for 7.1 percent of the total gross income, but that amount has varied since 2009, from a low of 2.5 percent in 2009 to a high of 7.1 percent in 2017, 2018, and 2020. On the other hand, retirement income's share of total income has remained relatively steady since 2010 at roughly 14 to 15 percent.

**Exhibit 23—Full-Year Resident Returns (Historical) by Categories of Income
Tax Years 2009 to 2020**



Section IV: Characteristics of Filers

Adjustments

Adjustments are elements on the federal Form 1040 that are deductions (often referred to as above-the-line deductions) that all filers are allowed to take if they qualify, including those who claim the standard deduction. Adjustments are subtracted from total federal income when computing federal AGI. Examples include IRA contributions, moving expenses, and student loan interest.

Types of Adjustments

Exhibit 24 below shows the types of federal adjustments claimed on full-year resident returns in 2019 and 2020 with the corresponding number of returns claiming the adjustment, the average claimed, and total amount.

Exhibit 24—Full-Year Resident Returns by Federal Adjustments Tax Years 2019 and 2020

Adjustment	Number of Returns		Average (\$)		Total (\$ millions)		Growth in Total
	2019	2020	2019	2020	2019	2020	
Self-Emp Health Insurance	68,700	64,590	\$7,100	\$7,280	\$488.0	\$470.2	-3.6%
Self-Employment Tax	223,460	217,770	\$1,800	\$1,850	\$402.3	\$403.0	0.2%
SEP, SIMPLE	13,730	14,430	\$22,110	\$22,780	\$303.6	\$328.7	8.3%
IRA Contributions	38,820	41,230	\$5,130	\$5,280	\$199.1	\$217.8	9.4%
Alimony Paid	8,920	7,680	\$20,770	\$20,550	\$185.3	\$157.9	-14.8%
Charitable Contributions	0	504,610	\$0	\$240	\$0.0	\$123.0	*
Student Loan Interest	183,630	144,700	\$1,090	\$690	\$199.7	\$99.6	-50.2%
Health Savings Accounts	26,430	27,440	\$3,030	\$3,020	\$80.2	\$83.0	3.5%
Tuition and Fees	17,240	17,740	\$0	\$2,390	\$39.7	\$42.3	6.5%
Educator Expenses	32,830	33,230	\$250	\$250	\$8.2	\$8.4	2.3%
Employee Business Expenses	2,320	1,820	\$4,300	\$4,550	\$10.0	\$8.3	-17.1%
Penalty on Early Withdrawal	4,440	2,980	\$790	\$1,120	\$3.5	\$3.3	-4.8%
Moving Expenses	610	550	\$1,790	\$1,960	\$1.1	\$1.1	-0.1%
Other/Unknown	2,020	8,300	\$9,260	\$4,690	\$18.7	\$39.0	*
Total					\$1,939.5	\$1,985.6	2.4%

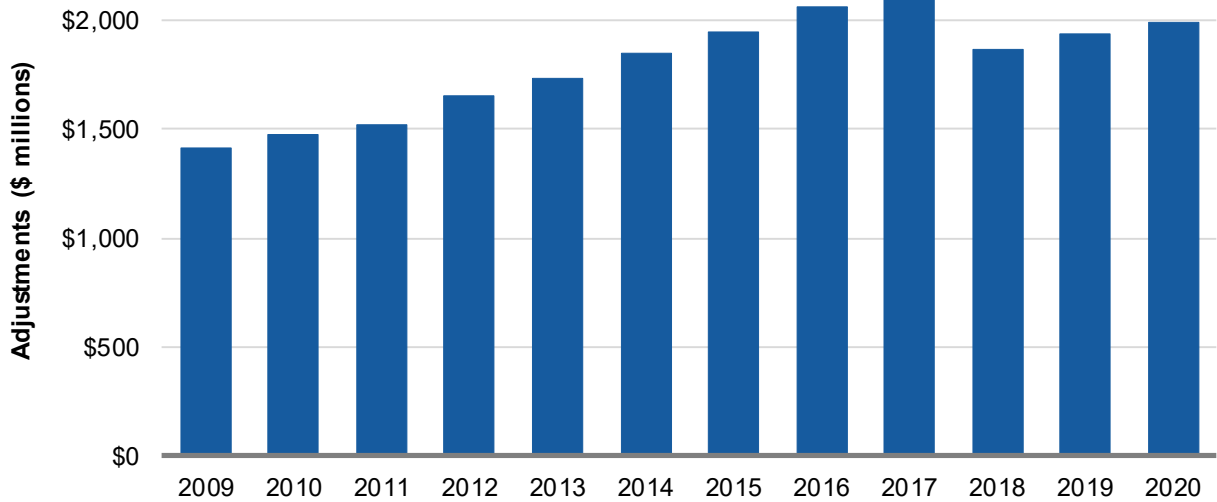
* Growth is not meaningful in this category.

The first three adjustments listed above are associated with self-employed taxpayers who report business income on Schedules C, E, or F, and together account for about 61 percent of the total dollar amount of adjustments claimed. Those taxpayers may be able to deduct from total income half of payments made for their own Social Security and Medicare taxes, portions of payments for health insurance and portions of contributions made to SEP, SIMPLE, and other qualified retirement plans. For 2020, the CARES Act allowed an adjustment for charitable contributions of up to \$300 for those taxpayers who do not itemize on their federal return. For taxpayers that itemize for Oregon and claim the charitable contributions adjustment, they could not also include that amount in charitable contributions in their itemized deductions. The adjustment for student loan interest paid dropped by about 50 percent due to the temporary suspension of payment for federal student loans in the CARES Act.

Adjustments–Historical

Exhibit 25 below shows the trend in total federal adjustments since 2009 for full-year resident returns.

**Exhibit 25–Full-Year Resident Returns (Historical) by Total Federal Adjustments
Tax Years 2009 to 2020**



Section IV: Characteristics of Filers

Additions

Additions are elements that represent income not taxed by the federal government but taxed by Oregon and federal deductions from AGI that Oregon does not allow. They are added to AGI on the Oregon form. Examples include interest on government bonds from other states and charitable donations not allowed for Oregon.

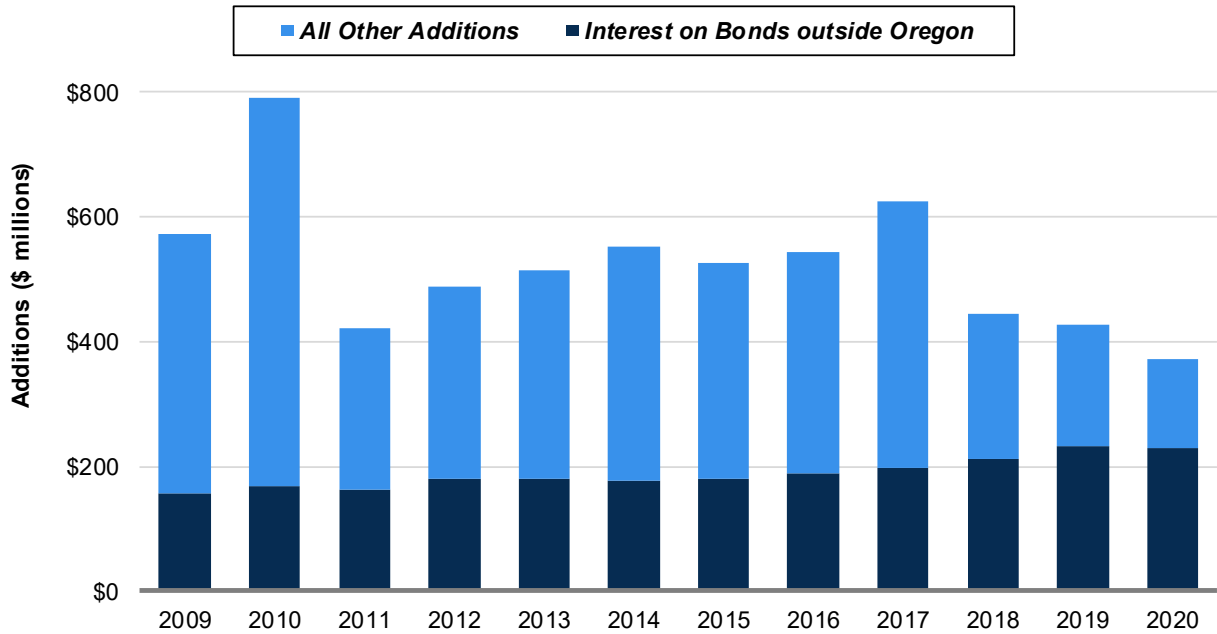
Exhibit 26 on the following page, shows total Oregon additions from 2009 to 2020. In 2009 and 2010, total additions increased significantly because Oregon disconnected from the IRS rules for depreciating and expensing business property. Excluding 2009 and 2010, the largest addition is for income on interest and dividends income from state and local government bonds outside Oregon.

Oregon disconnected from the federal adjustment for domestic production, so an Oregon addition was required through tax year 2017 for taxpayers who claimed the federal adjustment. Because the TCJA eliminated the domestic production adjustment beginning tax year 2018, an Oregon addition was no longer required, contributing to the overall drop in additions after 2017.

One action of the Legislative Assembly in 2018 related to the TCJA was to disconnect from the new federal 20 percent qualified business income deduction. Because this is a deduction from federal AGI (also known as a below-the-line deduction), and the full-year resident Oregon return starts with federal AGI, the deduction is not included on the Oregon return, so an Oregon addition is not needed. From the federal 2020 return data, about 301,000 full-year returns claimed \$2.37 billion for the qualified business income deduction, which was not included in their Oregon taxable income.

Although total additions are small relative to gross income or subtractions, they are large for some returns. Some taxpayers pay a significant amount of Oregon income tax due solely to Oregon additions, as without these additions, they would have little or no Oregon tax liability.

**Exhibit 26—Full-Year Resident Returns (Historical) by Oregon Additions
Tax Years 2009 to 2020**



Section IV: Characteristics of Filers

Subtractions

Subtractions represent income taxed by the federal government but not taxed by Oregon, as well as Oregon deductions from AGI that are not allowed at the federal level. They are subtracted from AGI on the Oregon return. Examples include qualifying federal pension income, interest from US bonds, and medical expenses beyond what is allowed at the federal level for elderly taxpayers.

Exhibit 27 shows the number of returns that claimed most common subtractions, the average amount per return, and total amount of the subtraction claimed in 2019 and 2020.

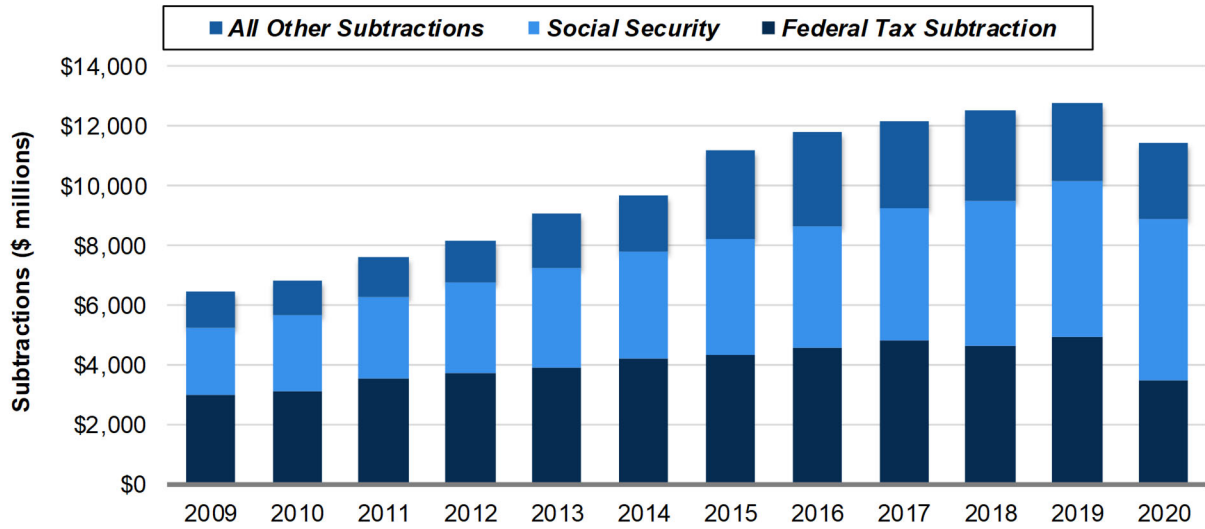
Exhibit 27—Full-Year Resident Returns by Oregon Subtractions Tax Years 2019 and 2020

Subtraction	Number of Returns		Average (\$)		Total (\$ millions)		Growth in Total
	2019	2020	2019	2020	2019	2020	
Federal Tax	1,247,790	893,610	\$3,970	\$3,920	\$4,955.4	\$3,506.8	-29.2%
Social Security	318,990	324,480	\$16,320	\$16,570	\$5,206.9	\$5,375.4	3.2%
Federal Pension	37,190	36,260	\$23,880	\$23,800	\$888.2	\$863.0	-2.8%
Income Tax Refunds	87,710	105,660	\$1,190	\$1,570	\$104.5	\$165.8	58.7%
Elderly Medical	276,790	270,230	\$1,600	\$1,590	\$441.5	\$428.8	-2.9%
Military Pay	12,270	11,980	\$25,040	\$26,530	\$307.2	\$317.7	3.4%
Tuition and Fees	81,550	79,310	\$2,720	\$2,790	\$221.8	\$221.0	-0.4%
Oregon 529*	47,440	19,690	\$2,990	\$3,030	\$141.8	\$59.6	-58.0%
U.S. Bonds	66,170	61,280	\$2,450	\$1,800	\$162.1	\$110.6	-31.8%
Other subtractions	64,020	68,130	\$5,750	\$6,260	\$368.0	\$426.2	15.8%
Total					\$12,797.5	\$11,474.8	-10.3%

* Subtraction for a contribution to an Oregon 529 account expired in 2019 and with carryforward allowed for tax years 2020-2023. This subtraction was replaced with a refundable tax credit beginning in tax year 2020. See Exhibit 35.

Exhibit 28 on the following page, shows Oregon total subtractions generally increasing since 2009. The subtractions that taxpayers are allowed for their federal tax liability and Social Security benefits are shown separately, as they account for about 77 percent of the total subtractions. The reduction of the federal tax subtraction from 2019 to 2020 was due primarily to federal legislation in response to the COVID-19 pandemic, specifically the Recovery Rebate Credit. Qualifying taxpayers received advance payment of the credit (Economic Impact Payments) during 2020 and early 2021 and/or claimed a refundable credit on the federal return. Taxpayers had to subtract the advance payments and any credit they received in calculating their allowed subtraction for federal tax.

**Exhibit 28—Full-Year Resident Returns (Historical) by Oregon Subtractions
Tax Years 2009 to 2020**



Section IV: Characteristics of Filers

Deductions

Taxpayers may reduce the amount of taxable income by deducting the greater of the Oregon standard deduction or the sum of their Oregon itemized deductions. Exhibit 29 shows the number of returns, average deduction per return, and total amount of the standard and itemized deductions claimed in 2019 and 2020 for full-year resident returns.

Exhibit 29—Full-Year Resident Returns by Oregon Deductions Tax Years 2019 and 2020

Deduction	Number of Returns		Average (\$)		Total (\$ millions)		Growth in Total
	2019	2020	2019	2020	2019	2020	
Standard	1,092,720	1,120,450	\$3,060	\$3,120	\$3,344.5	\$3,494.7	4.5%
Net Itemized*	797,000	798,960	\$17,360	\$17,660	\$13,837.9	\$14,107.1	1.9%
Total	1,889,720	1,919,410	\$9,090	\$9,170	\$17,182.5	\$17,601.7	2.4%

* Oregon itemized deductions do not include a deduction for Oregon state income tax paid.

Itemized Deductions

Taxpayers also may choose to itemize their deductions on their federal return rather than taking the federal standard deduction. Oregon allows the same itemized deductions as the federal government with one exception: Oregon does not allow a deduction for Oregon income tax or sales tax. Examples of itemized deductions include property taxes paid, charitable gifts, and mortgage interest. Because Oregon’s standard deduction is lower than the federal standard deduction, many taxpayers use itemized deductions to calculate Oregon tax but not federal tax.

Beginning with tax year 2018, Congress made changes to the federal standard and itemized deductions. First, the federal standard deduction was increased significantly, and for 2020 those amounts were \$12,400 for single filers and \$24,800 for joint filers. Additionally, the itemized deduction for state and local taxes is now limited to \$10,000 and the itemized deductions for casualty and thefts losses (except for those related to federally declared disasters) and various miscellaneous itemized deductions in excess of 2 percent above AGI were eliminated. The net effect of the changes was that the percent of Oregon taxpayers who itemized at the federal level dropped from about 39 percent for 2017 to 14 percent for 2020. Because the Oregon standard deduction did not change (except for inflation adjustments), the percent of taxpayers itemizing for Oregon and the total amount of itemized deductions have decreased slightly since 2017, but not significantly compared to that at the federal level.

Since many Oregon taxpayers (beginning in 2018) itemized on their Oregon return but not on their federal return, the Oregon Department of Revenue created a new schedule, Schedule OR-A, to supplant the federal Schedule A with this increase in “Oregon-only” itemizers in mind. The department now requires any taxpayer claiming itemized deductions to use the new schedule. Exhibit 30, on the following page, shows the itemized deductions as claimed on the Schedule OR-A for full-year resident filers.

Exhibit 30—Full-Year Resident Returns by Oregon Itemized Deductions - Schedule OR-A, Tax Years 2019 and 2020

Itemized Deduction	Number of Returns		Average (\$)		Total (\$ millions)		Growth in Total
	2019	2020	2019	2020	2019	2020	
Medical and Dental Expenses	241,400	237,200	\$8,500	\$8,420	\$2,050	\$2,000	-2.4%
Taxes Paid*	737,200	737,200	\$4,290	\$4,440	\$3,160	\$3,270	3.5%
Interest Paid**	597,800	595,800	\$9,080	\$8,800	\$5,430	\$5,240	-3.5%
Gifts to Charity***	558,500	498,400	\$5,250	\$6,600	\$2,930	\$3,290	12.3%
Other Miscellaneous	19,900	17,800	\$11,570	\$15,050	\$230	\$270	17%

* Does not include Oregon income tax paid, but does include taxes paid for other state and local tax, real estate, personal property, and other taxes.

** Includes interest paid for mortgage interest and points, mortgage insurance premiums, and investment interest.

*** Does not include charitable contributions taken as an adjustment, see Exhibit 24.

Exhibits 31a and 31b on the following page, show the total amount claimed on Oregon full-year resident returns for those returns claiming either the standard deduction or itemized deductions. The percentage of returns claiming itemized deductions hovered close to 50 percent until 2013 when that percentage dropped to close to 46 percent until 2017. That decrease in the number of taxpayers who itemized their deductions was mainly due to a special itemized deduction for medical expenses of elderly taxpayers being converted to a subtraction beginning in tax year 2013. The decrease from 2017 to 2018 was due to changes in federal itemized deductions beginning in 2018, as explained above.

Section IV: Characteristics of Filers

Exhibit 31a—Full-Year Resident Returns (Historical) by Oregon Deductions, Tax Years 2009 to 2020

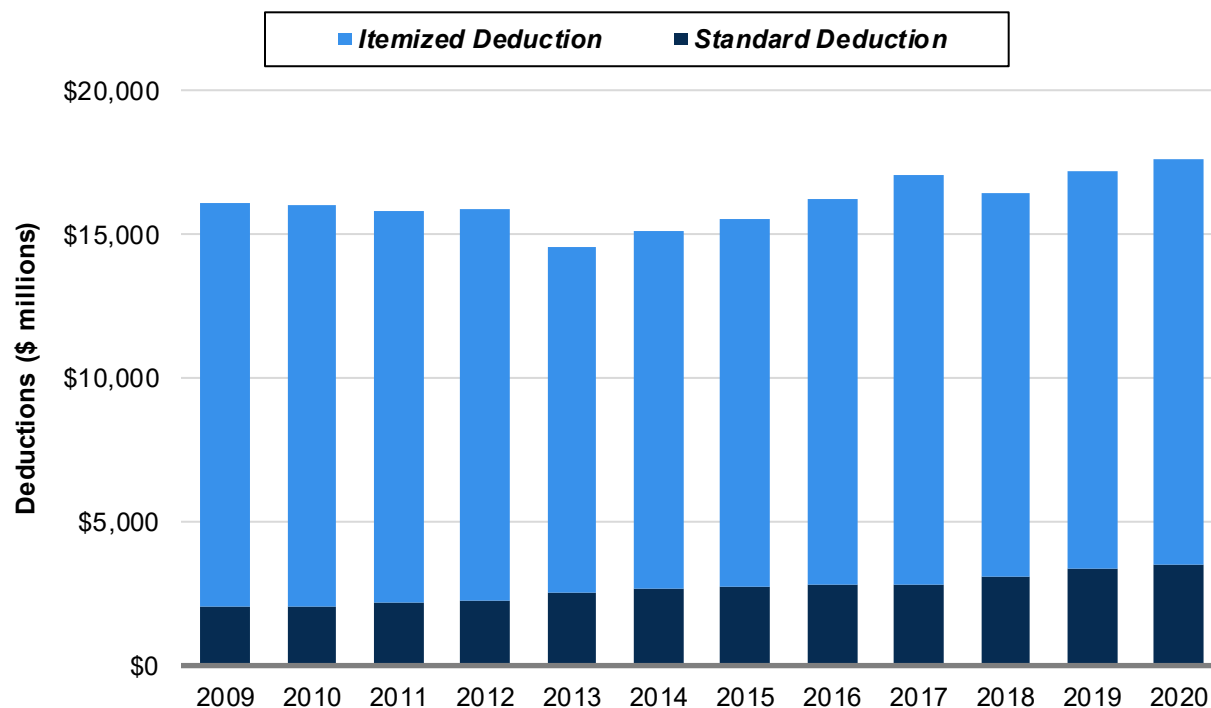


Exhibit 31b—Full-Year Resident Returns (Historical Details) by Oregon Deductions, Tax Years 2009 to 2020

Tax Year	Standard Deduction		Itemized Deduction		Total Deductions (\$ millions)
	Total (\$ millions)	Share of Returns	Total (\$ millions)	Share of Return	
2009	\$2,034.3	48.6%	\$14,069.3	51.4%	\$16,103.6
2010	\$2,066.6	48.9%	\$13,952.2	51.1%	\$16,018.8
2011	\$2,162.0	50.0%	\$13,630.7	50.0%	\$15,792.7
2012	\$2,261.3	50.7%	\$13,622.4	49.3%	\$15,883.7
2013	\$2,504.2	53.2%	\$12,084.7	46.8%	\$14,588.9
2014	\$2,646.7	54.1%	\$12,504.9	45.9%	\$15,151.6
2015	\$2,734.7	54.3%	\$12,811.1	45.7%	\$15,545.8
2016	\$2,780.6	54.0%	\$13,451.3	46.0%	\$16,231.9
2017	\$2,839.7	53.8%	\$14,235.7	46.2%	\$17,075.4
2018	\$3,117.6	56.7%	\$13,299.0	43.3%	\$16,416.6
2019	\$3,344.5	57.8%	\$13,837.9	42.2%	\$17,182.5
2020	\$3,494.7	58.4%	\$14,107.1	41.6%	\$17,601.7

Qualified Business Income Reduced Tax Rate

A reduced tax rate structure on income businesses that meet certain requirements is available to Oregon personal income taxpayers. See Section III, Personal Income Tax Calculation, Tax Rates, for details.

Exhibit 32 shows the number of full-year filers who have calculated their tax using the reduced tax rate structure on qualified business income for tax years 2015 through 2020 and the reduction in net tax before any credits are applied.

Exhibit 32—Full-Year Resident Returns by Taxpayers Claiming the Qualified Business Income Reduced Tax Rate, Tax Years 2015 to 2020

Tax Year	Number of Claims	Reduction in Tax*		Growth in Total
		Average (\$)	Total (\$ millions)	
2015	13,350	\$5,040	\$67.3	
2016	22,480	\$4,240	\$95.4	41.8%
2017	21,300	\$4,510	\$96.0	0.7%
2018	25,190	\$4,430	\$111.6	16.2%
2019	25,950	\$4,500	\$116.8	4.6%
2020	23,140	\$5,150	\$119.1	6.7%

* Tax before any credits are applied

Section IV: Characteristics of Filers

Credits

A tax credit reduces tax liability on a dollar-for-dollar basis. Most credits are not refundable, which means they can only reduce tax liability to zero. If a filer has more nonrefundable credits than tax liability, the excess credit is lost (standard credit) or carried forward to the next tax year (carryforward credit). If the taxpayer has refundable credits exceeding the tax liability (after subtracting nonrefundable credits), the taxpayer receives a payment for the excess portion of the refundable credits. Some credits are specifically geared for businesses, but the tax credit may be claimed on the personal income tax return, if the taxpayer is the owner of a sole proprietorship or a shareholder in an S corporation that received the credit, or if the taxpayer purchased a transferable tax credit from another entity.

Standard Credits

Standard credits are nonrefundable credits that can only be claimed on the current year's tax return. Credit amounts claimed but not used in the current year are lost. Exhibit 33 shows amounts claimed for standard credits and the amounts used to reduce tax liability by full-year return filers in 2020. Generally, the higher the percentage of a particular credit used, the greater the taxpayer's tax liability as compared to the value of the credit. The standard credits shown have a total amount claimed of at least \$1 million.

Exhibit 33—Full-Year Resident Returns by Oregon Standard Credits Claimed and Used, Tax Year 2020

	Number of Claims	Average (\$)		Total (\$ millions)		Percent Used
		Amount Claimed	Amount Used	Amount Claimed	Amount Used	
Personal Exemption	1,683,900	\$400	\$350	\$670.0	\$593.3	89%
Income Taxes Paid to Another State	20,210	\$3,080	\$3,070	\$62.3	\$62.1	99.6%
Pass-through taxes paid to another state	790	\$8,410	\$8,260	\$6.6	\$6.5	98%
Rural Medical Practice	1,540	\$4,190	\$4,120	\$6.4	\$6.3	98%
Political Contributions	80,560	\$70	\$62	\$5.6	\$5.0	89%
Oregon Cultural Trust Donation	7,780	\$550	\$520	\$4.3	\$4.1	96%
Retirement	5,070	\$380	\$180	\$2.0	\$0.9	47%
Other Credits*	330	\$1,460	\$580	\$0.5	\$0.2	40%
Total	1,800,180			\$757.7	\$678.5	90%

* Includes credits for mutually-taxed gain on the sale of residential property, Oregon Veterans' Home physician, reservation enterprise zone, and rural emergency medical technicians.

The personal exemption credit, also known as the exemption credit, was the most widely claimed credit with nearly 1.7 million full-year filers claiming \$670 million in credits. The personal exemption credit is available to nearly all filers, except for those claimed as a dependent on another tax return, single filers with AGI above \$100,000, and joint filers with AGI above \$200,000. About 89 percent of the allowable credit amount was used, with the remaining 11 percent unused because the credit amount claimed exceeded the tax liability.

Carryforward Credits

Carryforward credits are nonrefundable credits for which any unused portion from the current tax year may be carried to the following tax year. The number of years that a credit can be carried forward varies according to the carryforward rules of that credit. Exhibit 34 shows data from full-year filers on the amount of carryforward credit from the previous tax year, the amount of credit awarded in the current tax year, and the credit used in the current tax year for carryforward credits with at least \$500,000 available. The credit available for the taxpayer to use in the current year is the amount carried forward from a prior year plus the credit amount awarded for the current year. Any credit the taxpayer is not able to use in the current year may be carried forward to the following year, if the carryforward period has not expired.

Exhibit 34—Full-Year Resident Returns by Oregon Carryforward Credits Used, Tax Year 2020

Carryforward Credit	Number Using Credits	Carryforward from	Awarded	Amount Used	
		Previous Year Total (\$ millions)	Current Year Total (\$ millions)	Total (\$ millions)	Average (\$)
College Opportunity Grant Contributions	225	\$1.9	\$13.0	\$12.7	\$56,600
Oregon Production Investment Fund	238	\$1.2	\$13.2	\$12.6	\$53,000
Individual Development Account Donation	310	\$1.2	\$7.0	\$6.8	\$22,000
Business Energy Credits*	105	\$5.7	\$1.0	\$3.8	\$36,300
Residential Energy	1,781	\$1.9	\$1.5	\$2.2	\$1,200
Agriculture Workforce Housing	48	\$0.9	\$1.1	\$1.4	\$29,900
Bovine Manure Production/Collection	24	\$0.0	\$2.0	\$1.3	\$53,300
Electronic Commerce Zone Investment	<10	\$2.2	\$0.0	\$0.1	\$12,300
Other Credits**	257	\$1.3	\$0.6	\$0.9	\$3,300
Total	2,996	\$16.1	\$39.4	\$41.8	

* Includes credits for business energy facilities, energy conservation projects, transportation projects, and renewable energy resource equipment manufacturing facilities.

** Includes the credits for biomass production/collection, child and dependent care, child care fund contributions, pollution control facilities, crop donation, employer-provided dependent care assistance, Oregon Low Income Community Jobs Initiative, employer scholarship, fish screening devices, renewable energy development contributions, reforestation, University Venture Development Fund contributions, and rural technology workforce development and the following credits available only to S corporation shareholders: agriculture workforce housing loans, lender's credit for affordable housing, lender's credit for: energy conservation, contributions of computers or scientific equipment for research, standard and alternative qualified research activities credits, and short line railroad rehabilitation.

Section IV: Characteristics of Filers

Refundable Credits

For refundable credits such as the Oregon earned income credit and the working family household and dependent care credit, taxpayers use all their credits claimed, and any excess amount over their tax liability is received as a payment. Exhibit 35 on the following page, shows amounts claimed by full-year filers for the refundable credits for tax year 2020. Beginning in tax year 2020, there are two new refundable tax credits for Oregon 529 College Savings Network account contributions and ABLE account contributions, which replaced corresponding subtractions. Payments issued for refundable credits are described in Section 8.

Exhibit 35—Full-Year Resident Returns by Oregon Refundable Credits Claimed, Tax Year 2020

Refundable Credit	Number of Claims	Amount Claimed	
		Average (\$)	Total (\$ millions)
Oregon Earned Income	234,830	\$204	\$47.9
Working Family Household and Dependent Care	17,320	\$930	\$16.0
Oregon 529 account contributions	40,450	\$210	\$8.6
ABLE account contributions	1,060	\$180	\$0.2
Claim of Right	30	\$2,050	\$0.1
Total	293,690		\$72.8

Credits—Historical Trends

Exhibits 36a and 36b on the following page, show the recent history of Oregon credits used by full-year resident filers. Because most of the total is due to the personal exemption credit, it is shown separately. Since 2009, the used amount of personal exemption credit grew by an average of about 2 percent annually. An inflation-adjusted increase of the personal exemption credit and an increase in filers drove the growth. The small decrease of 0.6 percent in 2013 was due to a change in the AGI limitation for the personal exemption credit, with the credit not being allowed for single filers with AGI above \$100,000 and joint filers with AGI above \$200,000. The decrease of 0.5 percent in 2020 was due to the decreased tax rate for the first three tax brackets. This decrease lowered taxpayers' tax before applying credits, so there was less tax available to which the personal exemption credit could apply.

Exhibit 36a—Full-Year Resident Returns (Historical) by Oregon Credits Used, Tax Years 2009 to 2020

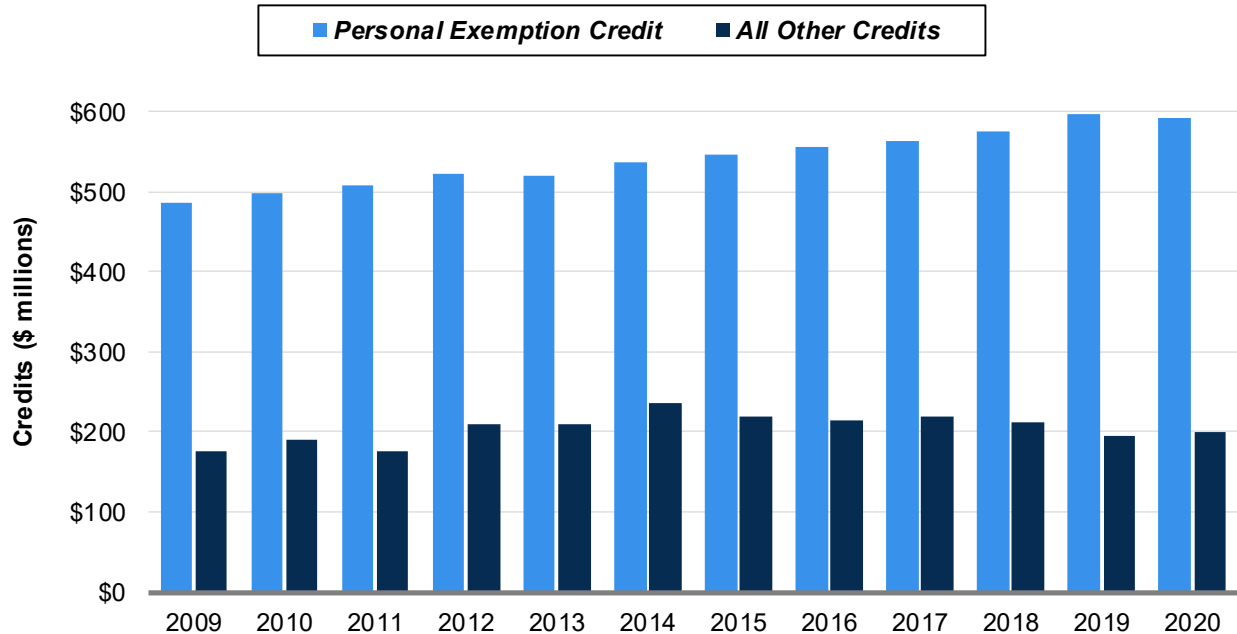


Exhibit 36b—Full-Year Resident Returns (Historical Details) by Oregon Credits Used, Tax Years 2009 to 2020

Tax Year	Personal Exemption Credit		All Other Credits		Total Credits	
	(\$ millions)	Growth	(\$ millions)	Growth	(\$ millions)	Growth
2009	\$486.4	2.4%	\$176.6	7.2%	\$663.0	3.6%
2010	\$499.0	2.6%	\$190.2	7.6%	\$689.1	3.9%
2011	\$508.6	1.9%	\$175.8	-7.6%	\$684.4	-0.7%
2012	\$523.4	2.9%	\$210.7	19.9%	\$734.1	7.3%
2013	\$520.2	-0.6%	\$208.6	-1.0%	\$728.8	-0.7%
2014	\$536.1	3.0%	\$236.0	13.1%	\$772.1	5.9%
2015	\$546.8	2.0%	\$218.3	-7.5%	\$765.1	-0.9%
2016	\$556.1	1.7%	\$214.3	-1.8%	\$770.4	0.7%
2017	\$564.6	1.5%	\$218.1	1.8%	\$782.8	1.6%
2018	\$576.5	2.1%	\$211.0	-3.3%	\$787.5	0.6%
2019	\$596.5	3.5%	\$195.9	-7.2%	\$792.4	0.6%
2020	\$593.3	-0.5%	\$199.8	2.0%	\$793.1	0.1%

Section IV: Characteristics of Filers

Payments and Refunds

Exhibit 37 shows payments from Oregon tax withheld and estimated payments for tax years 2019 and 2020 as reported on the tax return along with those who made no pre-payments. This exhibit also shows details on whether a taxpayer is required to make a payment with their return, receives a refund, or has a zero balance. The total amount for returns with tax to pay includes only tax due and does not include penalty and interest. The total amount of refunds does not include any refunds applied as estimated payments for the following tax year, charitable checkoff donations, deposits to Oregon 529 plan accounts, or political party contributions. Also shown is the part of the refund that includes payments for refundable credits. In 2020, just over 100,000 full-year resident filers received payments for refundable credits.

This exhibit also shows the state surplus (“kicker”) refunds distributed to taxpayers via refundable credit for the 2017-19 biennia. These credits were distributed for this biennium through the tax year 2019 personal income tax process; however, the amount was based on the taxpayers’ 2018 tax liability. Taxpayers claimed the kicker credit on their tax return similar to a refundable credit. The effect of the kicker is seen in increased refunds and decreased final payments in tax year 2019 only. There was no kicker for tax year 2020.

Exhibit 37—Full-Year Resident Returns by Reported Payments and Refunds on Returns, Tax Years 2019 and 2020

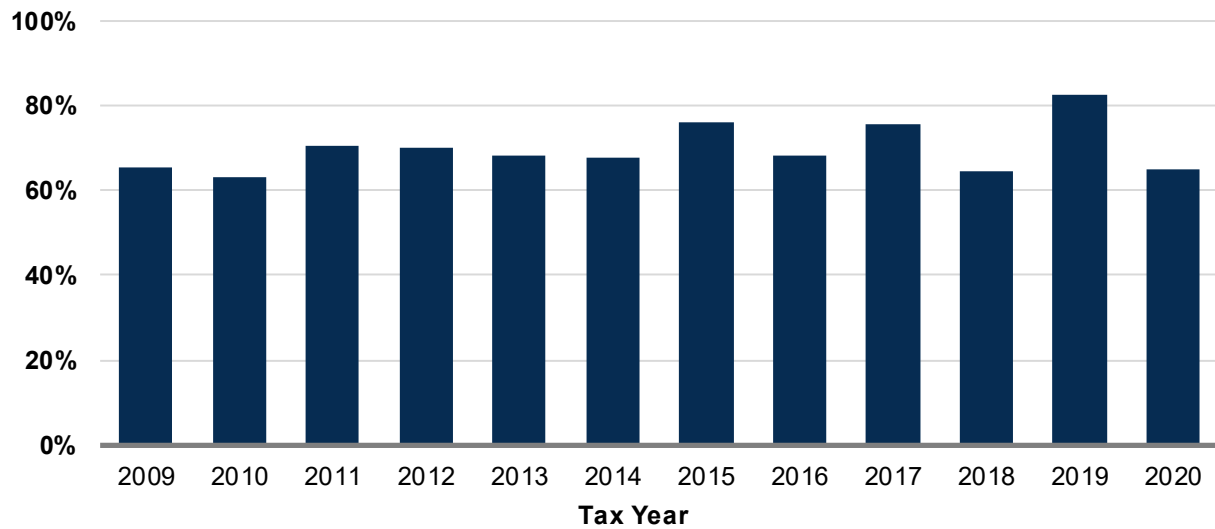
	Number of Returns		Average (\$)		Total (\$ millions)		Growth
	2019	2020	2019	2020	2019	2020	in Total
<i>Pre-Payments</i>							
Oregon Income Tax Withheld	1,641,390	1,645,450	\$4,370	\$4,500	\$7,166.2	\$7,410.7	3.4%
Estimated Tax Payments for the Current Year	149,060	153,670	\$10,990	\$12,090	\$1,638.0	\$1,857.6	13.4%
No Pre-payments	192,780	216,280	\$0	\$0	\$0.0	\$0.0	0.0%
<i>Kicker Refund Payments</i>	1,609,950	NA	\$930	NA	\$1,496.9	NA	
<i>Final Payment Category</i>							
Tax to Pay with Return*	273,510	560,850	\$2,360	\$1,980	\$646.6	\$1,113.1	72.1%
Zero Balance	54,400	113,230	\$0	\$0	\$0.0	\$0.0	0.0%
Refund**	1,561,810	1,245,340	\$1,460	\$1,080	\$2,275.3	\$1,347.1	-40.8%
Part or All of Refund Includes Payment for Refundable Credit	104,090	108,390	\$300	\$270	\$31.6	\$28.8	-8.9%

* Tax to pay amounts do not include any penalty and interest.

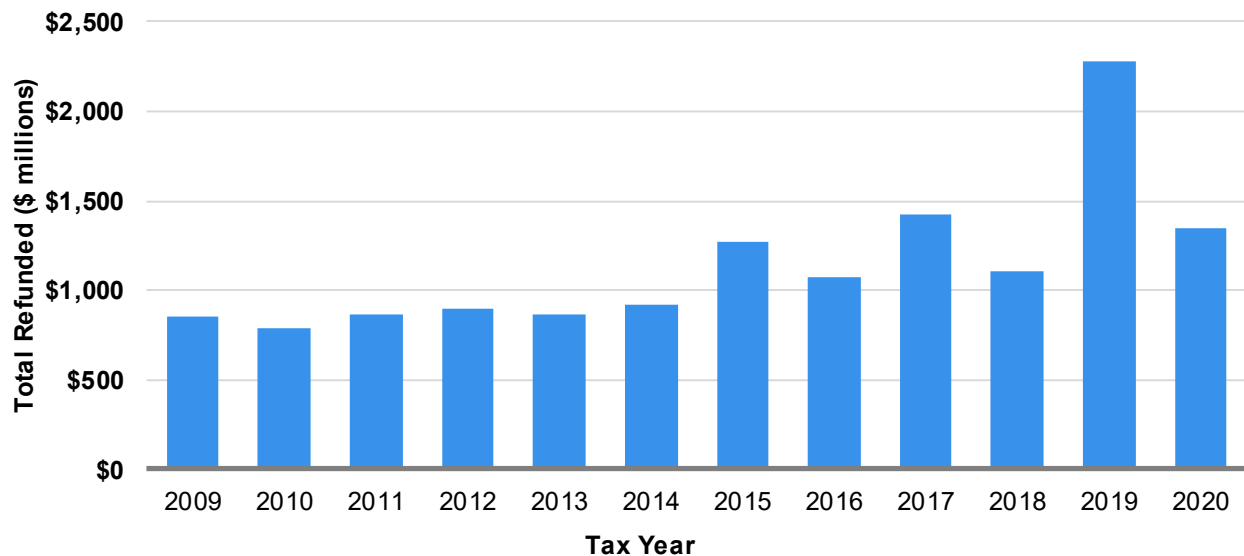
** The refund amount is before any amounts are applied to next year's estimated tax and charitable check-off donations.

Exhibits 38a, 38b, and 38c show the percentage of full-year resident filers who received a refund and the average amount of their refund for tax years 2009 to 2020. The refund amounts include payments received due to a refundable credit. The increase in the percentage of returns that received a refund from 2010 to 2011 resulted from changes to the withholding formula. The large increase of refunds in 2015, 2017, and 2019 were mostly due to kicker refunds.

**Exhibit 38a—Full-Year Resident Returns (Historical) by Refund Percentages
Tax Years 2009 to 2020**



**Exhibit 38b—Full-Year Resident Returns (Historical) by Refund Amounts
Tax Years 2009 to 2020**



Section IV: Characteristics of Filers

**Exhibit 38c–Full-Year Resident Returns (Historical Details) by Refunds
Tax Years 2009 to 2020**

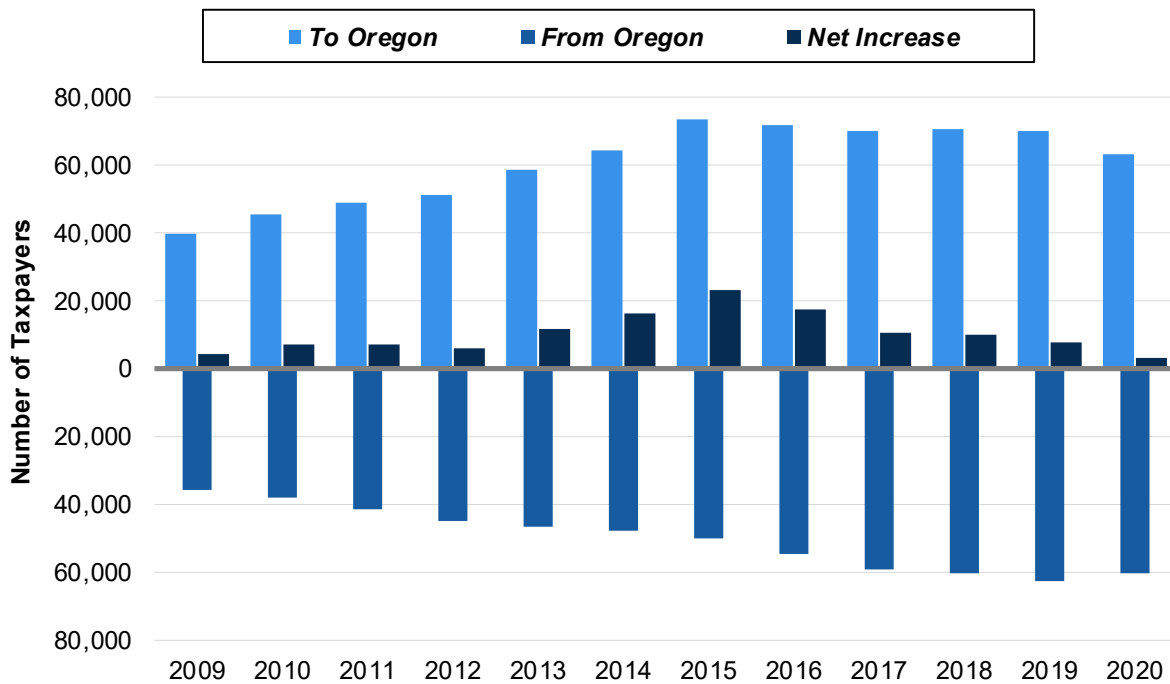
Tax Year	Number of Full-Year Returns	Number of Refunds	Percent of Returns with Refund	Total Refunded (\$ millions)	Average Refund (\$)
2009	1,571,300	1,028,280	65.4%	\$849.3	\$826
2010	1,581,270	994,240	62.9%	\$787.3	\$792
2011	1,599,960	1,125,140	70.3%	\$860.6	\$765
2012	1,612,450	1,125,580	69.8%	\$895.7	\$796
2013	1,636,510	1,116,100	68.2%	\$864.4	\$774
2014	1,679,610	1,137,540	67.7%	\$924.5	\$813
2015	1,711,180	1,298,840	75.9%	\$1,267.1	\$976
2016	1,751,140	1,189,860	67.9%	\$1,078.6	\$906
2017	1,785,350	1,347,650	75.5%	\$1,420.2	\$1,054
2018	1,819,170	1,171,210	64.4%	\$1,107.3	\$945
2019	1,889,720	1,561,810	82.6%	\$2,275.3	\$1,457
2020	1,919,410	1,245,340	64.9%	\$1,347.1	\$1,082

Part-Year Residents and Nonresidents

Part-Year Resident Returns

Exhibits 39 through 42 on the next few pages, show information on part-year residents entering or leaving Oregon. Exhibits 39a and 39b below and on the next page, show the total number of taxpayers (joint returns count as two taxpayers) moving to or from Oregon in tax years 2009 to 2020, based on the address reported on the return. The number of part-year resident taxpayers moving to Oregon ranged between roughly 40,000 and 75,000 during this period. In every year shown in this exhibit, the number of taxpayers moving into Oregon exceeded those moving out.

Exhibit 39a—Part-Year Resident Returns (Historical) by Taxpayers Moving To and From Oregon, Tax Years 2009 to 2020



Section IV: Characteristics of Filers

Exhibit 39b—Part-Year Resident Returns (Historical Details) by Taxpayers* Moving To and From Oregon, Tax Years 2009 to 2020

Tax Year	To Oregon		From Oregon		Net Increase	
	Taxpayers	Growth	Taxpayers	Growth	Taxpayers	Growth
2009	39,900	-19.9%	35,600	-12.8%	4,290	-52.1%
2010	45,510	14.0%	38,100	7.1%	7,360	71.5%
2011	48,770	7.2%	41,600	9.2%	7,120	-3.2%
2012	50,940	4.4%	44,800	7.5%	6,160	-13.6%
2013	58,460	14.8%	46,600	4.1%	11,830	92.2%
2014	64,410	10.2%	47,900	2.8%	16,480	39.2%
2015	73,380	13.9%	50,400	5.2%	22,940	39.2%
2016	71,880	-2.1%	54,600	8.3%	17,240	-24.8%
2017	69,820	-2.9%	59,500	8.9%	10,330	-40.1%
2018	70,490	1.0%	60,400	1.5%	10,090	-2.4%
2019	70,290	-0.3%	62,800	4.0%	7,480	-25.8%
2020	63,220	-10.1%	60,200	-4.1%	3,000	-59.9%

*Joint returns count as two taxpayers

Exhibit 40 on the following page, shows the number, and share of in-migrants (filers) by county of destination for selected tax years. In 2020 as in previous years, in-migrants moved to counties roughly in proportion to current county populations. The three counties of the Portland metropolitan area, Multnomah, Washington, and Clackamas contain 43 percent of the state's population and attracted 52 percent of in-migrant income tax filers. Lane and Deschutes counties were the next most popular destinations.

Exhibit 40—Part-Year Resident Returns with Oregon Address by Number of Filers Moving to Oregon by County of Destination, Tax Years 2010, 2019 and 2020

County	2010		2019		2020		County Share of 2020 State Population
	Number	Share	Number	Share	Number	Share	
1 Baker	140	0.4%	160	0.3%	160	0.3%	0.4%
2 Benton	880	2.6%	1,260	2.3%	1,290	2.6%	2.2%
3 Clackamas	2,620	7.7%	4,160	7.5%	3,730	7.5%	9.9%
4 Clatsop	350	1.0%	610	1.1%	640	1.3%	1.0%
5 Columbia	280	0.8%	470	0.9%	380	0.8%	1.2%
6 Coos	440	1.3%	760	1.4%	700	1.4%	1.5%
7 Crook	130	0.4%	240	0.4%	220	0.4%	0.6%
8 Curry	270	0.8%	460	0.8%	410	0.8%	0.6%
9 Deschutes	1,830	5.4%	3,690	6.7%	3,950	8.0%	4.7%
10 Douglas	680	2.0%	970	1.8%	1,030	2.1%	2.6%
11 Gilliam	20	<0.1%	20	<0.1%	20	<0.1%	<0.1%
12 Grant	60	0.2%	70	0.1%	50	0.1%	0.2%
13 Harney	50	0.1%	70	0.1%	80	0.2%	0.2%
14 Hood River	230	0.7%	300	0.5%	310	0.6%	0.6%
15 Jackson	1,840	5.4%	2,770	5.0%	2,620	5.3%	5.3%
16 Jefferson	130	0.4%	160	0.3%	190	0.4%	0.6%
17 Josephine	620	1.8%	990	1.8%	940	1.9%	2.1%
18 Klamath	510	1.5%	780	1.4%	760	1.5%	1.6%
19 Lake	70	0.2%	80	0.1%	80	0.2%	0.2%
20 Lane	2,780	8.1%	4,610	8.4%	4,180	8.4%	9.0%
21 Lincoln	430	1.3%	740	1.3%	700	1.4%	1.2%
22 Linn	610	1.8%	1,010	1.8%	960	1.9%	3.0%
23 Malheur	210	0.6%	390	0.7%	340	0.7%	0.7%
24 Marion	1,580	4.6%	2,710	4.9%	2,290	4.6%	8.2%
25 Morrow	50	0.1%	90	0.2%	100	0.2%	0.3%
26 Multnomah	9,320	27.3%	15,800	28.6%	13,250	26.7%	19.2%
27 Polk	410	1.2%	780	1.4%	740	1.5%	2.1%
28 Sherman	<20	<0.1%	<20	<0.1%	<20	<0.1%	<0.1%
29 Tillamook	160	0.5%	310	0.6%	280	0.6%	0.6%
30 Umatilla	520	1.5%	740	1.3%	650	1.3%	1.9%
31 Union	210	0.6%	230	0.4%	240	0.5%	0.6%
32 Wallowa	50	0.1%	70	0.1%	70	0.1%	0.2%
33 Wasco	200	0.6%	260	0.5%	280	0.6%	0.6%
34 Washington	5,960	17.4%	8,560	15.5%	7,240	14.6%	14.2%
35 Wheeler	<20	<0.1%	<20	<0.1%	<20	<0.1%	<0.1%
36 Yamhill	550	1.6%	850	1.5%	780	1.6%	2.5%
Total	34,180	100%	55,190	100%	49,640	100%	100%

Exhibit 41, on the following page, shows the number of income tax filers moving from Oregon for selected tax years by state of destination. In 2020, taxpayers moved from Oregon to all 49 other states, Washington, D.C., some U.S. territories, and several other countries. The most frequent destinations were the border states of Washington and California, which attracted almost 41 percent of all out-migrant income tax filers.

Section IV: Characteristics of Filers

Exhibit 41—Part-Year Resident Returns with Non-Oregon Address by Number of Filers Moving from Oregon by Destination, Tax Years 2010, 2019 and 2020

State	2010		2019		2020	
	Number	Share	Number	Share	Number	Share
Alabama	90	0.3%	200	0.4%	210	0.4%
Alaska	460	1.6%	460	0.9%	460	1.0%
Arizona	1,530	5.4%	3,100	6.3%	2,880	6.1%
Arkansas	130	0.5%	230	0.5%	270	0.6%
California	5,150	18.0%	8,510	17.3%	7,500	15.9%
Colorado	970	3.4%	1,750	3.6%	1,680	3.6%
Connecticut	110	0.4%	180	0.4%	170	0.4%
Delaware	30	0.1%	30	0.1%	30	0.1%
Florida	660	2.3%	1,370	2.8%	1,350	2.9%
Georgia	270	0.9%	530	1.1%	520	1.1%
Hawaii	430	1.5%	760	1.5%	660	1.4%
Idaho	1,350	4.7%	2,400	4.9%	2,640	5.6%
Illinois	460	1.6%	740	1.5%	690	1.5%
Indiana	240	0.8%	380	0.8%	390	0.8%
Iowa	180	0.6%	270	0.5%	280	0.6%
Kansas	190	0.7%	240	0.5%	250	0.5%
Kentucky	120	0.4%	200	0.4%	230	0.5%
Louisiana	120	0.4%	210	0.4%	170	0.4%
Maine	90	0.3%	130	0.3%	170	0.4%
Maryland	240	0.8%	270	0.5%	230	0.5%
Massachusetts	300	1.1%	480	1.0%	410	0.9%
Michigan	320	1.1%	620	1.3%	530	1.1%
Minnesota	400	1.4%	570	1.2%	580	1.2%
Mississippi	60	0.2%	100	0.2%	120	0.3%
Missouri	300	1.1%	510	1.0%	580	1.2%
Montana	510	1.8%	890	1.8%	1,000	2.1%
Nebraska	120	0.4%	190	0.4%	200	0.4%
Nevada	750	2.6%	1,300	2.6%	1,150	2.4%
New Hampshire	70	0.2%	130	0.3%	140	0.3%
New Jersey	140	0.5%	270	0.5%	200	0.4%
New Mexico	300	1.1%	450	0.9%	450	1.0%
New York	660	2.3%	960	2.0%	730	1.5%
North Carolina	400	1.4%	700	1.4%	750	1.6%
North Dakota	120	0.4%	170	0.3%	140	0.3%
Ohio	300	1.1%	590	1.2%	540	1.1%
Oklahoma	210	0.7%	390	0.8%	400	0.8%
Pennsylvania	350	1.2%	570	1.2%	560	1.2%
Rhode Island	30	0.1%	70	0.1%	70	0.1%
South Carolina	130	0.5%	260	0.5%	280	0.6%
South Dakota	100	0.4%	150	0.3%	190	0.4%
Tennessee	200	0.7%	510	1.0%	580	1.2%
Texas	1,260	4.4%	2,540	5.2%	2,600	5.5%
Utah	650	2.3%	1,140	2.3%	1,190	2.5%
Vermont	70	0.2%	130	0.3%	140	0.3%
Virginia	330	1.2%	570	1.2%	580	1.2%
Washington	6,590	23.1%	11,340	23.1%	10,920	23.1%
West Virginia	40	0.1%	70	0.1%	60	0.1%
Wisconsin	260	0.9%	460	0.9%	470	1.0%
Wyoming	210	0.7%	240	0.5%	240	0.5%
Washington, D.C.	100	0.4%	120	0.2%	100	0.2%
Outside U.S.	440	1.5%	710	1.4%	580	1.2%
Total	28,540	100%	49,130	100%	47,230	100%

Oregon Adjusted Gross Income and Tax Liability

Exhibits 42a and 42b show the total Oregon adjusted gross income as reported by part-year residents. The two groups include those who move into Oregon and those who move from Oregon for tax years 2009 to 2020. Exhibit 42c on the following page, shows total Oregon AGI and total tax liability of part-year residents.

Exhibit 42a—Part-Year Resident Returns (Historical) by Total Oregon Adjusted Gross Income, Tax Years 2009 to 2020

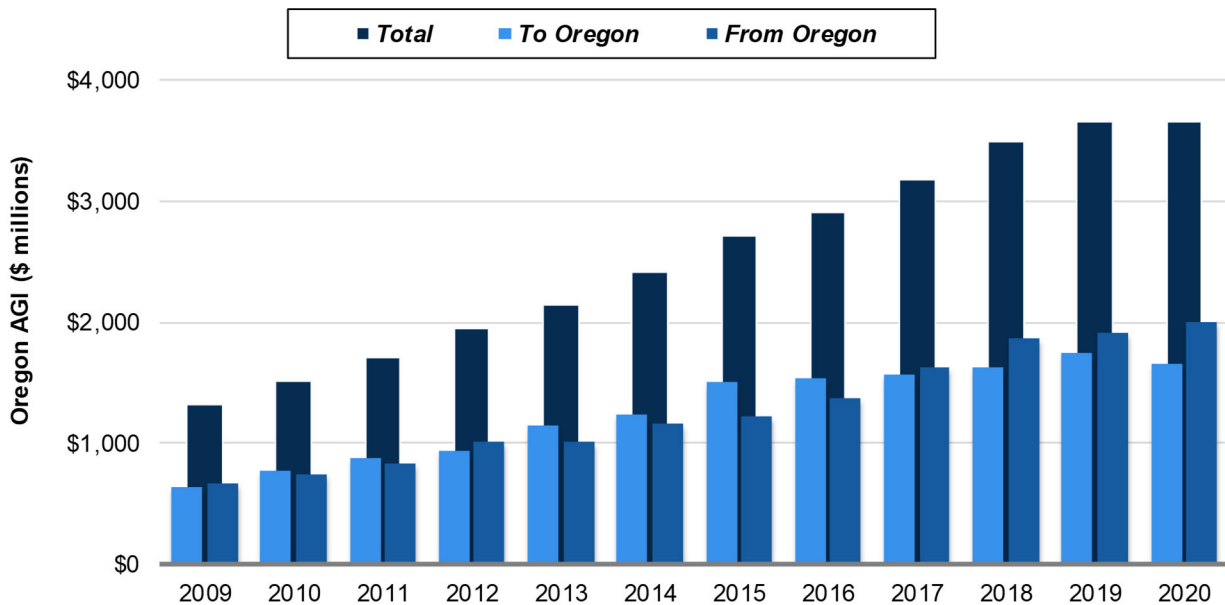


Exhibit 42b—Part-Year Resident Returns (Historical Details) by Total Oregon Adjusted Gross Income, Tax Years 2009 to 2020

Tax Year	To Oregon					From Oregon				
	Returns Number	Growth	Average (\$)	Total (\$ millions)	Growth in Total	Returns Number	Growth	Average (\$)	Total (\$ millions)	Growth in Total
2009	29,860	-25.1%	\$21,390	\$638.8	-36.8%	26,680	-14.5%	\$25,210	\$672.6	-20.4%
2010	34,180	12.6%	\$22,670	\$775.0	17.6%	28,540	6.5%	\$26,050	\$743.3	9.5%
2011	36,720	6.9%	\$23,830	\$874.9	11.4%	31,320	8.9%	\$26,780	\$838.8	11.4%
2012	38,440	4.5%	\$24,540	\$943.2	7.2%	33,770	7.3%	\$29,890	\$1,009.4	16.9%
2013	44,000	12.6%	\$25,950	\$1,141.9	17.4%	35,350	4.5%	\$28,470	\$1,006.3	-0.3%
2014	48,890	10.0%	\$25,440	\$1,243.6	8.2%	36,610	3.5%	\$31,780	\$1,163.4	13.5%
2015	55,960	12.6%	\$26,860	\$1,503.5	17.3%	38,650	5.3%	\$31,410	\$1,214.1	4.2%
2016	55,160	-1.5%	\$27,840	\$1,535.7	2.1%	42,130	8.3%	\$32,440	\$1,366.9	11.2%
2017	53,930	-2.3%	\$28,920	\$1,559.9	1.6%	45,750	7.9%	\$35,480	\$1,623.0	15.8%
2018	54,750	1.5%	\$29,720	\$1,626.9	4.1%	46,640	1.9%	\$39,850	\$1,858.8	12.7%
2019	55,190	0.8%	\$31,630	\$1,745.4	6.8%	49,130	5.1%	\$38,760	\$1,904.4	2.4%
2020	49,640	-11.2%	\$33,280	\$1,652.3	-5.6%	47,230	-4.0%	\$42,310	\$1,998.2	4.7%

Section IV: Characteristics of Filers

Exhibit 42c–Part-Year Resident Returns (Historical Details) by Total Oregon AGI and Personal Income Tax Liability, Tax Years 2009 to 2020

Tax Year	Returns		Oregon Adjusted Gross Income			Tax Liability		
	Number	Growth	Average (\$)	Total (\$ millions)	Growth in Total	Average (\$)	Total (\$ millions)	Growth in Total
2009	56,544	-20.1%	\$23,190	\$1,311.4	-28.4%	\$1,380	\$78.3	-28.9%
2010	62,721	9.8%	\$24,210	\$1,518.4	13.6%	\$1,530	\$96.1	18.5%
2011	68,039	7.8%	\$25,190	\$1,713.8	11.4%	\$1,560	\$106.3	9.6%
2012	72,213	5.8%	\$27,040	\$1,952.6	12.2%	\$1,700	\$122.8	13.4%
2013	79,352	9.0%	\$27,070	\$2,148.2	9.1%	\$1,690	\$134.0	8.4%
2014	85,499	7.2%	\$28,150	\$2,407.0	10.8%	\$1,820	\$155.5	13.8%
2015	94,610	9.6%	\$28,720	\$2,717.5	11.4%	\$1,840	\$174.4	10.9%
2016	97,291	2.8%	\$29,830	\$2,902.6	6.4%	\$1,940	\$188.6	7.5%
2017	99,682	2.4%	\$31,930	\$3,182.9	8.8%	\$2,100	\$208.9	9.7%
2018	101,387	1.7%	\$34,380	\$3,485.7	8.7%	\$2,420	\$245.1	14.8%
2019	104,318	2.8%	\$34,990	\$3,649.8	4.5%	\$2,420	\$253.0	3.1%
2020	96,873	-7.7%	\$37,680	\$3,650.4	0.0%	\$2,670	\$258.4	2.1%

Nonresident Returns

People who are not residents of Oregon but have income that is sourced in Oregon may be required to pay Oregon personal income tax. Exhibits 43 and 44 on the next few pages, show information on nonresidents with income from Oregon sources.

Exhibits 43a and 43b show the number of returns, total Oregon AGI, and total tax liability of nonresidents for tax years 2009 through 2020.

Exhibit 43a–Nonresident Returns (Historical) by Total Oregon Adjusted Gross Income, Tax Years 2009 to 2020

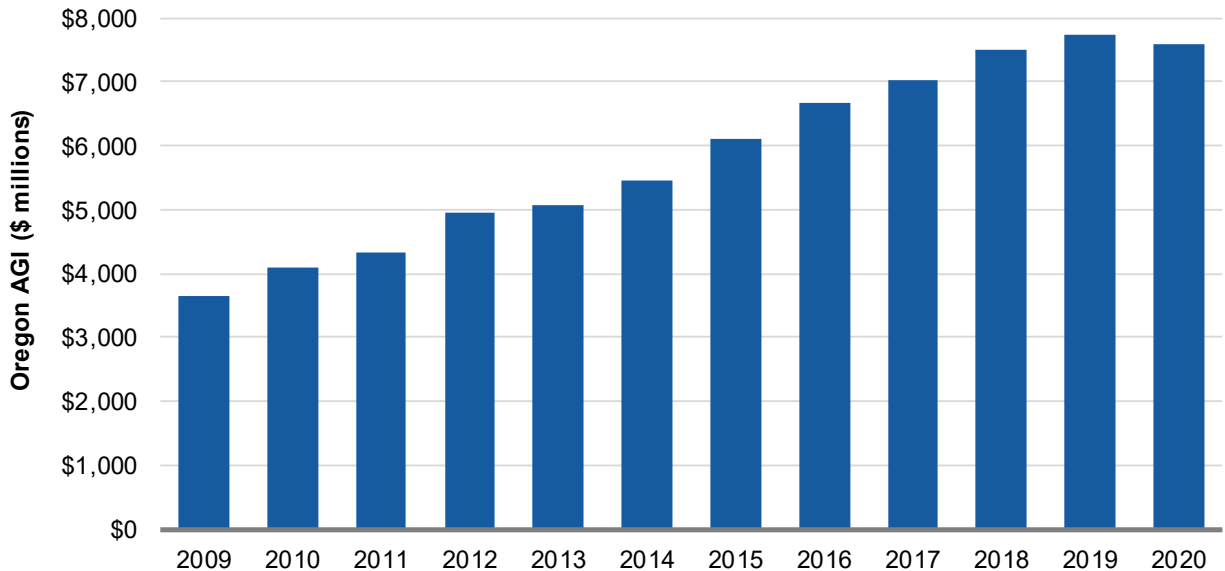


Exhibit 43b–Nonresident Returns (Historical Details) by Total Oregon AGI and Personal Income Tax Liability, Tax Years 2009 to 2020

Tax Year	Returns		Oregon Adjusted Gross Income			Tax Liability		
	Number	Growth	Average (\$)	Total (\$ millions)	Growth in Total	Average (\$)	Total (\$ millions)	Growth in Total
2009	140,551	-2.9%	\$25,980	\$3,651.6	-18.3%	\$1,710	\$240.2	-6.8%
2010	147,687	4.8%	\$27,660	\$4,084.3	10.6%	\$1,740	\$257.1	6.6%
2011	156,785	5.8%	\$27,720	\$4,345.6	6.0%	\$1,740	\$272.1	5.5%
2012	161,599	3.0%	\$30,730	\$4,965.4	12.5%	\$1,930	\$311.9	12.7%
2013	170,579	5.3%	\$29,660	\$5,058.6	1.8%	\$1,880	\$319.9	2.5%
2014	177,569	3.9%	\$30,790	\$5,467.4	7.5%	\$2,020	\$357.8	10.6%
2015	187,783	5.4%	\$32,520	\$6,106.7	10.5%	\$2,060	\$386.7	7.5%
2016	192,309	2.4%	\$34,740	\$6,681.1	8.6%	\$2,200	\$423.0	8.6%
2017	200,121	3.9%	\$35,160	\$7,036.8	5.1%	\$2,300	\$459.6	8.0%
2018	208,191	3.9%	\$36,080	\$7,511.8	6.3%	\$2,370	\$492.6	6.7%
2019	218,652	4.8%	\$35,320	\$7,722.4	2.7%	\$2,390	\$521.8	5.6%
2020	207,739	-5.3%	\$36,520	\$7,587.2	-1.8%	\$2,510	\$520.7	-0.2%

Section IV: Characteristics of Filers

Exhibit 44 on the following page, shows the number of returns, total Oregon AGI, and total tax liability of nonresidents by state of residence, based on the address reported on the return. There are several things to note. Many of the nonresident returns with an Oregon address are military personnel who are temporarily stationed in Oregon. Residents of Washington state account for about 50 percent of nonresident returns. Many of these Washington residents commute to the Portland area for employment. California residents account for about 14 percent of nonresident returns but only 3.5 percent of total nonresident tax liability.

For many California residents, the State of California also taxes their Oregon-source income. For residents of California as well as residents of Arizona, Indiana, and Virginia, Oregon grants a tax credit for income tax paid to the nonresident's home state on mutually-taxed income, which in general, reduces their Oregon personal income tax liability.

Exhibit 44—Nonresident Returns, AGI, and Tax Liability by State and Selected Areas, Tax Year 2020

State	Returns		Oregon AGI		Total Tax Liability	
	Number	Share	(\$ millions)	Share	(\$ millions)	Share
Alabama	380	0.2%	\$7.7	0.1%	\$0.5	0.1%
Alaska	1,140	0.5%	\$31.7	0.4%	\$2.4	0.5%
Arizona	4,760	2.3%	\$215.1	2.8%	\$11.7	2.3%
Arkansas	340	0.2%	\$7.1	0.1%	\$0.5	0.1%
California	29,790	14.3%	\$740.0	9.8%	\$18.0	3.5%
Colorado	2,980	1.4%	\$76.7	1.0%	\$6.2	1.2%
Connecticut	500	0.2%	\$18.2	0.2%	\$1.6	0.3%
Delaware	80	0.0%	\$1.8	0.0%	\$0.1	0.0%
Florida	3,300	1.6%	\$117.9	1.6%	\$13.5	2.6%
Georgia	1,120	0.5%	\$30.3	0.4%	\$2.4	0.5%
Hawaii	1,790	0.9%	\$54.5	0.7%	\$4.7	0.9%
Idaho	11,990	5.8%	\$432.7	5.7%	\$30.9	5.9%
Illinois	1,680	0.8%	\$46.3	0.6%	\$3.9	0.7%
Indiana	560	0.3%	\$19.7	0.3%	\$1.0	0.2%
Iowa	320	0.2%	\$5.7	0.1%	\$0.5	0.1%
Kansas	470	0.2%	\$13.5	0.2%	\$0.9	0.2%
Kentucky	310	0.1%	\$19.6	0.3%	\$1.7	0.3%
Louisiana	470	0.2%	\$6.8	0.1%	\$0.6	0.1%
Maine	170	0.1%	\$4.3	0.1%	\$0.3	0.1%
Maryland	670	0.3%	\$42.7	0.6%	\$3.7	0.7%
Massachusetts	950	0.5%	\$33.3	0.4%	\$3.0	0.6%
Michigan	880	0.4%	\$133.0	1.8%	\$13.1	2.5%
Minnesota	920	0.4%	\$36.4	0.5%	\$2.8	0.5%
Mississippi	260	0.1%	\$3.6	0.0%	\$0.2	0.0%
Missouri	880	0.4%	\$38.0	0.5%	\$2.7	0.5%
Montana	1,470	0.7%	\$37.5	0.5%	\$2.7	0.5%
Nebraska	320	0.2%	\$6.6	0.1%	\$0.4	0.1%
Nevada	2,550	1.2%	\$96.7	1.3%	\$11.3	2.2%
New Hampshire	200	0.1%	\$5.7	0.1%	\$0.5	0.1%
New Jersey	900	0.4%	\$21.9	0.3%	\$2.3	0.4%
New Mexico	580	0.3%	\$16.8	0.2%	\$1.4	0.3%
New York	2,790	1.3%	\$26.4	0.3%	\$5.5	1.1%
North Carolina	1,270	0.6%	\$26.2	0.3%	\$1.9	0.4%
North Dakota	220	0.1%	\$33.3	0.4%	\$3.0	0.6%
Ohio	850	0.4%	\$41.4	0.5%	\$3.7	0.7%
Oklahoma	510	0.2%	\$6.8	0.1%	\$0.5	0.1%
Oregon	11,330	5.5%	\$419.4	5.5%	\$29.9	5.7%
Pennsylvania	930	0.4%	\$33.1	0.4%	\$2.9	0.6%
Rhode Island	100	0.0%	\$2.2	0.0%	\$0.2	0.0%
South Carolina	530	0.3%	\$17.4	0.2%	\$1.0	0.2%
South Dakota	330	0.2%	\$5.4	0.1%	\$0.4	0.1%
Tennessee	880	0.4%	\$27.8	0.4%	\$2.1	0.4%
Texas	4,720	2.3%	\$177.8	2.3%	\$16.8	3.2%
Utah	2,300	1.1%	\$64.7	0.9%	\$5.2	1.0%
Vermont	120	0.1%	\$3.4	0.0%	\$0.3	0.1%
Virginia	1,300	0.6%	\$32.2	0.4%	\$1.2	0.2%
Washington	102,400	49.3%	\$4,211.2	55.5%	\$288.3	55.4%
West Virginia	70	0.0%	\$0.9	0.0%	\$0.1	0.0%
Wisconsin	780	0.4%	\$18.6	0.2%	\$1.6	0.3%
Wyoming	400	0.2%	\$37.4	0.5%	\$3.7	0.7%
Washington, D.C.	220	0.1%	\$4.2	0.1%	\$0.4	0.1%
Outside U.S.	3,010	1.4%	\$76.0	1.0%	\$6.8	1.3%
Total	207,740	100%	\$7,587.2	100%	\$520.7	100%

Section IV: Characteristics of Filers

County Data

This section provides tax information by county to demonstrate how taxpayer characteristics vary by region. Exhibit 45 on the following page, shows a breakdown of the number of all returns filed, total Oregon AGI, total tax liability, and the percent change from 2019 to 2020 of those quantities by county and other selected areas outside of Oregon.

Most counties showed growth in the number of returns, total AGI, and tax liability. The following Oregon counties led the state in percentage growth:

- Number of returns: Harney (4.9 percent), Crook (4.7 percent), and Morrow (4.7 percent).
- Adjusted gross income: Wheeler (24.7 percent), Grant (12.3 percent), and Crook (12.1 percent).
- Tax liability: Wheeler (18.7 percent), Deschutes (16.5 percent), and Crook (16.4 percent).

Exhibits 46 through 50, pages 64-66, are maps showing the average AGI, tax liability, effective tax rate, electronic filing rate, and percent of filers claiming the Oregon earned income tax credit for full-year resident returns in each county.

The map in Exhibit 46, page 64, shows the counties with the highest average AGI were Clackamas (\$95,110) and Washington (\$93,000). The counties with the lowest average AGI were Wheeler (\$37,360) and Harney (\$43,620).

The map in Exhibit 47, page 64, shows that the counties with the highest AGI also had the highest tax liabilities, which were Clackamas (\$95,110) and Washington (\$93,000). The counties with the lowest average tax liability were Wheeler (\$2,210) and Harney (\$2,430).

The map in Exhibit 48, page 65, shows the effective tax rate (tax divided by AGI) for each county. The counties with the highest effective tax rates were Clackamas, Deschutes, and Multnomah all at 6.7 percent. The counties with the lowest effective tax rate were Jefferson (5.2 percent), and Lincoln and Malheur both at 5.4 percent. Because of Oregon's progressive tax bracket structure, populations with a greater income have a higher effective tax rate.

The map in Exhibit 49, page 65, shows electronic filing rate for each county. The counties with the highest electronic filing rates were Sherman (94.9 percent) and Gilliam (94.6 percent). Ten of the top 12 are in eastern Oregon. The county with the lowest electronic filing rate was Marion (88.4 percent) where the main building of the Oregon Department of Revenue is located.

Exhibit 45—Distribution of All Returns, AGI, and Tax Liability by County and Selected Areas, Tax Year 2020

County or Area	Returns		Adjusted Gross Income		Total Tax Liability		% Change 2019 to 2020		
	Number	Share	(\$ millions)	Share	(\$ millions)	Share	No. of Returns	Total AGI	Total Tax
Baker	7,040	0.3%	\$314.9	0.2%	\$18.7	0.2%	2.1%	-1.7%	4.5%
Benton	40,650	1.8%	\$3,050.4	2.0%	\$190.9	1.9%	2.3%	1.7%	0.9%
Clackamas	199,190	9.0%	\$18,711.5	12.1%	\$1,250.2	12.7%	0.6%	5.1%	6.8%
Clatsop	18,930	0.9%	\$1,156.0	0.7%	\$68.1	0.7%	2.7%	10.2%	14.2%
Columbia	23,980	1.1%	\$1,556.1	1.0%	\$92.3	0.9%	2.2%	3.3%	4.1%
Coos	28,000	1.3%	\$1,532.1	1.0%	\$85.6	0.9%	3.1%	10.3%	13.0%
Crook	11,440	0.5%	\$717.5	0.5%	\$43.1	0.4%	4.7%	12.1%	16.4%
Curry	10,680	0.5%	\$558.0	0.4%	\$31.2	0.3%	3.1%	8.3%	12.4%
Deschutes	98,830	4.4%	\$8,371.0	5.4%	\$560.9	5.7%	3.1%	11.9%	16.5%
Douglas	47,410	2.1%	\$2,520.4	1.6%	\$141.7	1.4%	3.1%	5.8%	8.1%
Gilliam	830	<0.1%	\$49.8	<0.1%	\$3.0	<0.1%	0.2%	11.4%	15.1%
Grant	3,070	0.1%	\$150.2	0.1%	\$8.7	0.1%	1.5%	12.3%	13.7%
Haremy	3,110	0.1%	\$134.1	0.1%	\$7.5	0.1%	4.9%	10.6%	9.6%
Hood River	11,930	0.5%	\$872.9	0.6%	\$56.1	0.6%	1.4%	5.2%	7.3%
Jackson	102,880	4.6%	\$6,330.2	4.1%	\$376.0	3.8%	2.1%	4.3%	5.5%
Jefferson	10,240	0.5%	\$494.9	0.3%	\$25.9	0.3%	3.7%	5.4%	6.8%
Josephine	38,050	1.7%	\$1,928.0	1.2%	\$105.7	1.1%	2.9%	1.7%	3.0%
Klamath	28,770	1.3%	\$1,433.7	0.9%	\$80.9	0.8%	3.3%	5.0%	6.7%
Lake	3,230	0.1%	\$156.0	0.1%	\$9.0	0.1%	3.7%	3.6%	3.8%
Lane	172,960	7.8%	\$10,967.1	7.1%	\$671.6	6.8%	1.7%	2.4%	3.6%
Lincoln	22,770	1.0%	\$1,235.2	0.8%	\$66.4	0.7%	2.2%	2.9%	0.5%
Linn	57,680	2.6%	\$3,254.7	2.1%	\$184.9	1.9%	1.5%	2.2%	2.5%
Malheur	11,010	0.5%	\$497.1	0.3%	\$26.8	0.3%	3.1%	8.6%	15.0%
Marion	152,560	6.9%	\$9,307.4	6.0%	\$546.6	5.6%	2.0%	1.6%	2.1%
Morrow	4,960	0.2%	\$279.8	0.2%	\$16.9	0.2%	4.7%	8.4%	12.2%
Multnomah	396,100	17.8%	\$31,481.2	20.4%	\$2,111.4	21.5%	-0.9%	-0.6%	-1.3%
Polk	38,340	1.7%	\$2,438.7	1.6%	\$141.9	1.4%	3.3%	3.0%	2.8%
Sherman	850	<0.1%	\$55.5	<0.1%	\$3.5	<0.1%	2.0%	9.0%	14.0%
Tillamook	12,710	0.6%	\$737.0	0.5%	\$42.1	0.4%	1.9%	6.8%	9.7%
Umatilla	32,360	1.5%	\$1,761.2	1.1%	\$102.6	1.0%	2.5%	3.7%	5.8%
Union	11,510	0.5%	\$644.4	0.4%	\$36.8	0.4%	1.8%	3.9%	5.2%
Wallowa	3,510	0.2%	\$183.7	0.1%	\$10.5	0.1%	3.2%	8.0%	10.7%
Wasco	11,760	0.5%	\$650.9	0.4%	\$37.0	0.4%	2.5%	2.1%	2.7%
Washington	283,240	12.7%	\$25,912.2	16.8%	\$1,706.6	17.3%	0.8%	4.1%	3.2%
Wheeler	550	<0.1%	\$20.6	<0.1%	\$1.2	<0.1%	1.9%	24.7%	18.7%
Yamhill	47,480	2.1%	\$3,288.7	2.1%	\$196.9	2.0%	1.4%	2.8%	2.8%
Clark Co., Wa.	75,550	3.4%	\$3,510.6	2.3%	\$229.3	2.3%	-4.0%	-9.1%	-8.7%
Other Wash.	44,810	2.0%	\$1,762.0	1.1%	\$132.4	1.3%	-5.2%	-0.2%	3.0%
California	42,820	1.9%	\$1,385.6	0.9%	\$61.8	0.6%	-5.7%	0.5%	-6.9%
Idaho	15,980	0.7%	\$689.1	0.4%	\$48.9	0.5%	3.3%	32.5%	35.9%
Other	96,290	4.3%	\$4,169.4	2.7%	\$310.5	3.2%	-5.3%	11.6%	15.4%
Total	2,224,020	100%	\$154,269.6	100%	\$9,842.2	100%	0.5%	3.3%	3.8%

Section IV: Characteristics of Filers

Exhibit 46—Full-Year Resident Returns by Average Adjusted Gross Income (AGI) Per County, Tax Year 2020

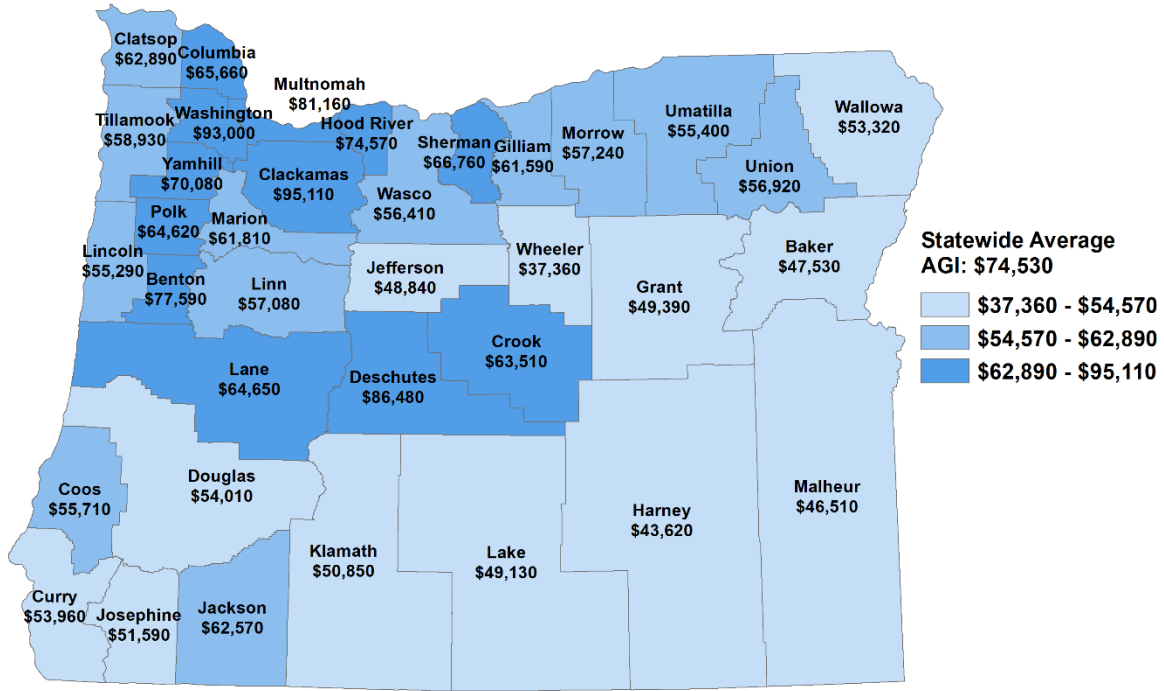
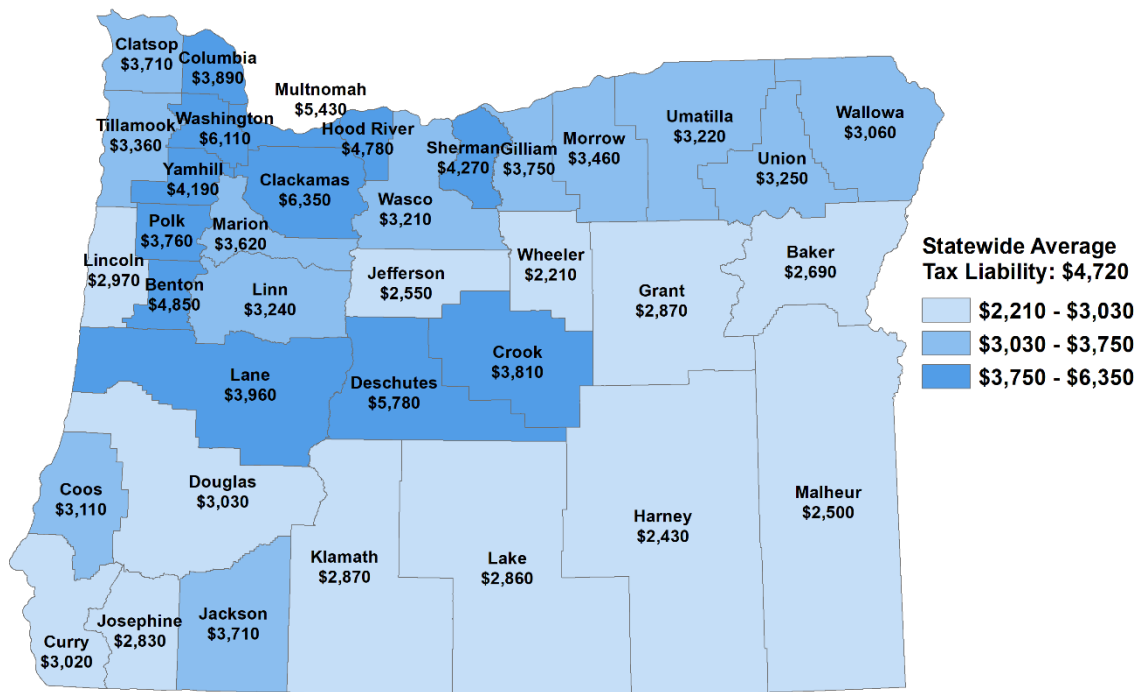
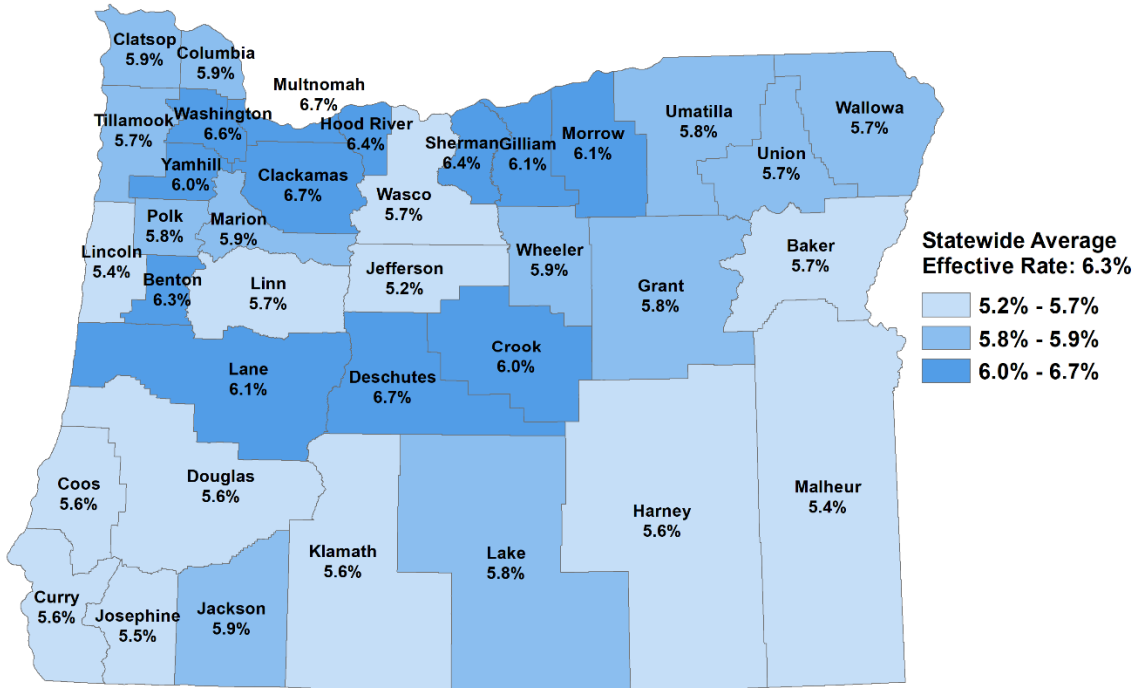


Exhibit 47—Full-Year Resident Returns by Tax Liability Per County, Tax Year 2020

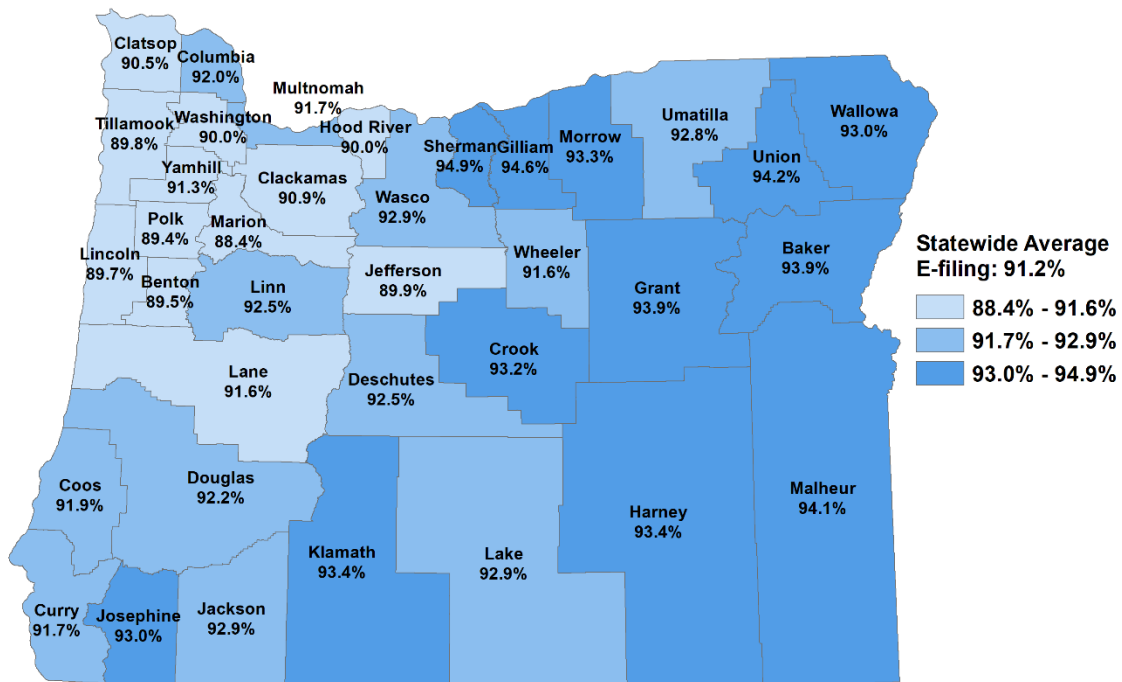


**Exhibit 48—Full-Year Resident Returns by Effective Rate*
Per County, Tax Year 2020**



* Effective tax rate using Oregon AGI. See section 2, page 24.

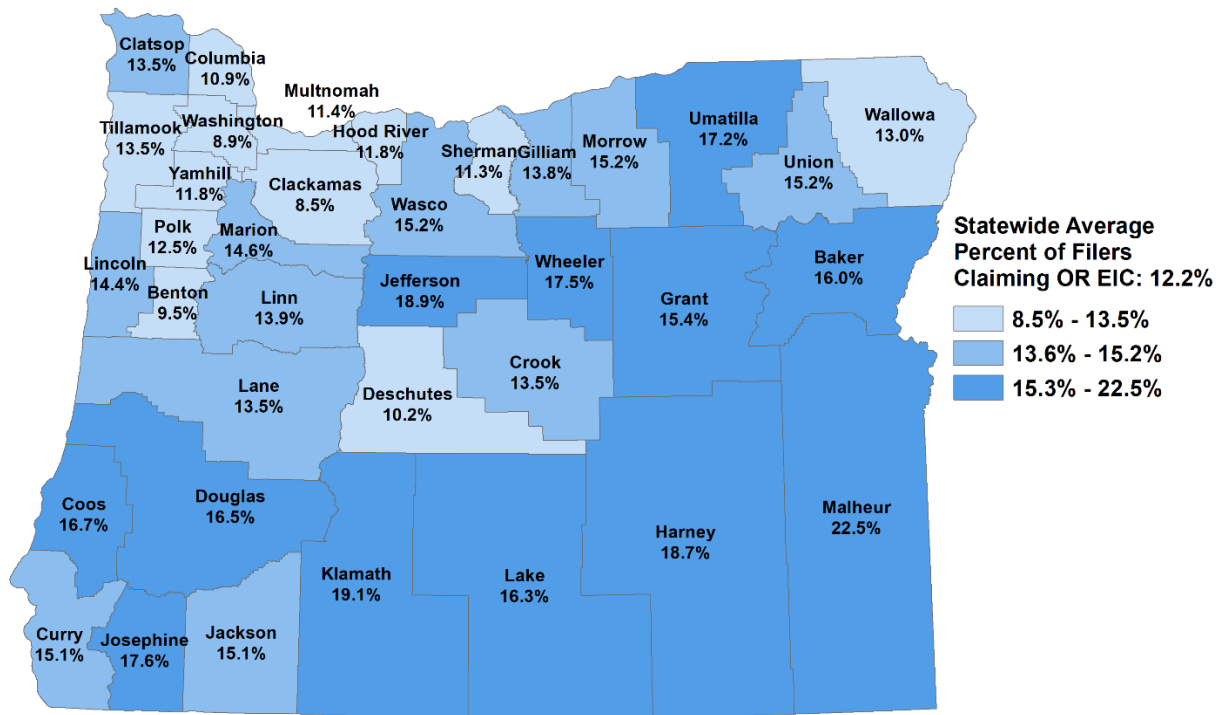
**Exhibit 49—Full-Year Resident Returns by E-filing
Per County, Tax Year 2020**



Section IV: Characteristics of Filers

As introduced with the reference to the cover image of this report, the map in Exhibit 50 shows percentage of filers claiming the Oregon earned income credit (EIC) for each county. The counties with the highest percent were Malheur (22.5 percent), Klamath (19.1 percent), Jefferson (18.9 percent), and Harney (18.7 percent). The counties with the lowest percentage filers claiming the Oregon EIC were Clackamas (8.5 percent) and Washington (8.9 percent). The cover image is based on the same data as this map, however the color in it darkens continually as the percentage increases, while for this map, percentages are grouped by three colors, so it can more easily be compared to the previous four maps.

**Exhibit 50—Full-Year Resident Returns by Oregon
Earned Income Credit (EIC) Claim Rate Per County, Tax Year 2020**



Two Percent Surplus Refund (Kicker) History

The 1979 Oregon Legislature passed the “Two percent kicker” law, which requires the state to refund excess revenue to taxpayers when actual General Fund revenues exceed the forecast amount by more than two percent.

Exhibit 51—Personal Income Kicker History* Two Percent Kicker, Biennia 1979-81 to 2019-21

Biennium	Tax Year	Surplus/ Shortfall (\$ millions)	Credit or Refund	
			Percent	Mean (\$)
1979-81	1981	-\$141	None	---
1981-83	1983	-\$115	None	---
1983-85	1985	\$89	7.70%	\$81
1985-87	1987	\$221	16.60%	\$192
1987-89	1989	\$175	9.80%	\$133
1989-91	1991	\$186	Suspended	---
1991-93	1993	\$60	None	---
1993-95	1994/5	\$163	6.27%	\$111
1995-97	1996/7	\$432	14.37%	\$287
1997-99	1998/9	\$167	4.57%	\$103
1999-01	2000/1	\$254	6.02%	\$155
2001-03	2002/3	-\$1,249	None	---
2003-05	2004/5	-\$401	None	---
2005-07	2006/7	\$1,071	18.60%	\$609
2007-09	2008	-\$1,113	None	---
2009-11	2010	-\$1,050	None	---
2011-13	2012	\$124	None	---
2013-15	2014	\$402	5.60%	\$212
2015-17	2016	\$464	5.60%	\$252
2017-19	2018	\$1,688	17.17%	\$914
2019-21	2020	\$1,898	17.34%	NA**

* 2022 Oregon Public Finance Basic Facts, Research Report #1-22, Legislative Revenue Office.

**Data is not yet available, because the 2019-21 Kicker is claimed on the tax year 2021 personal income tax return .

Appendix A: Two Percent Surplus Refund (Kicker) History

Unlike individuals, corporations do not receive a kicker refund. With the passage of Measure 85 in 2012, corporation kicker amounts go to the State School Fund to provide additional funding for K-12 public education, beginning with the 2013-15 biennium. The information included here pertains only to the personal income tax kicker.

Prior to 1995, taxpayers claimed the refund via a tax credit on the Oregon return for the calendar year that included the date on which the biennium ended. For example, actual revenues exceeded the forecast amount for the 1987–89 biennium, which ended on June 30, 1989 so taxpayers claimed the credit on their tax year 1989 returns. Although actual revenues again exceeded the forecast amount two years later, the legislature voted to suspend the kicker for the 1989-91 biennium.

The 1995 Oregon legislature decided to issue taxpayers a check for the refund instead of having taxpayers claim a tax credit on the Oregon return. The amount of the refund was based on tax liability after credits for the first full calendar year of the biennium. The 2007 Oregon legislature changed the basis of the refund to tax before credits. This change particularly increased refunds to filers with large credits relative to their pre-credit liability, especially taxpayers claiming credits for taxes paid to other states. In 2009, the legislature based the refund on tax before credits except for the credit for taxes paid to another state.

In 2011, the legislature changed the refund mechanism for the kicker from a refund check back to a credit claimed on the Oregon return. Most recently, revenues for the 2019-2021 biennium exceeded the forecast by \$1,898 million, resulting in a refund of 17.34 percent of the taxpayer's 2020 liability after the credit for taxes paid to another state but before other credits. Taxpayers claimed this kicker refund as a refundable credit on their 2021 tax return.

Information presented in this publication comes from tax year 2020 Oregon personal income tax returns the Oregon Department of Revenue (DOR) received during calendar year 2021. If an amended return for tax year 2020 was received by December 2021, any information from the amended return that changed from the original return is used in the data for the publication. Original or amended returns received later than December 2021 are not included.

Aside from initial adjustments made during return processing, data from audit activity is not included nor accounted for. The department uses considerable data validation to maintain accuracy of reported information and ensure the internal consistency of individual returns.

Data Validation

Most are filed electronically and are initially processed by the DOR computer system automatically. Paper returns, whether submitted with or without a 2-D barcode, are scanned by the new imaging system, which went online in late 2018. The imaged version of paper returns is used to retrieve the tax information. For paper returns that cannot be read properly by the scanning system, the tax return information must be entered manually. During the initial processing of all returns, returns with errors are identified.

Some of the errors will result in letters to taxpayers or some human intervention to make corrections before final processing. Following return processing, there are additional data checks to identify returns that are not internally consistent. In many cases, the physical returns are inspected to find systematic errors and encode data handling rules for those returns.

To the extent possible, the department modifies inconsistent data in a manner believed to correct errors on the returns. The data handling procedures used for this report are not connected with other DOR business. Examples of the data handling procedures include:

- If the return reports a tax liability that is incorrect given the reported income and tax rates, they replace the reported amount with the corrected amount.
- If the return claims a credit or subtraction that is larger than the allowable amount, the reported amount is replaced by the maximum amount allowed.
- If the amount reported for the total of nonrefundable credits exceeds the amount of pre-credit tax liability, the amount used for each credit is calculated by proportionally reducing those credits, so their sum equals the pre-credit tax liability.
- The city reported in the address on a return is screened for spelling and corrected as appropriate. (Reported cities do not always match with officially incorporated cities.)
- If a line on a return is blank, the associated value is set to zero.
- If the date of birth would make a filer's age unreasonable, the age is set to missing. (Age is the taxpayer's age on July 1 of the tax year to match Oregon population data)

If an amount on a return is computed based on other line items (e.g., tax liability depends on income, subtractions, credits, etc.) and data handling alters the line items on which it depends,

the amount is recomputed.

Statistical Reporting

Following the finalization of the data handling, the DOR Research Section creates statistical summaries. All summaries are derived from the complete database of returns; they are not based on statistical samples. Means, sums, percentages, etc. are computed using their simple arithmetic definitions (computations are performed using SAS and Excel).

The following are the general rounding guidelines used in this report – return counts to the nearest multiple of 10, total dollar amounts to nearest \$0.1 million, average dollar amount to the nearest multiple of \$10, and percentages to the nearest 0.1 percent. Due to rounding, the sum of separate quantities may not correspond exactly to some totals.

Rates that span several years (e.g., percent increase in income from 2009 to 2020) are computed as the percentage change between the first and last years, and then annualized. For summaries associated with claims of certain adjustments, additions, subtractions, or credits, zeros in the data are excluded when calculating means (except as noted). A return is counted as claiming the item if the associated amount is non-zero.

In tables summarizing amounts by AGI quintile, ranking is used to determine in which quintile each return is placed. Due to ties in ranks, the number of returns represented by each quintile may differ slightly.

Additions. Income not taxed by the federal government but taxed by Oregon and federal deductions from AGI that Oregon does not allow.

Adjusted gross income (AGI). *See Federal adjusted gross income or Oregon adjusted gross income.*

Adjustments. Deductions from income subject to federal tax, such as IRA contributions, student loan interest, medical savings account contributions, moving expenses, one-half of self-employment taxes, self-employed health insurance premiums, self-employed SEP contributions, penalties on early withdrawal of savings, alimony paid, certain business expenses, and health savings account contributions. Adjustments are subtracted from total federal income to compute AGI; reported on federal Form 1040, Schedule 1.

Biennium. The period of two fiscal years for which the state budgets are determined. For example, July 1, 2019 to June 30, 2021 is referred to as the 2019–2021 biennium.

Business income. Profit or loss from sole proprietorship business (not partnership and corporate income). Reported on federal Schedule C. *See also Sole proprietorship.*

Capital gains. For tax years 1986 and earlier, this figure indicates the amount after the 60 percent capital gains exemption. Beginning with tax year 1987, this figure indicates 100 percent of the net capital gains. Reported on federal Schedule D.

Charitable checkoff donations. Optional donations by which taxpayers may designate all or part of a tax refund as a contribution to a charity or charities as listed on Schedule OR-DONATE.

Credits. Total amount of tax credits. Includes personal exemption credit, Oregon

earned income credit, working family household and dependent care credit, retirement income credit, credit for elderly and disabled, child and dependent care credit, political contribution credit, credit for taxes paid to another state, and other credits. *See also Earned income credit, Exemption tax credit, Federal earned income credit, Federal education credits, Oregon earned income credit, Personal exemption credit, Retirement income credit, or Working family household and dependent care credit.*

Deductions (itemized or standard). Taxpayers may reduce the amount of taxable income by the greater of the standard deduction or their itemized deductions. For 2020 the standard deduction amounts are \$2,315 for a single filer, \$3,725 for a taxpayer filing as head of household, and \$4,630 for a joint filer. Itemized deductions include deductions for medical expenses, property taxes, home mortgage interest, and gifts to charity.

Earned income credit. *See Federal earned income credit or Oregon earned income credit.*

Effective tax rate. Tax liability divided by taxable income or adjusted gross income.

Exemptions (number of). Total number of exemptions claimed (self, spouse, and dependents plus special exemptions for severely disabled adults and disabled children). Individuals who are claimed as dependents on their parents' returns but who receive separate income claim zero exemptions on their own return. *See also Personal exemption credit.*

Exemption credit. *See Personal exemption credit.*

Farm income. The amount of farm income reported on federal Schedule F. It does not

Appendix C: Glossary of Terms

include the farm income of any farm operated as a partnership or corporation. *See also sole proprietorship.*

Federal adjusted gross income (Federal AGI). Total income subject to federal tax minus federal adjustments. For full-year returns, Oregon AGI equals federal AGI.

Federal earned income tax credit (EITC). A federal, refundable income tax credit for low-income working taxpayers. The amount depends on income and the number of dependent children. *See also Oregon earned income credit.*

Federal education credits. For 2020, the American Opportunity Credit had a maximum of \$2,500 per qualified student, and the Lifetime Learning Credit had a maximum of \$2,000 per return.

Federal income. The gross income people receive from all sources that is not exempt from federal income tax. *See also Gross income.*

Federal income tax subtraction. An Oregon subtraction for federal income tax liability. For 2020, the deduction is limited to \$6,950 per return (half if married filing separately) and phased out for higher income taxpayers.

Federal pension income subtraction. The portion of federal pension income earned before October 1, 1991 that can be subtracted from AGI on the Oregon return.

Filer. An individual who files a personal income tax return. A return is associated with only one filer. For joint returns, the person listed first on the tax return is the filer.

Full-year resident (FY) returns. Returns filed by full-year Oregon residents (Form OR-40).

Gross income. All income people receive in the form of money, goods, property, and services that is not exempt from federal

income tax, including any income from sources outside the United States.

Head of household. Filing status available for unmarried individuals who furnished over half of the cost of maintaining a household for the entire year for at least one qualifying dependent.

Interest on installment sales. Interest on deferred tax on income from certain property sold using the installment method. Added to Oregon tax before credits.

J Tax Brackets. The tax bracket used to compute tax for taxpayers with filing statuses married filing jointly, head of household, and qualifying widow(er). The income breakpoints for the J brackets are twice that of the S brackets.

Joint. Filing status. *See also Married filing jointly and Registered domestic partners (RDP).*

Kicker. *See State surplus refund.*

Married filing jointly. Filing status available for married couples. The married couple file one return representing the combined income of the two spouses.

Married filing separately. Filing status available for married individuals. Each married individual files a separate return.

Miscellaneous income. Positive and negative income reported on the federal return as alimony, unemployment, farm, state tax refunds and other income.

Net federal tax. The sum of basic federal tax, alternative minimum tax, tax on IRAs, and other income taxes, minus federal tax credits.

Nonresident (NR) returns. Returns filed by individuals with income earned in Oregon whose permanent homes (domiciles) were outside Oregon for the entire tax year (Form OR-40-N).

Oregon adjusted gross income (Oregon AGI). For full-year resident filers, Oregon AGI is the same as federal AGI. Generally, for nonresidents, Oregon AGI is the components of federal AGI that come from Oregon sources. For part-year residents, Oregon AGI is the components of federal AGI that come from all sources while a resident of Oregon and any components of federal AGI that come from Oregon sources while a nonresident. *See Federal adjusted gross income.*

Oregon earned income credit (EIC). A refundable credit equal to a percentage of the federal EITC amount. In 2020, the credit was 12 percent of the federal EITC for taxpayers with a dependent under the age of three, and 9 percent for all others. *See also Federal earned income tax credit.*

Oregon medical subtraction for elderly. A subtraction of up to \$1,800 in eligible medical expenses per taxpayer or spouse who meet the minimum age requirement, subject to income limitations that are not indexed for inflation. The minimum age was 66 for 2020.

Other income. Income or losses reported on the “other income” line of the federal return. It is derived from a variety of sources such as gambling winnings, activity not for profit, canceled debts, net operating losses, etc.

Pass-through entity (PTE). For purposes of this publication, a business that is typically formed as a partnership or S corporation or treated as such for tax purposes. The income of the business is “passed through” to the partners/shareholders and taxed through the personal income tax. *See also Sole proprietorship, Partnership, and S corporation.*

Partnership. A partnership is the relationship between two or more persons who join to carry on a trade or business, with each person contributing money, property,

labor, or skill and each expecting to share in the profits and losses of the business whether or not a formal partnership agreement is made. A partnership does not pay tax on its income but “passes through” any profits or losses to its partners. Partners must include partnership items on their tax or information returns. *See also Pass-through entity.*

Part-year (PY) resident returns. Returns filed by individuals who permanently moved either into or out of Oregon during the tax year (Form OR-40-P).

Personal exemption credit. A credit for each exemption claimed on a return, subject to AGI limitations and indexed for inflation. In 2020, the exemption credit was \$210 per exemption.

Qualifying Widow(er). Filing status available for unmarried individuals whose spouse died during the previous two years, who did not remarry in the current tax year, and who have a child that can be claimed as a dependent.

Quintile (income). A subset of a database that contains 20 percent of all records; it is determined by arranging the records from the lowest income to the highest income and then dividing the database into five equally sized subsets.

Registered domestic partners (RDP). Same-sex couples who are not married but are registered as domestic partners under Oregon law. RDPs are considered to be married individuals and are not eligible to use the single filing status on an Oregon return. RDPs must complete a federal return as if they were filing as married taxpayers filing jointly or separately and submit it with their Oregon return.

Retirement income credit. A nonrefundable credit that is not indexed for inflation, for filers who meet income and age requirements

Appendix C: Glossary of Terms

and have income from pensions, annuities, IRAs, or deferred income compensation plans. Taxpayers 62 or older may qualify. Household income may include nontaxable income; limits are \$45,000 for joint filers and \$22,500 for all others.

Return. A form filed by a taxpayer to report their income and tax. This may refer to the physical or electronic form submitted by the taxpayer. Once the information from the return is entered into the system, this information at the taxpayer level is also referred to as the return. In this publication, this term is used most often to refer to an Oregon personal income tax return.

Returns (number of). The number of returns filed.

S corporation. Refers to corporations electing to be taxed under Internal Revenue Code subchapter “S.” S corporations are pass-through entities, in which the corporation’s income and losses are “passed through” to the S corporation’s shareholders, where they are taxed as personal income. A corporation qualifying under subchapter S can have no more than 100 shareholders, who must be U.S. citizens or residents. *See also Pass-through entity.*

S Tax Brackets. The tax brackets used to compute tax for taxpayers with filing statuses single and married filing separately.

Single. Filing status for unmarried individuals who do not qualify as head of household or a qualifying widow(er).

Sole proprietorship. A business that is owned and run by an individual. With a sole proprietorship, the individual and business are one and the same. *See also Business income, Farm income, and Pass-through entity.*

Social Security income (federally taxable). Oregon does not tax Social Security income.

The taxable portion of Social Security from the taxpayer’s federal return is included in Exhibit 21. The Social Security subtraction is reported in Exhibit 26.

State surplus refund (kicker). A refund of excess revenue when revenues collected for the biennium are more than two percent higher than was forecast at the time the budget was adopted.

Subtractions. Income taxed by the federal government but not taxed by Oregon and Oregon deductions from AGI that are not allowed federally.

Tax Cuts and Job Act (TCJA). The common name of Public Law 115-97, an act passed by Congress at the end of 2017. The TCJA made some major changes to the federal income tax beginning in tax year 2018. With Oregon’s connection to the federal income tax, the effect of some of these changes flow through to Oregon’s personal income tax. Some examples of these changes with flow through effects are limitations or eliminations of several federal adjustments and itemized deductions.

Tax due. Amount of remaining tax owed after subtracting tax credits and payments, which include withholding and estimated payments.

Tax filer. *See Filer.*

Tax liability. The amount of tax owed by a taxpayer before accounting for any payments made by the taxpayer. It is the total tax reduced by non-refundable credits and further reduced by any portion of refundable credits, up to the amount of remaining tax.

Taxpayer(s). An individual or individuals represented by a return. In the case of joint returns, there are two taxpayers represented: the filer and the spouse (or registered domestic partner). Dependents listed on

taxpayers' returns are not considered taxpayers unless they file their own Oregon personal income tax return.

Tax withheld. Payments of tax withheld by employers from salaries and wages. Amount withheld is based on wages earned during the pay period and the number of withholding allowances claimed. Tax also may be withheld from other income sources such as pensions and IRA distributions.

Taxable income. Oregon AGI plus additions, minus subtractions, minus allowable deductions. The amount of income subject to Oregon tax. Set to zero if negative.

Taxable pensions. Category of income that includes taxable pension income, federally taxable Social Security income, and taxable IRA distributions.

Total tax. The amount of Oregon tax computed from taxable income using the current tax rates before tax credits are subtracted. For some filers, total tax includes tax related to interest on installment sales, farm income averaging, farm capital gains taxed at five percent, or income from qualified sole proprietorships or pass-through entities taxed at reduced rates

Working family household and dependent care credit. A refundable credit available to low-income families with qualifying dependent care expenses. The amount is based on AGI, expenses paid, and household size.

