LIFO Benefit Recapture

2008 instructions for Oregon forms 20, 20-I, and 20-S

Forms 20 and 20-I

- This amount is a subtraction. Oregon has adopted the provisions of IRC 1363(d) for S corporations. LIFO benefits are included in taxable income for the last year of the C corporation under these provisions. On a separate schedule, compute the difference between tax (after credits and any surplus refund) on income per the return and income without the recapture of LIFO benefits. Multiply this difference by 75 percent and enter the result on Form 20, line 31; or Form 20-I, line 22 as a subtraction. Attach the computation schedule to the Oregon return.
- On the tax adjustment line of each of the first three returns of the new S corporation, add one-third of the tax that was deferred from the last year of the C corporation. ORS 314.750

Form 20-S

- Make this adjustment in the first three years after a C corporation becomes an S corporation. Add one-third of the tax that was deferred on the final C corporation return. ORS 314.750