

Oregon 2012 Corporation Income Tax Form 20-I Instructions

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Information contained herein is a guide. For complete details of law, refer to Oregon Revised Statutes.

Important

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

Go Electronic!

Fast • Accurate • Secure

File corporate tax returns through the Federal/State E-Filing Program. If you are mandated to e-file your federal return, you are required to e-file for Oregon.

With approved third party software you can e-file your return complete with all schedules, attachments, and required federal return. **You can also now conveniently include an electronic payment with your e-filed original return.** See *E-file* on page 5.

Visit us online: www.oregon.gov/dor.

- Obtain tax forms and instructions.
- Get answers to common questions.
- Register for electronic funds transfer (EFT).
- Check out the Oregon Revenue Bulletins.



What's new?

Tie to federal tax law

In general, Oregon income tax law is based on federal income tax law. Oregon is tied to the federal definition of taxable income as of December 31, 2011, however Oregon is still disconnected from:

- **Federal subsidies** for prescription drug plans (IRC §139A; ORS 317.401).
- **Domestic production** activities (QPAI) (IRC §199; ORS 317.398).

Important: The disconnect from federal law for tax years 2009 and 2010 may have affected reporting differences between federal and Oregon expenses for subsequent years. If you had assets placed in service for a year beginning on or after January 1, 2009, and before January 1, 2011, and bonus depreciation on your federal return created an addition on your Oregon return, you will likely have modifications to Oregon income.

Oregon tax rate

For tax years beginning January 1, 2011 and before January 1, 2013, corporations calculate Oregon tax as follows:

- If Oregon taxable income is \$250,000 or less, multiply Oregon taxable income by 6.6 percent. Enter -0- if the result is a negative number or zero.
- If Oregon taxable income is more than \$250,000, multiply the amount that is more than \$250,000 by 7.6 percent, and add \$16,500.

Biomass production or collection credit

For tax years beginning on or after January 1, 2012, woody biomass is measured by its dry weight. For tax years beginning before January 1, 2012, woody biomass is measured by its wet (green) weight.

Film production development contribution credit

For tax years beginning on or after January 1, 2012, the maximum credit amount that the Oregon Film and Video Office can certify during a fiscal year is reduced from \$7.5 million to \$6 million.

Qualified equity investment tax credit

For investments made on or after July 1, 2012, and before July 1, 2016, a tax credit is allowed for qualified equity investments in low-income community businesses. The credit is certified by the Oregon Business Development Department.

For more information on qualifying investments and entities, visit www.oregon4biz.com/NMTC or see Oregon Revised Statute (ORS) 315.533.

The credit is equal to 39 percent of the purchase price of the qualified equity investment. It must be taken over seven years, beginning with the year of investment. The credit cannot be more than your tax liability. You can carry forward any unused credits to any succeeding tax year. This credit cannot be transferred or sold.

The allowable tax credit for each of the seven years is:

- -0- percent in the first and second years.
- 7 percent of the purchase price in the third year.
- 8 percent of the purchase price in each of the fourth through the seventh years.

Note: No credit may be claimed until tax year 2014 for qualified investments made in tax year 2012.

Qualified research activities credit

For tax years beginning on or after January 1, 2012, the maximum credit amount that can be claimed under ORS 317.152 or ORS 317.154 is reduced from \$2 million to \$1 million.

Wolf depredation credit

For tax years beginning on or after January 1, 2012, and before January 1, 2019, a tax credit is allowed for the current market value of any livestock that is killed by a wolf. Taxpayer must submit evidence that includes finding by Department of Fish and Wildlife (ODFW) or by a peace officer that a wolf was probable cause of loss. Taxpayer must retain details for audit verification. For corporation tax purposes the credit has a three year carryforward.

Tax credit sunsets

Beginning January 1, 2012, these tax credits are not available except for carryforward purposes:

- Alternative Fuel Vehicle Fueling Stations Credit, ORS 317.115.
- Crop Donation, ORS 315.156.
- Diesel Engine Repower or Retrofit Credit, note following ORS 315.356.
- Lender's Credit: Energy Conservation, ORS 317.112.
- Reforestation Credit, ORS 315.104.
- Voluntary Removal of Riparian Land from Farm Production Credit, ORS 315.113.
- Water Transit Vessel Manufacturing Credit, ORS 315.517.

Schedule ASC-CORP, Oregon Adjustments (150-102-033)

We have a new schedule to help corporations report *other* additions, *other* subtractions, and *other* credits. Instructions are different for each form-type. For more detail,

see specific line instructions for Forms 20, 20-I, 20-INS, and 20-S.

Electronic payments now accepted when e-filing

Payment may now be included with your **original** e-filed return. Please do not mail a paper voucher as this will slow the processing of your return. For details on payments made with your return, see *Filing checklist* on page 7.

Looking ahead

Oregon tax rate change beginning 2013

For tax years beginning January 1, 2013 and later, corporations calculate Oregon tax as follows:

- If Oregon taxable income is \$10 million or less, multiply Oregon taxable income by 6.6 percent. Enter -0- if the result is negative or zero.
- If Oregon taxable income is more than \$10 million, multiply the amount that is more than \$10 million by 7.6 percent, and add \$660,000.

IRC §108(i) Income from cancellation of debt (COD)

Taxpayers with income that arose from cancellation of debt for the reacquisition of a debt instrument after December 31, 2008, and before January 1, 2011, for less than its adjusted issue price, were allowed to elect deferral of income recognition for federal purposes, but not for Oregon. The exclusion from federal income created an addition on the Oregon return. As this income is subsequently recognized on your federal return beginning as early as 2013, you may subtract for Oregon the amount that was previously included in Oregon income. ORS 317.301.

Estimated tax payments

Requirements

Oregon estimated tax laws are not the same as federal estimated tax laws. You must make estimated tax payments if you expect to owe tax of \$500 or more with your return.

If you don't make estimated payments as required, you may be subject to interest on underpayment of estimated tax (UND). If you have an underpayment, refer to Form 37, *Underpayment of Oregon Corporation Estimated Tax*, 150-102-037.

Payment due dates

Estimated tax payments are due quarterly, as follows:

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

Payment options

Important: For details about making payments with your return, see *Filing checklist* on page 7.

Estimated payments may be made by electronic funds transfer (EFT) or by mail. EFT reduces expenses and ensures accuracy.

You must make your Oregon estimated payments by EFT if you are required to make your federal estimated payments by EFT. We may grant a waiver from participation in the EFT program if you would be disadvantaged by the requirement. (OAR 150-314.518)

If you do not meet the federal requirements for mandatory participation in the EFT program, you may participate on a voluntary basis.

A business is required to have an authorization agreement filed with us before it can start initiating EFT payments. The EFT help/message phone number is 503-947-2017.

EFT payments for corporation estimated taxes must be made using Revenue's EFT program. This program allows payments to be initiated by touch-tone telephone, a secure internet site, or through your financial organization. If you pay by EFT, **do not** send Form 20-V payment voucher.

Mail. If paying by mail, send each payment with a Form 20-V, *Oregon Corporation Tax Payment Voucher and Instructions*, 150-102-172.

For more information, visit www.oregon.gov/dor/e-filing, then on the left navigation bar, click on "Electronic filing," then click on "Tax professionals."

Worksheet to calculate Oregon estimated tax

(Keep for your records—do not file with payment.)

1. Oregon net income expected in upcoming tax year. 1. _____
2. Tax on Oregon net income (see tax rate tables for corporation tax rate). 2. _____
3. Subtract tax credits allowable in upcoming tax year. 3. _____
4. Net tax (line 2 minus line 3). 4. _____

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

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

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

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

To avoid additional charges for interest on the underpayment of estimated tax (UND), you must pay the amount of any prior underpayment plus the amount of the current required installment. [OAR 150-314.515(2)]

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

Corporation A's correct amount of each required installment is \$1,500. Because of its increased net tax, Corporation A will be subject to UND charges for the first and second quarters. To avoid UND charges for the third and fourth quarters, Corporation A must make a timely third-quarter estimated payment of \$3,500* and a timely fourth quarter payment of \$1,500.

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

For more information, see Oregon statutes (ORS) and rules (OAR) concerning underpayment of estimated tax, Chapter 314 [ORS 314.525, OAR 150-314.525(1)-(A), 150-314.525(1)-(B), 150-314.525(1)(c)-(A), 150-314.525(1)(d), 150-314.525(2)-(A), and 150-314.525(2)-(B)].

Filing information

Who must file with Oregon?

Corporations that are doing business in Oregon, or with income from an Oregon source, are required to file an Oregon corporation tax return. If you have tangible or intangible property or other assets in Oregon, any income you receive is Oregon source income. Public Law (Pub.L.) 86-272 provides exceptions to this requirement.

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

Excise or income tax?

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

Excise tax is a tax for the privilege of **doing business** in Oregon. It is measured by net income. All interest is included in income, no matter what its source. This includes interest on obligations of the United States, its instrumentalities, and all of the 50 states and their subdivisions. Corporation excise tax laws are in Chapter 317 of the Oregon Revised Statutes.

Income tax is for corporations **not doing business** in Oregon, but with income from an Oregon source. Income tax filers are not subject to corporate minimum tax. Corporation income tax laws are in Chapter 318 of the Oregon Revised Statutes.

What form do I use?

All corporations **doing business** in Oregon must file Form 20, *Oregon Corporation Excise Tax Return*, 150-102-020, and pay at least the minimum excise tax. Any corporation **doing business** in Oregon is also required to register with the Secretary of State Corporation Division. See www.filinginoregon.com.

"Doing business" means carrying on or **being engaged in any profit-seeking activity** in Oregon. A taxpayer having one or more of the following in this state is clearly doing business in Oregon:

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

Corporations **not doing business** in Oregon, but with income from an Oregon source generally must file Form 20-I, *Oregon Corporation Income Tax Return*, 150-102-021. There is no minimum tax for Form 20-I filers. Most corporations do not fall within Oregon's income tax provisions.

Corporations **not doing business** in Oregon, and with **no Oregon source income**, even if incorporated in or registered to do business in the state, aren't required to file a corporation tax return.

Filing requirements

Consolidated returns (ORS 317.705–317.725). If a corporation is a member of an affiliated group of corporations that filed a consolidated federal return, it must file an Oregon return based on that federal return.

A consolidated Oregon return is required when two or more affiliated corporations are:

- Included in a consolidated federal return;
- Unitary; and
- At least one of the affiliated corporations must be doing business in Oregon or have an Oregon-source income.

Note: S corporations cannot be included in consolidated federal returns. IRC §1361(b) provides that a corporation that is a Qualified Subchapter S Subsidiary (QSSS) is not treated as a separate corporation. All income, deductions, and credits of the QSSS will be treated as belonging to the parent S corporation.

Unitary business. A business that has, directly or indirectly between members or parts of the enterprise, either a sharing or an exchange of value shown by:

- Centralized management or a common executive force,
- Centralized administrative services or functions resulting in economies of scale, or
- Flow of goods, capital resources, or services showing functional integration.

Corporations that are not unitary are excluded from the consolidated Oregon return.

Separate returns. Any corporation that files a separate federal return must file a separate Oregon return if they are doing business in Oregon or have income from an Oregon source.

A corporation subject to Oregon taxation must also file a separate Oregon return if it was included in a consolidated federal return, but was not unitary with any of the other affiliates. Oregon taxable income is calculated by subtracting the income of the nonunitary affiliates from the taxable income from the consolidated federal return.

E-file

Important: Electronic tax due payments may now be made when filing your **original** return. For more details about making payments with your return, see *Filing checklist* on page 7.

If you're required to e-file with the IRS, you're also required to e-file for Oregon. We accept calendar year, fiscal year, short year, and amended electronic corporation tax returns utilizing the IRS Modernized e-file platform (MeF). Beginning January 2013, we'll accept e-filed returns for tax year 2012, and will continue accepting returns for 2011 and 2010. Your tax return software also

allows you to make electronic payments when e-filing your **original** return.

For a list of software vendors click on "Approved software vendors" on the following web page:

For a list of software vendors go to www.oregon.gov/dor/e-filing, then on the left navigation bar, click on "Electronic Filing," then click on "Approved software vendors."

For more information, visit www.oregon.gov/dor/e-filing, then on the left navigation bar, click on "Electronic Filing," then click on "Tax professionals."

Federal audit changes

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

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

If you do not amend or send a copy of the federal report, we have two years from the date we're notified of the change by the IRS to issue a deficiency notice. You must file an amended return within two years after the date of the federal report to receive a refund.

Amended returns and protective claims

If you change taxable income by amending your federal return you must file an amended Oregon return within **90 days**.

Attach a copy of your amended federal return to your amended Oregon return and explain the adjustments made. Oregon doesn't have a different amended return form. Use the form for the tax year you are amending and check the "**Amended**" box.

If you filed Form 20-S, *Oregon S Corporation Tax Return*, 150-102-025, and later determined you should file Form 20-I, check the "**Amended**" box on Form 20-I.

Do not make payments for amended returns with EFT (Electronic Funds Transfer). This also applies to e-filed amended returns. For paper returns, include check or money order with your return. For e-filed returns, send check or money order separately. Make sure to write "**Amended**" on the payment itself. You must also include a completed Form 20-V, *Oregon Corporation Tax Payment Voucher*, 150-102-172, with the "Amended" box checked.

If check or money order is not clearly marked as "Amended payment" our system will apply the payment to your account before the return is processed causing an automatic refund which could result in additional penalty and interest.

Do not amend your Oregon return if you amend the federal return to carry a net operating loss back to prior

years. Oregon allows corporations to **carry net operating losses forward only**.

On the **estimated tax payments** line on your Form 20-I amended, enter the net income tax per the original return or as previously adjusted. Do not include any penalty or interest portions of payments already made.

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

If paying additional tax with your amended return, you must include interest with your payment. Interest is figured from the day after the due date of your original return up to the day your full payment is received by the department. See interest rates on page 14.

An amended return may be filed as a protective claim to extend the statute of limitations for a refund request for a tax year while an issue is being litigated. Check the **"Amended"** box and write the words **"Protective claim for refund"** at the top. We'll also accept a written letter in place of an amended return. Include the same information in the letter as is required on an amended return. We'll hold your protective claim until you notify us the litigation has been completed.

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

Other entities and how they file

See Oregon Form 20 (150-102-020) instructions for filing information for the following entity types:

- Agricultural or horticultural cooperatives.
- Exempt organizations.
- Homeowners associations.

(These entities do not file Form 20-I.)

Limited liability companies (LLC)

Oregon follows federal law in determining how an LLC is taxed. Federal law does not recognize an LLC as a classification for federal tax purposes. An LLC business entity must file a corporation, partnership or sole proprietorship tax return, depending on elections made by the LLC and the number of members. An LLC is always classified under federal law as one of these types of taxable entities.

A multi-member LLC can be either a partnership or a corporation, including an S corporation. A single member LLC (SMLLC) can be either a corporation or a single

member "disregarded entity." Refer to federal law for more information and requirements.

An LLC taxed as a C corporation must file Form 20 if doing business in Oregon, or Form 20-I if not doing business in Oregon but the LLC is receiving Oregon-source income. The LLC must file Form 20-S if the entity files federal Form 1120-S.

An LLC taxed as a partnership must file Form 65, *Oregon Partnership Return*, 150-101-065, if doing business in Oregon, or is receiving income from an Oregon source, or if it has any Oregon resident members. If the LLC has a corporate member, the member is taxed on its share of the LLC's Oregon income.

If an LLC is part of a corporation's overall business operations and is treated as a partnership, include the corporation's ownership share of LLC property, payroll, and sales in the apportionment percentage calculation on Schedule AP, *Apportionment of Income for Corporations and Partnerships*, 150-102-171. (OAR 150-314.650)

Foreign LLCs are identified as unincorporated associations organized under the laws of a state other than Oregon, or a foreign country. Oregon's definition of a foreign LLC includes an unincorporated association organized under the laws of a federally recognized American Indian tribe, no matter when organized.

Political organizations

Political organizations (for example, campaign committees and political parties) normally don't pay state or federal taxes. However, income earned from investments is taxable. Examples include interest earned on deposits, dividends from contributed stock, rents or royalties, and gains from the sale of contributed property. We follow the federal definitions of a political organizations and taxable income.

A political organization that is not incorporated is treated as a corporation under both federal law and Oregon law [ORS 316.277(1)]. If your organization is unincorporated, you are not required to file an Oregon tax return unless your organization has taxable income. If it has taxable income, file Form 20-I.

Organizations that are **incorporated** must file Form 20. A minimum tax is required, even if the corporation has no taxable income. For purposes of determining minimum tax, only non-exempt income is included in Oregon sales.

For more information, search for *Political Organizations* at www.oregon.gov/dor/business.

Publicly traded partnerships

A “publicly traded partnership” is a partnership treated as a corporation for federal tax purposes under IRC §7704.

The partners in a publicly traded partnership are not subject to tax on their distributive shares of partnership income. A publicly traded partnership taxed as a corporation must file an *Oregon Corporation Excise Tax Return*, Form 20, 150-102-020, if doing business in Oregon, or an *Oregon Corporation Income Tax Return*, Form 20-I, 150-102-021, if not doing business in Oregon but the publicly traded partnership is receiving Oregon-source income.

Real Estate Mortgage Investment Conduit (REMICs)

A REMIC is not subject to Oregon tax; the income is taxable to the holders of the REMIC’s interests under ORS chapter 316, 317, or 318, whichever is applicable. A REMIC must file Form 20-I if it gets prohibited transaction income from Oregon sources or has any resident holders of a residual interest. Income is from an Oregon source if it comes from tangible property located in Oregon or from intangible property used in an Oregon business.

All REMICs required to file must file Form 20-I and attach a complete copy of federal Form 1066. The REMIC must also attach a federal Schedule Q for each residual interest holder for each quarter of the tax year. Enter the amount of net income from prohibited transactions from federal Form 1066 Schedule J. (ORS 314.260)

Filing checklist

- **Due date of your return.** Returns are due by the 15th day of the month following the due date of your federal corporation return. When the 15th falls on a Saturday, Sunday, or legal holiday, the due date is the next business day.
- **Extensions.** See the instructions for the extension checkbox below.
- **Business identification number (BIN).** Oregon identifies each corporation using a BIN we assign. You have a BIN if you have made payments to the state of Oregon for payroll taxes; workers’ compensation; unemployment; or estimated tax for corporation excise or income tax payments. **If you do not have a BIN, one will be assigned when your return is received.**
- **Estimated payments and prepayments.** Please identify all estimated payments claimed by completing Schedule ES on your return. List all payments that were submitted prior to filing your return. Include the corporation name and Federal employer identification number (FEIN) if a payment was made by an affiliate of the filing corporation.

- **Making electronic payments with your E-filed return.** We accept electronic payments when e-filing your **original** return.

- **Making check or money order payments with your paper return.** Make your check or money order payable to Oregon Department of Revenue. Write the following on your check or money order:

- FEIN
- Oregon BIN
- Tax year 2012
- Daytime telephone number

To speed processing, DO NOT:

- Use Form 20-V payment voucher
- Staple payment to return
- Send cash or postdated checks
- Use red or purple or any gel ink

- **Sending check or money order payments separate from filing your return.** Follow the instructions above except DO use a Form 20-V payment voucher.

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

1. Form 20-I;
2. Schedule AP, *Apportionment of Income for Corporations and Partnerships*;
3. Schedule AF, *Schedule of Affiliates*;
4. Schedule ASC-CORP, *Oregon Adjustments* (150-102-033);
5. Form 37, *Underpayment of Oregon Corporation Estimated Tax*;
6. Form 24, *Oregon Like-Kind Exchanges/Involuntary Conversions*;
7. Other Oregon statements;
8. Oregon credit forms including notice of credit transfers;
9. Form 7004, Federal extension;
10. Copy of federal tax return and schedules.

Tax-due returns, mail to:

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

Refunds or No tax-due returns, mail to:

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

Form Instructions

Name

Generally, a consolidated Oregon return is filed in the name of the common parent corporation. If the parent corporation is not doing business in Oregon, file the return in the name of the member of the group having the greatest presence in Oregon. “Having the greatest

presence” means the member that has the largest Oregon property value as determined under ORS 314.655 (see Schedule AP).

Enter the **FEIN** and **BIN** of the corporation named as the filer on the consolidated Oregon return.

Extension checkbox

Oregon **does not have an extension form**. Form 20-V payment voucher is **not** an extension of time file or to pay tax.

For an Oregon extension when also filing for a federal extension: Send the federal extension with the Oregon return when you file. (Oregon extension due date is the 15th day of the month following the federal extension’s due date.) Make sure the “**Extension**” checkbox is checked on the Oregon return,

For an “Oregon only” extension: Answer question 1 on federal extension Form 7004, write “For Oregon Only” at the top of the form, and include it with your Oregon return. Make sure the “**Extension**” checkbox is checked on the Oregon return.

To avoid penalty and interest, mail tax due prepayments with Form 20-V on or before the original due date of your return. More time to file doesn’t mean more time to pay your tax.

Form 37 checkbox

If you have an underpayment, you must include a completed Form 37 and check the “Form 37” box in the header of your return.

Use Form 37 to:

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

Amended checkbox

Check the “Amended” box if this is an amended return.

Form 24, Deferred gain checkbox

Corporations may defer, for Oregon tax purposes, all gains realized in the exchange of like-kind property and involuntary conversions under IRC §1031 or §1033, even though the replacement property is outside Oregon. Oregon will tax the deferred gain when it is included in federal taxable income.

Attach a copy of your Oregon Form 24, *Oregon Like-Kind Exchanges/Involuntary Conversions*, 150-800-734, to the back of your Oregon return and check the “Form 24” box if all of the following apply:

- The corporation reported deferred gain on a federal Form 8824;

- All or part of the property exchanged or given up was located in Oregon; and
- All or part of the acquired property was located outside of Oregon.

For a more detailed explanation, see OAR 150-314.650 and 150-314.665(5) regarding apportionment of deferred gain.

Federal Form 8886 checkbox, REIT/RIC checkbox, and reportable transactions

If you participate in listed or reportable transactions, you must report it on your Oregon tax return.

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

We’ll assess penalties if you don’t comply with this requirement or if we discover such other transactions.

Questions

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

Question E(1). If you checked the box, attach a list of the corporations included in the consolidated federal return.

Question E(2). If you checked the box, complete Schedule AF, *Schedule of Affiliates* (found with forms 20, 20-I, and 20-INS), to list only the corporations included in the consolidated Oregon return that:

- Are doing business in Oregon; or
- Have income from Oregon sources.

Question E(3). If you checked the box, attach a list of corporations included in the consolidated federal return that are not included in this Oregon return. List each corporation’s name, FEIN, and Oregon BIN.

Question F. A “low-income taxpayer” is one that did not have federal taxable income, before net operating loss and capital loss carryovers and carrybacks of \$1 million or more in any one of the last three tax years, not including the current year.

Question G. If the Oregon corporation is a subsidiary in an affiliated group, or a parent subsidiary controlled group, enter the name and FEIN of the parent corporation. For definition of a subsidiary in an affiliated group or a parent subsidiary controlled group, see IRS Form 1120, Schedule K.

Question L. Taxpayers primarily engaged in utilities or telecommunications may elect to apportion income using double-weighted sales factor formula [OAR 150-314.280(3)]. Check the box if making this election.

Question M. Nonapportioned returns. Enter the amount of Oregon sales as defined by ORS 314.665. C corporations

doing business only within Oregon will calculate Oregon sales by adding:

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

Generally, for purposes of determining minimum tax, the calculation for Oregon sales includes gross business income amounts from federal Form 1120, line 1e, and 5 through 10. Include positive numbers only.

Line instructions

Line 1. Taxable income from U.S. corporation income tax return. Enter the taxable income reported for federal income tax purposes before net operating loss or special deductions (federal Form 1120, line 28).

Additions

Line 2. Certain interest excluded on the federal return. Oregon gross income includes interest on all state and municipal bonds or other interest excluded for federal tax purposes. Reduce the addition by any interest incurred to carry the obligations and by any expenses incurred in producing this interest income. (ORS 317.309)

Line 3. Oregon excise tax and other state taxes on or measured by net income. Oregon excise tax may not be deducted on the Oregon return. Taxes of other states or foreign governments on or measured by net income or profits may not be deducted on the Oregon return. If you subtracted these taxes on your federal return, you must add them back on your Oregon return. However, the Oregon minimum tax and local taxes, such as the Multnomah County Business Income tax, are deductible, and are not required to be added back. (ORS 317.314)

Line 4. Income of related FSC or DISC. Net income or loss must be included in the net income of the related U.S. affiliate. (ORS 317.283 and 317.286)

Line 5. Total other additions. The amount by which any item of gross income is greater under Oregon law than under federal law, or the amount by which any allowable deduction is less under Oregon law than under federal law, is an addition on your Oregon return.

Use Schedule ASC-CORP, (150-102-033) to report the amount and description of each difference not already reported elsewhere on your return. Use the numeric

description code from the list in Appendix A. The total of all other additions is entered on Form 20-I, line 5.

Important: Do not report an addition that's already included on lines 2 through 4.

Other additions include:

- **Bad debt reserve addition of a financial institution to the extent that federal exceeds the amount that is allowable for Oregon.** The bad debt method of financial institutions is tied to the federal method. For taxpayers required to use the specific write-off method, an addition must be made if the amortization of the federal reserve is less than the amortization of the Oregon reserve. (ORS 317.310)
- **Capital construction fund.** Amounts deferred under Section 607 of the Merchant Marine Act of 1936 and IRC §7518 must be added back to income. (ORS 317.319)
- **Child Care Division and community agency contributions.** The deduction claimed on the federal return must be added back to federal taxable income on the Oregon return if the Oregon credit is claimed. (ORS 315.213)
- **Claim of right income repayment adjustment when credit is claimed.** The deduction under IRC §1341 on the federal return must be added back to federal taxable income on the Oregon return if the Oregon credit is claimed. (ORS 317.388)
- **Contributions of computers or scientific equipment for research to educational organizations credit.** The amount of federal deduction must be added to federal taxable income if the Oregon credit is claimed. [ORS 317.151(4)]
- **Deferred gain from out-of-state disposition of property.** See ORS 317.327 regarding the computation of the addition if gain is recognized for federal tax purposes but not taken into account in the computation of Oregon taxable income.
- **Dependent care credits.** The business expense deducted for providing dependent care assistance, information, or referral services must be reduced by the amount of dependent care credit claimed. [ORS 315.204(7)]
- **Depletion (percentage in excess of cost).** Percentage depletion is allowed only on metal mines. All other assets are limited to cost depletion. (ORS 317.374)
- **Depreciation differences.** If your Oregon depreciation is not the same as your federal depreciation, the difference is a required modification to your Oregon return. (ORS 317.356) Use the *Depreciation Schedule for Individuals, Partnerships, Corporations, and Fiduciaries*, 150-101-025 to determine the Oregon modification.
- **Film production development contributions.** Add back the amount of contribution for which a tax credit certification is made that is allowed as a deduction for federal tax purposes. (ORS 315.514)
- **Gain or loss on the disposition of depreciable property.** Add the difference in gain or loss on sale of

business assets when the Oregon basis is less than it is for federal purposes. (ORS 317.356)

- **Income from sources outside the United States.** Income not included in federal taxable income under IRC §861 to §864. (ORS 317.625)
- **Individual development accounts credit.** Donations deducted on the federal return must be added back to Oregon income if the credit is claimed. [ORS 315.271(2)]
- **Intangible and interest expense add-back and credit** Intangible and interest expenses must be added back to federal taxable income for Oregon purposes when paid to related member, not included in the same tax return, and they're paid in connection with a transaction with the related member. If the related member paid tax on the income in Oregon or another tax jurisdiction, a credit will be allowed. You must attach a schedule showing how you calculated the credit. (ORS 314.296)
- **Inventory costs.** The costs allocable to inventory are the same as those included in IRC §263A. Differences in depreciation and depletion allocable to inventory result in a modification. [ORS 314.287(3)]
- **IRC §139A federal subsidies for prescription drug plans.** For federal purposes, taxpayers can exclude from taxable income certain federal subsidies for prescription drug plans per IRC §139A. However, for Oregon purposes, this federally excluded income is an addition on the Oregon return.
- **IRC §631(a) treatment of timber is not recognized by Oregon.** Both beginning and ending inventories must be adjusted for IRC §631(a) gain. For Oregon purposes, there is no taxable event until actual sale. (ORS 317.362)
- **Long-term care insurance premiums.** Premiums deducted on the federal return must be added back if the Oregon credit is claimed under ORS 315.610. (ORS 317.322)
- **Losses of nonunitary corporations.** The net losses of nonunitary corporations included in a consolidated federal return must be eliminated from the Oregon return. Net losses include the separate loss as determined under Treasury Regulations adopted for IRC §1502, and deductions, additions, or items of income, expense, gain, or loss for which the consolidated treatment is prescribed. Attach a schedule showing computation of the net loss eliminated. [ORS 317.715(2)]
- **Net federal capital loss deduction.** If the Oregon and federal capital loss deductions are different, add the federal capital loss back to income. The Oregon capital loss will be deducted after subtractions (and apportionment for corporations required to apportion income) to arrive at Oregon taxable income. (OAR 150-317.013)
- **QPAI deduction.** Add to federal taxable income the amount of QPAI deduction per IRC §199 claimed on the federal return. Agricultural or horticultural cooperatives, reduce the addition by the amount passed through to cooperative patrons under IRC §199(d)(3) (A). (ORS 317.398)

- **Qualified research and development credit.** After you've calculated the credit, you must add the amount back to your Oregon taxable income.
- **REITs and RICs.** An REIT or RIC meeting the federal affiliate definition, must be included in the consolidated Oregon return. This is an Oregon modification (addition or subtraction) to federal taxable income. For apportioning taxpayers, factors from the REIT or RIC are included in the apportionment calculation.
- **Safe harbor lease agreements.** Oregon does not tie to the federal safe harbor lease provisions. See OAR 150-317.349-(A) and 150-317.349-(B) for details about the adjustments required for Oregon.
- **Trust for cultural development account contributions.** Add to federal taxable income the amount deducted as a charitable contribution on the federal return.
- **University venture fund contributions.** Add to federal taxable income the amount of contributions used to calculate the University Venture Fund Contribution credit that were deducted from federal taxable income. (ORS 315.521)
- **Unused business credits.** Unused business credits taken as a federal deduction under IRC §196 must be added back to Oregon income. (ORS 317.304)

Subtractions

Line 8. Work opportunity credit wages not deducted on the federal return. Enter the amount of wages that were not deducted on the federal return because the work opportunity credit was claimed. (ORS 317.303)

Line 9. Interest on obligations of the United States and its instrumentalities included in Form 20-I, line 1. This applies to income tax filers only. Reduce the subtraction by any expenses incurred to produce this interest income.

Line 10. State of Oregon interest income included on line 2 (Form 20-I only). Interest income from obligations of the state of Oregon is not taxable if the obligation was issued after May 24, 1961. Reduce the subtraction by any expenses incurred to produce this interest income.

Line 11. Dividend deduction. Claim all Oregon dividend deductions on this line. A 70 percent deduction is allowed for qualifying dividends regardless of geographic source. An 80 percent deduction is allowed for dividends received from corporations whose stock is owned 20 percent or more. Use the worksheet below for computing the Oregon dividend deduction. (ORS 317.267)

The following are also included in the Oregon dividend deduction calculation, if they were included in federal taxable income carried to the Oregon return:

- **Dividends from debt financed stock**, to the extent deductible for federal tax purposes (see IRC §246A). [ORS 317.267(2)]
- **Dividends from foreign sales corporations and domestic international sales corporations**, the net income of which was included on line 4. (ORS 317.283, 317.286)
- **Dividends from other corporations in this consolidated Oregon return**. Subtract 100 percent from federal taxable income. [ORS 317.267(1)]
- **IRC §78 dividends (gross-up dividends)** are subtracted in full from federal taxable income. (ORS 317.273)

Worksheet for computing dividend deduction

- | | |
|---|-----------|
| 1. Dividends included in federal taxable income before "special deductions" | 1. _____ |
| 2. Subtract: | |
| a. Dividends described in IRC §243(d)(1) that are actually interest on deposits | 2a. _____ |
| b. Dividends described in IRC §245(c) and §246(d) (from FSCs and DISCs) | 2b. _____ |
| c. Dividends from debt financed stock | 2c. _____ |
| d. Dividends from corporations included in consolidated Oregon return | 2d. _____ |
| e. IRC §78 Gross-Up | 2e. _____ |
| f. Dividends not treated as dividends under IRC §243(d) or §965(c)(3) | 2f. _____ |
| g. Dividends described in IRC §246(a) or (c) that do not receive a deduction | 2g. _____ |
| 3. Total (add lines 2a through 2g) | 3. _____ |
| 4. Balance subject to 70% (or 80%) deduction (line 1 minus line 3) | 4. _____ |
| 5. Percentage deduction | 5. _____ |
| 6. Subtotal deduction (line 5 × line 4) | 6. _____ |
| 7. Add: | |
| a. Dividends described in IRC §245(c) and §246(d) (from FSCs and DISCs) (100%) | 7a. _____ |
| b. Dividends from debt financed stock (same as federal deduction) | 7b. _____ |
| c. Dividends from corporations included in consolidated Oregon return (100%) | 7c. _____ |
| d. IRC §78 Gross-Up (100%) | 7d. _____ |

8. Total Oregon deduction 8. _____

Line 12. Income of nonunitary corporations. Net income of nonunitary corporations included in a consolidated federal return must be eliminated from the Oregon return. Net income includes the separate taxable income, as determined under Treasury Regulations adopted for IRC §1502, and any deductions, additions, or items of income, expense, gain, or loss for which consolidated treatment is prescribed. Attach a schedule showing computation of the net income eliminated. [ORS 317.715(2)]

Line 13. Total other subtractions. The amount by which an item of gross income is less under Oregon law than federal law, or the amount by which an allowable deduction is greater under Oregon law than federal law, is a subtraction on your Oregon return. **Note:** Do not include Oregon dividend deductions on line 13. All allowable Oregon dividend deductions are subtracted on line 11.

Use Schedule ASC-CORP, *Oregon Adjustments* (150-102-033) to report the amount and description of each difference not already reported elsewhere on your return. Use the numeric description code from the list in Appendix A. The total of all *other subtractions* is entered on Form 20-I, line 13.

Important: Do not report a subtraction that's already included on lines 8 through 12.

Other subtractions include:

- **Bad debt reserve addition of a financial institution to the extent that Oregon exceeds the amount that is allowed on the federal return.** A subtraction is also made if the amortization of the federal reserve is greater than the amortization of the Oregon reserve. (ORS 317.310)
- **Charitable contribution.** Subtract the amount by which a corporation must reduce its charitable contribution deduction under IRC §170(d)(2)(B). (ORS 317.307)
- **Deferred gain from out-of-state disposition of property.** See ORS 317.327 regarding the computation of the subtraction if loss is recognized for federal tax purposes but not taken into account in the computation of Oregon taxable income.
- **Depletion.** Oregon deduction in excess of federal allowance. (ORS 317.374)
- **Depreciation differences.** If your Oregon depreciation is not the same as your federal depreciation, the difference is a required modification to your Oregon return. (ORS 317.356) Use the *Depreciation Schedule for Individuals, Partnerships, Corporations, and Fiduciaries*, 150-101-025 to determine the Oregon modification.
- **Federal credits.** Subtract the amount of expense not deducted on the federal return attributable to claiming a federal credit. (ORS 317.303)
- **Federal investment tax credit on certain assets.** If you take a federal tax credit on certain assets, and your federal basis is less than your Oregon basis, you must

refigure the gain or loss on disposal of those assets and subtract the difference. (ORS 317.356)

- **Film production labor rebate.** Subtract the amount received as a labor rebate and included in federal taxable income in determining your Oregon taxable income. (ORS 317.394)
- **Gain or loss on the sale of depreciable property.** The difference in gain or loss on the sale of business assets when the Oregon basis is greater than it is for federal purposes. (ORS 317.356)
- **Inventory costs.** The costs allocable to inventory are the same as those included in IRC §263A. Differences in depreciation and depletion allocable to inventory result in a modification. [ORS 314.287(3)]
- **Land donation or bargain sale of land to educational institutions.** Enter the fair market value of land donated or the amount of the reduction in sales price of land sold to a school district. The subtraction is limited to 50 percent of Oregon taxable income. (ORS 317.488)
- **Losses from outside the United States.** Losses not included in federal taxable income under IRC §861 to §864. (ORS 317.625)
- **Manufactured dwelling park tenant payments** made under ORS 90.505 to 90.840 to compensate a tenant for costs incurred due to the closure of the park may be subtracted. (ORS 317.092)
- **REITs and RICs.** An REIT or RIC meeting the federal affiliate definition, must be included in the consolidated Oregon return. This is an Oregon modification (addition or subtraction) to federal taxable income. For apportioning taxpayers, factors from the REIT or RIC are included in the apportionment calculation.
- **Sale of manufactured dwelling park.** The taxable gain attributable to the sale of a manufactured dwelling park to a tenant's association, facility purchase association or tenant's association supported nonprofit organization is exempt from tax. (note following ORS 317.401).

Net loss and net capital loss deductions are entered on Schedule AP for Form 20-I filers.

Net loss deduction

- A net loss is the amount determined under IRC chapter 1, subtitle A, with the modifications specifically prescribed under Oregon law.
- The Oregon deduction is the sum of unused net losses assigned to Oregon for preceding taxable years.
- Enter the deduction on Schedule AP-2, **line 10a** for net losses assigned to Oregon during the preceding taxable years (and not previously deducted).
- Net losses can be carried forward up to 15 years.
- Oregon does **not** allow net losses to be carried back.
- For losses, and built-in losses occurring before a change in ownership (SRLY limitations), Oregon is tied to the federal limitations. (IRC §382 and §384; ORS 317.476 and 317.478)
- The total net loss deduction on a consolidated Oregon return is the sum of the net losses available to each

of the corporations subject to the limitations in OAR 150-317.476(4).

- Real Estate Investment Trusts (REITs), if qualified under IRC §856, are not allowed a net loss deduction. [ORS 317.476(5)]

Net capital loss deduction

- Enter the deduction on Schedule AP-2, **line 10b**.
- Oregon allows a net capital loss deduction for losses **apportioned to Oregon** and carried from another year.
- The deductible loss is limited to net capital gain included in Oregon income.
- **Attach a schedule** showing your computations including the tax year the net capital loss originated. (OAR 150-317.013)

Tax calculation

Line 17. Income tax calculation.

Is Oregon taxable income \$250,000 or less? If so, multiply Oregon taxable income by 6.6 percent and enter the result. Enter -0- if the result is negative or zero.

Is Oregon taxable income greater than \$250,000? If so, multiply the amount that is greater than \$250,000 by 7.6 percent, and add \$16,500. Enter the result.

Line 18. Tax adjustments

- Interest on certain installment sales. If you owe interest on deferred tax liabilities with respect to installment obligations under ORS 314.302, enter the amount. Attach a schedule showing how you figured the interest.
- Tax paid on composite return. Subtract the amount of tax that was paid on behalf of any corporation included in the consolidated return if they elected to be part of an *Oregon Composite Return*, 150-101-154. The amount can be found on Schedule OC2, column g, "net tax."

Credits

For a complete list and description of all 2012 Oregon corporation credits, including links to certifying agencies and forms, visit www.oregon.gov/dor/business, then on the left navigation bar, click on "Corporate Taxes," then click on "2012 Credits."

Important:

- All credits are claimed on Schedule ASC-CORP.
- Remember to attach any documentation required to be submitted to claim credits. Taxpayers must take the full amount of a credit allowed per year. (ORS 314.078).

Line 19. Total other credits.

Use Schedule ASC-CORP, *Oregon Adjustments* to report the amount and description of *other credits*. Use the numeric description code from the list in Appendix A.

The total of all *other credits* is entered on Form 20-I, line 19.

Line 20. Calculated tax after credits

Line 21. LIFO benefit recapture

This amount is a subtraction from the total tax. 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-I, line 21 as a subtraction from the total tax. 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)

Net income tax

Line 22. Net income tax

Income filers do not pay a minimum tax.

Payments, penalty, interest, and UND

Line 23. Estimated tax and prepayments

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

Claim of right credit. A claim of right exists when you are taxed on income and later find you have no right to that income and must repay it. Oregon allows a claim of right credit if your federal tax liability is computed under IRC §1341(a). See OAR 150-315.068 for more information on computing the credit.

Consolidated return filers. If estimated payments were made under a different name, fill in the paying corporation's name and FEIN on the schedule for correct application of estimated payments.

Total. On line 8, enter the total of lines 1 through 7, then carry total to Form 20-I, line 23.

Line 24. Withholding payments

If taxes were paid on the corporation's behalf, enter the amount on line 24.

Beginning with transactions occurring on or after January 1, 2008, there is a requirement to withhold tax from the proceeds of sales of Oregon real property by nonresidents. This applies to individual nonresidents as well as C corporations that are not doing business in Oregon. The amount to be withheld is the least of three amounts:

- 4 percent of the consideration (sales price);
- 4 percent of the net proceeds (amount dispersed to the seller); or
- 10 percent of the gain that is includible in Oregon taxable income for the year.

Withholding is not required if one of the following requirements is met:

- The consideration for the real property does not exceed \$100,000;
- The property is acquired through foreclosure;
- The transferor (owner) is a resident of Oregon—or if a C corporation—has a permanent place of business in this state; or
- The transferor receives professional advice that the transfer will not result in Oregon taxable income.

See instructions for Oregon Form OR-18, *Report of Tax Payments on Real Property Conveyances*, 150-101-183, or OAR 150-314.258 for more information.

Pass-through entity withholding requirement. A pass-through entity (S corporation, partnership, or LLC treated as a partnership) with one or more nonresident owners that have no other Oregon-source income are required to withhold tax on the nonresident owner's distributive share of income.

The requirement is waived if the nonresident owner makes an election to join in the filing of a composite return, sends us a signed *Oregon Affidavit for a Nonresident Owner of a Pass-through Entity*, or meets another exception listed in OAR 150-314.775. See instructions for Oregon Form OR-19, *Annual Report of Nonresident Owner Tax Payments*, 150-101-182, for more information.

Line 27. Penalty

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

Enter the following penalties on your return if they apply.

5 percent failure-to-pay penalty

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

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

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

If you file with a valid extension but did not pay 90 percent of your tax by the original due date, you will be charged the 5 percent failure-to-pay penalty.

20 percent failure-to-file penalty

Include a penalty payment of 20 percent of your unpaid tax if you don't file your return within three months after the due date (including extensions). The failure-to-file penalty is in addition to the 5 percent failure-to-pay penalty.

100 percent late pay and late filing penalty

Include a penalty payment of 100 percent of your unpaid tax if you don't file returns for three consecutive years by the original or extended return filing due date of the third year. 100 percent penalty is assessed on each year's tax balance.

Line 28. Interest

- You must pay interest on unpaid taxes if you don't pay the tax balance by the original filing due date.
- An interest period is each full month, starting with the day after the due date of the original return. For example, April 16 through May 15 is one full interest period.
- Interest is figured daily for a fraction of a month, based on a 365-day year.
- Interest owed on tax starts the day after the due date of your original return and ends on the date of your payment.
- Even if you get an extension to file, you still owe interest if you pay after the return's original due date.
- If you file an amended return and have tax to pay, we will charge interest starting the day after the due date of the original return until the date you pay in full.
- If your taxable income is changed because of a federal or state audit and you owe more tax, we will charge interest from the due date of the original return to the date you pay in full.

To calculate interest:

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

Interest rates and effective dates:

For periods beginning	Annually	Monthly	Daily
-----------------------	----------	---------	-------

January 1, 2013	4%	0.3333%	0.0110%
January 1, 2012	5%	0.4167%	0.0137%
January 1, 2011	5%	0.4167%	0.0137%
January 1, 2010	5%	0.4167%	0.0137%

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

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

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

Line 29. Interest on underpayment of estimated tax (UND)

You must make quarterly estimated tax payments if you expect to owe \$500 or more with your return. Oregon charges UND if:

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

Use Form 37 to:

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

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

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

Line 31. Total due

See *Filing checklist* on page 7.

Special instructions

- If you owe penalty or interest and have an overpayment on line 26, and your overpayment is less than total penalty and interest, then fill in the result of line 30 minus line 26, on line 31.
- If you mail a check or money order to pay tax, penalties, or interest **separate** from filing your tax return,

include Form 20-V, 150-102-172. (Do not send the Department Form 20-V payment voucher unless it includes a check or money order payment.)

Schedule AF instructions

If you file a consolidated Oregon return and have more than one affiliate doing business in Oregon or with Oregon-source income, you **must** complete Schedule AF and submit it with your Oregon return.

List on Schedule AF **only** those affiliates doing business in Oregon, or with Oregon-source income, that are included in the Oregon consolidated return.

Please report the following on Schedule AF:

- Name and address of each affiliate doing business in Oregon or with Oregon-source income;
- FEIN;
- BIN;
- Date the affiliate became part of the unitary group if this occurred during the tax year being reported;
- Date the affiliate left the unitary group if this occurred during the tax year being reported.

Include as many schedules as necessary to list all the appropriate corporations.

Appendix A

Corporation Form 20-1

2012 Schedule ASC-CORP Codes

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Items with a specific line on the form do not have a code. See Form 20-1.