



Form OR-20-INS Instructions Oregon Insurance Excise Tax

2023

Contents

| | | | |
|--|------|--|----|
| Purpose of Form OR-20-INS | 2 | Mailing addresses | 6 |
| Important reminders | 2 | Form instructions | |
| What’s new and Looking ahead | 2, 3 | Heading and checkboxes | 6 |
| Estimated tax payments | 3 | Questions | 7 |
| Filing information | | Line instructions | |
| Who must file with Oregon? | 4 | Income | 8 |
| What form do I use? | 4 | Additions | 8 |
| Filing requirements | 4 | Subtractions | 9 |
| Annual statement | 4 | Tax, credits, and offsets | 10 |
| Tax year | 4 | Net excise tax | 11 |
| Foreign and domestic domiciles (consolidated and separate returns) | 4 | Payments, penalty, interest, and UND | 11 |
| Exempt—Surplus lines insurance companies and fraternal benefits companies | 5 | Schedule ES—Estimated tax payments, other prepayments, and refundable credits | 11 |
| Medicare & Medicaid | 5 | Total due or refund | 12 |
| E-file | 5 | Do you have questions? | 13 |
| Federal and insurance division audit changes | 5 | Appendices | |
| Amended returns | 5 | Appendix A, 2023 Schedule OR-ASC-CORP code list ... | 14 |
| Protective claims | 6 | Appendix B, 2023 Tax rates and minimum tax table ... | 16 |
| Filing checklist | | Appendix C, Alternative apportionment | 17 |
| Due date of return, Extensions, Payments | 6 | | |
| Assembling your return | 6 | | |

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

Go electronic!

Fast • Accurate • Secure

File corporation tax returns through the Federal/State Electronic Filing Program. See “E-file.”

Visit us online: www.oregon.gov/dor

- **Registration and account status.**
- **Online payments and communication.**
- **Forms, instructions, and law.**
- **Announcements and FAQ.**
- **Updates to instructions.**

Purpose of Form OR-20-INS

Use Form OR-20-INS, Oregon Insurance Excise Tax Return, to calculate and report the Oregon corporate excise tax liability of an insurer doing business in Oregon.

Important reminders

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.

Revenue Online. Revenue Online provides convenient, secure access to tools for managing your Oregon tax account. With Revenue Online, you may:

- View your tax account.
- Make payments.
- View correspondence we sent you.
- Check the status of your refund.

For more information and instructions on setting up your Revenue Online account, visit www.oregon.gov/dor.

What's new

Note: Not all information in this section pertains to all taxpayers or form types. If applicable, refer to House Bills (HB) or Senate Bills (SB) as shown.

Visit www.oregon.gov/dor for possible updates to these instructions.

General

Tie to federal tax law

In general, Oregon tax law is based on federal tax law. Oregon is tied to the federal definition of taxable income as of December 31, 2022; however, Oregon is still disconnected from:

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

Net Operating Loss (NOL) carryback

SB 1524 (2022) allows taxpayers who use NAIC codes 111 or 112 (referring to taxpayers engaged in crop production, animal production or aquaculture) to claim a three-year NOL carryback. The three-year NOL carryback applies in tax years beginning on or after January 1, 2023, and before January 1, 2029, and any tax year to which the NOL may be carried back. For example, a taxpayer with a loss in tax year 2023 may carry their loss to tax year

2020. Visit our website at www.oregon.gov/dor for additional information.

Credits

Agricultural Employer Overtime Tax Credit

HB 4002 (2022) creates a refundable tax credit for overtime paid to agricultural workers. The measure requires agricultural employers to pay certain workers for overtime hours worked and creates a refundable personal income or corporate tax credit for employers for a percentage of wages paid as overtime pay to agricultural workers for tax years beginning on or after January 1, 2023, and before January 1, 2029. Taxpayers must apply for the tax credit through the department. Note that this credit can offset corporation minimum tax determined under 317.090. Visit our website at www.oregon.gov/dor for additional information.

Forest Conservation Tax Credit (FCTC)

SB 1502 (2022) creates a non-refundable Forest Conservation Tax Credit (FCTC) for the stumpage value of timber left standing on the land of a small forestland owner. The amount of the tax credit is certified by the Department of Forestry (ODF) and applies to tax years beginning on or after January 1, 2023.

Additionally, HB 2161 (2023) amended the FCTC from SB 1502 (2022) to increase the computation of the credit under certain conditions. See the House Bill for additional information.

Opportunity Grant Fund (auction) tax credit sunset (ORS 315.643)

The Opportunity Grant Fund (auction) tax credit sunset on January 1, 2023. The tax credit may be claimed in tax years beginning on or after January 1, 2023, if the credit is purchased at auction on or after January 1, 2023, and before March 1, 2023.

Extended credits

The following credit is extended to tax years beginning before January 1, 2028:

- Cultural Trust contribution (ORS 315.675)code 807

The following credits are extended to tax years beginning before January 1, 2030:

- Employer scholarship (ORS 315.237)code 847
- Individual Development Account (IDA) donation (ORS 315.271)code 852
- Reservation enterprise zone (ORS 315.506)code 810
- Short line railroad rehabilitation (ORS 315.593)code 872
- University venture fund (ORS 315.640)code 864

The following credits are extended to tax years beginning before January 1, 2032:

- Agricultural workforce housing (ORS 315.164)code 835
- Oregon affordable housing lender’s credit (ORS 317.097)code 854

Sunset credits no longer available, including carryforward

The following credits are no longer available, including carryforward, for tax years beginning before January 1, 2023. Any remaining credit amount not used is lost.

- Alternative qualified research activities (ORS 317.154).....code 837
- Qualified research activities (ORS 317.152)code 858
- Repatriation credit (due to IRC §965)code 870

Looking ahead

Credits

Oregon Affordable Housing Lender’s Credit (ORS 317.097)

Two separate bills amended this credit:

- HB 2071 (2023) amended ORS 317.097 to allow financiers of limited equity cooperatives to claim the ORS 317.097 tax credit if the tax credit savings are passed on to the tenants of the limited equity cooperative. This change applies to tax years beginning on or after January 1, 2024.
- SB 892 (2023) amended ORS 317.097 to apply to projects involving households earning 80 percent or less of the area median income. Prior to the amendment, ORS 317.097 applies to projects involving households earning less than 80 percent of the area median income.

Qualified semiconductor company research credit

HB 2009 (2023) allows a qualified semiconductor company to claim a tax credit based on research and development expenses. The qualifying research and development expenses are determined based on IRC 41. Oregon allows a credit equal to 15 percent of the qualifying research and development expenses as determined in IRC 41. The maximum amount of credit varies based on employee numbers. A portion of the tax credit is refundable if the taxpayer has fewer than 3,000 employees. The exact refund percentage depends on how many employees the taxpayer has.

The new tax credit applies to tax years beginning on or after January 1, 2024, and before January 1, 2030. The tax credit will be certified by Oregon Business Development Department (OBDD).

Sale of publicly supported housing credit

HB 2071 (2023) creates a tax credit for the sale of publicly supported housing. The tax credit equals 2.5 percent of the lesser of the sales price or appraisal if the owner held

the publicly supported housing for at least five years and 5.0 percent of the lesser of the sales price or appraisal value if the owner held the publicly supported housing for at least ten years.

The new tax credit applies to tax years beginning on or after January 1, 2024, and before January 1, 2030. It will be certified by Oregon Housing and Community Services.

Short-line railroad rehabilitation (ORS 315.593)

HB 3406 (2023) amended ORS 315.593 to eliminate the distinction between Tier 1 and Tier 2 railroads for purposes of the short-line railroad tax credit. All taxpayers may claim 50 percent of the costs incurred to rehabilitate the short-line railroad. A credit is not allowed for an amount equal to the greater of costs used to claim the IRC 45G credit or the credit limitation in IRC 45G(b)(1). Rehabilitation costs that are funded by a federal or state grant cannot be used to claim the credit.

The credit is certified by Oregon department of Transportation (ODOT). The changes described here apply to tax years beginning on or after January 1, 2024, and before January 1, 2026.

Estimated tax payments

Requirements

Oregon estimated tax payment requirements aren’t the same as federal estimated tax payment requirements. You must make estimated tax payments if you expect to owe tax of \$500 or more. This includes Oregon’s minimum tax. See ORS 314.505 to 314.525 and supporting administrative rules.

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

Payment due dates

Estimated tax payments are due quarterly, as follows:

- **Calendar year filers:** April 15, June 15, September 15, and December 15.
- 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” below.

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

EFT. You **must** make your Oregon estimated payments by EFT if you’re required to make your federal estimated payments by EFT. We may grant a waiver from EFT

payments if you'd be disadvantaged by the requirement (ORS 314.518 and administrative supporting rules).

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

You can make EFT payments through Revenue Online or through your financial institution. To learn more about Revenue Online or to make an EFT payment, visit www.oregon.gov/dor. If you pay by EFT, **don't** send Form OR-20-V, *Oregon Corporation Tax Payment Voucher*.

Mail. If paying by mail, send each payment with a Form OR-20-V, payment voucher, to: Oregon Department of Revenue, PO Box 14950, Salem OR 97309-0950.

Include on your check:

- Federal employer identification number (FEIN).
- Tax year beginning and ending dates.
- Contact phone.

Estimated tax payments' worksheet

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

- | | |
|---|----------|
| 1. Oregon net income expected in upcoming tax year. | 1. _____ |
| 2. Tax on Oregon net income (see Appendix B). | 2. _____ |
| 3. Subtract tax credits allowable in upcoming tax year. Tax credits can't be used to reduce minimum tax. | 3. _____ |
| 4. Net tax (line 2 minus line 3). If the amount on line 4 is less than \$500, stop . You don't have to make estimated tax payments. Caution: If your final tax liability when you file your return is \$500 or more, you may be subject to UND. | 4. _____ |
| 5. Amount of each payment. (Divide line 4 by the number of payments you need to make. This is usually 4.) | 5. _____ |

If your expected net tax changes during the year, refigure your estimated tax payments using the *Estimated tax payments' worksheet*.

To avoid additional charges for UND, you must pay the amount of any prior underpayment plus the amount of the current required payment.

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

Corporation A should make four payments of \$1,500 each during the year. Because of its increased net tax, Corporation A will be subject to UND charges for the first and second quarters. To avoid UND charges for the third and fourth quarters, Corporation A must make timely payments of \$3,500* for the third quarter and \$1,500 for the fourth quarter.

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

Filing information

Who must file with Oregon?

Foreign and domestic insurance companies, including home warranty companies (but not title insurers), that are doing business in Oregon, or with income from an Oregon source, are required to file Form OR-20-INS [ORS 317.010(11), 317.122, and 317.650–317.665].

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.

What form do I use?

Foreign and domestic insurance companies, including home warranty companies, are required to file Form OR-20-INS, *Oregon Insurance Excise Tax Return*, 150-102-129. Title insurers aren't required to file a Form OR-20-INS. They file Form OR-20.

Insurance companies must file a Form OR-20-INS if they're doing business in Oregon. Insurance companies with agents in this state whose only activity is solicitation are also subject to the excise tax. Companies having income from an Oregon source, such as premiums from existing policy holders, are doing business in Oregon and must file Form OR-20-INS. Form OR-20-INS filers are subject to the minimum tax.

Companies registered with the Insurance Division to do business in Oregon, but who don't actually do business in the state during the tax year, and don't have Oregon source income, aren't required to file Oregon Form OR-20-INS and aren't subject to the excise or minimum tax.

Filing requirements

Annual statement. Form OR-20-INS isn't based on the federal return. This form begins with "Net income from the annual statement to the insurance commissioner."

Tax year. All insurance companies required to file an *Oregon Insurance Excise Tax Return* must file on a calendar-year basis and are subject to the minimum tax.

Foreign and domestic domiciles (consolidated and separate returns). Foreign insurers and domestic insurers

controlled by foreign insurers are required to file insurance excise tax returns on a separate basis. Unitary domestic insurance companies (**incorporated in Oregon**) not controlled by foreign insurers incorporated outside of Oregon must file consolidated returns if they were included in consolidated federal returns. An inter-insurance and reciprocal exchange and its attorney-in-fact may file consolidated returns.

Exempt

Surplus lines insurance companies and fraternal benefit societies aren't subject to the excise tax if exempt under IRC §501(c)(8).

Medicare & Medicaid

Income received from Centers for Medicare and Medicaid Services (CMS) Enrollees and Medicare Advantage (MA) enrollees: 42 USC § 1395w-24(g) preempts imposition of Oregon minimum tax on income received from CMS enrollees and MA enrollees. If you are paying minimum tax, exclude this income from your sales factor. See *Health Net Life Ins. Co. v. Dept. of Rev.*, TC 5371, Or. Tax Ct., Reg. Div., May 3, 2021.

E-file

If you're required to e-file with the IRS, you're also required to e-file for Oregon (ORS 314.364). We accept calendar year, fiscal year, short year, and amended electronic corporation tax returns utilizing the IRS Modernized e-file platform (MeF). Beginning January 2024, we'll accept e-filed returns for tax year 2023, and will continue accepting returns for 2022 and 2021.

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

Note: Your paper return may be rejected if you're required to electronically file your Oregon corporation tax return, unless a waiver request has been approved by us prior to the filing of the paper return.

If you'd like to request a waiver, send an email with the FEIN, tax year, and reason you're unable to e-file to bus.electronicfiling@dor.oregon.gov, prior to paper-filing your return.

For a list of software vendors or for more information, search "e-filing" at www.oregon.gov/dor.

Federal and Insurance Division audit changes

You must notify us if the IRS changes your federal return or if the Insurance Division changes your Fire Marshal tax or retaliatory tax for any tax year and the change affects your computation of Oregon excise tax. If so, you must file a Form OR-20-INS, checking the amended box, and include a copy of the federal or Insurance Division

audit report. Mail this **separately** from your current year's return.

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

Amended returns

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

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

If you change taxable income by filing an original or amended federal or other state return, you must file an amended Oregon return within **90 days** of when the original or amended federal or other state return is filed (ORS 314.380). Include a copy of your original or amended federal or other state return with your amended Oregon return and explain the adjustments made.

You may make payments online for your amended return at www.oregon.gov/dor.

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

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

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

If paying additional tax with your amended return, you must include interest with your payment. Interest is figured from the day after the due date of your original return up to the day we receive your full payment. See "Interest rates."

Pay all tax and interest due when you file your amended return or within 30 days after receiving a billing notice

from us to avoid being charged a 5 percent late payment penalty.

Protective claims

Don't file an amended return as a protective claim. Use Oregon Form OR-PCR, *Protective Claim for Refund*, 150-101-184, when your claim to a refund is contingent on a pending court decision or legislative action. Notify us within 90 days of the final determination by filing an amended return. Don't file an amended return before the pending action is final.

Filing checklist

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

- **Due date of your return.** Returns are due by the 15th day of the month following the due date of your federal corporation return. When the 15th falls on a Saturday, Sunday, or legal holiday, the due date is the next business day.
- **Extensions.** See the instructions below for the extension checkbox. Include your extension as the final page of your return when you file.
- **Payments.**
 - Payments received after the original due date will be applied first to penalty, then to interest, and then to tax [ORS 305.265(13)].
 - **Estimated payments and prepayments.** Identify all estimated payments claimed by completing Schedule ES on page 5 of your return. List all payments that were submitted prior to filing your return. Include the corporation name and FEIN if a payment was made by an affiliate of the filing corporation.
 - **Online payments.** You may pay online for any return at www.oregon.gov/dor. Search "payments."
 - **Making electronic payments with your e-filed original return.** We accept electronic payments when you e-file 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:
 - Filer FEIN.
 - Tax year beginning and ending dates.
 - Contact phone.
 - To speed up processing of your return:
 - **Don't** use Form 20-V payment voucher.
 - Don't staple payment to the return.
 - Don't send cash or postdated checks.
 - Don't use red or purple or any gel ink.
 - **Assembling your return.** Assemble your Oregon return forms in the following order:
 1. Form OR-20-INS, *Oregon Insurance Excise Tax Return*;

2. Schedule OR-AP, *Apportionment of Income for Corporations and Partnerships*;
3. Schedule OR-AF, *Schedule of Affiliates*;
4. Schedule OR-PI, *Schedule of Partnership Information*;
5. Schedule OR-ASC-CORP, *Oregon Adjustments*;
6. Form OR-37, *Underpayment of Oregon Corporation Estimated Tax*;
7. Other Oregon statements;
8. Oregon credit forms including notice of credit transfers;
9. Annual Statement, as indicated below;
10. Form 7004, Federal extension.

Life insurance companies should include the following pages from the Annual Statement:

- Page 4—Summary of operations;
- Page 11, Exhibit 3—General expenses;
- Page E-01—Schedule A, part 1;
- Page E-03—Schedule A, part 3;
- Page 8—Exhibit of net investments; and
- Page 49, Schedule T—Premiums and annuity considerations.

Property and casualty insurance companies should include the following pages from the Annual Statement:

- Page Supp 6—Part II Allocation to lines of business net of reinsurance;
- Page 4—Statement of income;
- Page 11—Underwriting and investment exhibit;
- Page E-01 and E-03—Schedule A, part 1;
- Page 12—Exhibit of net investment income; and
- Page 94, Schedule T—P&C schedule of premiums written.

Mailing Addresses

Tax-due returns, with or without payment, mail to:

Oregon Department of Revenue
PO Box 14790
Salem OR 97309-0470
(Do NOT include a payment voucher.)

Refunds or no tax-due returns, mail to:

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

Check or money order payments only, mail to:

Oregon Department of Revenue
PO Box 14950
Salem OR 97309-0950
(Include Form OR-20-V payment voucher.)

Form instructions

Heading and checkboxes

- **Extension checkbox.** For an Oregon extension when you're also filing for a federal extension: Send a copy

of the federal extension with the Oregon return when you file. Check the extension checkbox on your Oregon return and include the federal extension after all other enclosures.

For an “Oregon only” extension: Answer question 1 on federal extension Form 7004, write “**For Oregon Only**” at the top of the form, and include it with your Oregon return when you file. Check the extension checkbox on the Oregon return.

The Oregon extension due date is the 15th day of the month following the federal extension’s due date. Don’t send the extension until you file your Oregon return.

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

If you’re making an extension payment by mail, send the payment to: Oregon Department of Revenue, PO Box 14950, Salem OR 97309-0950.

Include on your check:

- FEIN.
- Tax year beginning and ending dates.
- Contact phone.

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

Use Form OR-37 to:

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

- **Amended checkbox.** Check the amended box if this is an amended return.
- **Alternative apportionment checkbox.** See Appendix C for complete information. Check this box if you have included a request with your return.

Name. Generally, a consolidated Oregon return is filed in the name of the common parent corporation. If the parent corporation isn’t 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 that the member has the largest Oregon property value as determined under ORS 314.655 (see Schedule OR-AP and OAR 150-317-0540).

- **Legal name.** Enter the corporation’s current legal name as set forth in the articles of incorporation or other legal document.
- **FEIN.** Enter the FEIN of the corporation named as the filer on the consolidated Oregon return.

- **DBA/ABN.** If the corporation is doing business under a different name, for example, DBA or ABN, enter that name.

- **Current address.** Always enter the corporation’s current address. If the address for the year you’re filing was different, **don’t** use the old address or our system will revert your current address to the old address.

Questions

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

Question D. Refer to the current list of North American Industry Classification System (NAICS) codes found with your federal tax return instructions. Only enter the code if this is your first return, the current code is different than you reported last year, or your code begins with “111” or “112.”

Foreign insurers and domestic insurers controlled by foreign insurers aren’t allowed to file consolidated returns and should skip questions E and F.

Question E(1). Check this box if you filed a consolidated federal return. Include a list of the corporations included in the consolidated federal return.

Question E(2). Check this box if you filed a consolidated Oregon return. Complete Schedule OR-AF, *Schedule of Affiliates*, and 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). Check this box if it applies. Include a list of corporations included in the consolidated federal return that aren’t included in this Oregon return. List each corporation’s name and FEIN. **Note:** Include a copy of your federal return and schedules as filed with the IRS.

Question F. If the filing corporation (shown above as legal name) is a subsidiary in an affiliated group, or a subsidiary in 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 federal Form 1120, *Schedule K*.

Question G. Enter the total number of corporations doing business in Oregon that are included in this return.

Question L. Total Oregon sales. If you’re subject to apportionment, Oregon sales is the amount of Oregon total insurance sales entered on Schedule OR-AP, part 1, line 22(a). If you’re not subject to apportionment, compute your Oregon sales as if you were subject to apportionment, using Schedule OR-AP, part 1, lines 19 through 21. See the instructions for the insurance sales factor.

Line instructions

Income

Line 1. Life, accident, and health companies (from page 4, line 35 of the annual statement).

Line 2. Income, expenses, and other items attributable to separate accounts. Enter amount from "Summary of operations," page 4, lines 5 and 8.1 of the annual statement for life insurance companies.

Line 3. Subtotal (line 1 minus line 2).

Line 4. Fire, property, and casualty companies (from page 4, line 20 of the annual statement).

Line 5. Underwriting profit derived from wet marine and transportation insurance. Enter amount from "Part II Allocation to lines of business net of reinsurance," lines 8 and 9, column 41, of the P&C annual statement.

Line 6. Subtotal (line 4 minus line 5).

Line 7. Total (line 3 plus line 6).

Additions

Line 8. Total additions from Schedule OR-ASC-CORP, Section A. The amount by which an item of income is greater under Oregon law than as reported above on lines 1 through 6, or the amount by which any allowable deduction is less under Oregon law, is an addition on your Oregon return.

Use Schedule OR-ASC-CORP, Section A, to report the amount and description code of each difference. Use the description code from the list in Appendix A. The total of all additions is entered on Form OR-20-INS, line 8.

Additions include:

- **Charitable donations not allowed for Oregon.** Donations to a charitable organization that has received a disqualifying order from the Attorney General aren't deductible as charitable donations for Oregon tax purposes. Such organizations are required to provide a disclosure to a donor to acknowledge this. The Attorney General will publish online and otherwise make publicly available information identifying the charitable organizations receiving a disqualification order. If you claimed a federal deduction, an addition must be made on your Oregon return for donations to such charitable organizations (ORS 317.491).
- **Claim of right income repayment adjustment when credit's claimed.** Any deduction under IRC §1341 included in net income from operations must be added back to income if your Oregon credit's claimed (ORS 317.388).
- **CPAR addition.** If you're an owner of a partnership that was subject to a partnership-level audit by the

IRS (or you're an owner of a tiered partner of such a partnership), you may have to increase or decrease your Oregon income as a result of the audit. Report an increase in income using addition code 187 or report a decrease in income using subtraction code 384, whichever is applicable. Use these codes even if another code is assigned for the specific type of increased or decreased income (ORS 314.733). Visit our website for more information.

- **Decreases in certain reserves.** These are changes that haven't been included in the computation of net income from operations. Add **decreases in mandatory reserves** that the insurer is required to maintain by law or by rules or directives of the director of the Department of Consumer and Business Services, **other than** decreases that (a) are deducted in arriving at the insurer's net gain from operations, or (b) result from net gains or losses, realized or unrealized, in the value of the insurer's property and investments.
 - Life companies—Annual statement, "Summary of operations," page 4, line 44.
 - Also add **decreases in reserves for policies and obligations outstanding** before the beginning of the taxable year resulting from changes in the basis and methods of computing such reserves that are justified by accounting and actuarial practices applicable to or accepted by the insurance industry. Such practices are commonly known as "reserve strengthening" or "reserve weakening."
 - Life companies—Annual statement, "Summary of operations," page 4, line 43.
 - P&C companies—Annual statement, "Statement of income," page 4, line 37.
- **Deferred gain recognized from out-of-state disposition of property acquired in an IRC §1031 or §1033 exchange.** See ORS 317.327 regarding the computation of the addition if deferred gain or loss wasn't taken into account in the computation of Oregon taxable income.
- **Depletion (percentage in excess of cost).** Add the federal deduction for depletion that is in excess of the Oregon allowance for depletion (ORS 317.301).
- **Depreciation differences.** If your Oregon depreciation isn't the same as the amount included in net income from operations, the difference is a required modification on your Oregon return (ORS 317.301). Use Schedule OR-DEPR to determine the Oregon modification.
- **Federal income taxes.** Add the amount of federal income taxes deducted in computing net income from operations. If a net refund of federal tax is shown on the annual statement (due to an excess of refund for a prior year over current year net tax), enter a negative figure.

- Life companies: Annual statement, amount included in “Summary of Operations,” page 4, line 32, plus the tax on capital gain that was netted out of the amount from the annual statement, included in “Summary of Operations,” page 4, line 34.
- P&C companies: Use tax on ordinary income from the annual statement, included in “Statement of Income,” page 4, line 19.
- **Gain or loss on the disposition of depreciable property.** Add the difference in gain or loss on sale of business assets when your Oregon basis is less than your federal basis (ORS 317.356 and OAR 150-317-0420).
- **Individual Development Account credit.** Donations deducted from net income from operations must be added back to federal taxable income if the Oregon credit’s claimed [ORS 315.271(2)].
- **IRC §631(a) treatment of timber isn’t recognized by Oregon.** Both beginning and ending inventories must be adjusted for IRC §631(a) gain. For Oregon purposes, there’s no taxable event until actual sale (ORS 317.362).
- **Opportunity Grant Fund (auction).** Any federal deduction for contributions for which an Opportunity Grant Fund tax credit certification is made must be added to federal taxable income (ORS 315.643).
- **Oregon production investment fund.** Add back the amount of contribution for which a tax credit certification is made that’s included in net income from operations as a deduction (ORS 315.514).
- **Penalty interest on prepayment of loans.** Add any amounts not already included in the computation of net income on the annual statement.
- **Realized gains.** Add realized gains on sales or exchanges of assets, including non-admitted assets that weren’t included in net income from operations.
- **State income taxes (all jurisdictions).** Per ORS 317.655 include only the amount of state income taxes (including Oregon minimum tax) included in the following amounts on the annual statement:
 - Life companies: Annual statement, included in “General expenses,” page 11, exhibit 3, lines 3, 4, and 6, column 5.
 - P&C companies: Annual statement, included in “Underwriting and investment exhibit,” page 11, lines 20.1 and 20.4.
- **University venture development fund contributions.** Add to income the amount of contributions deducted in net income from operations and used to calculate the University Venture Fund Contribution credit taken on your Oregon return (ORS 315.640).

Line 9. Income after additions (line 7 plus line 8).

Subtractions

Line 10. Total subtractions from Schedule OR-ASC-CORP, Section B. The amount by which an item of income is less under Oregon law than reported above on lines 1 through 6, or the amount by which an allowable deduction is greater under Oregon law than reported above, is a subtraction on your Oregon return.

Use Schedule OR-ASC-CORP, Section B, to report the amount and description code of each difference. Use the description code from the list in Appendix A. The total of all subtractions is entered on Form OR-20-INS, line 10.

Subtractions include:

- **Amortization of past service credits.** Subtract the amortized portion of contribution for past service credits made to qualified plans and exempt employee trusts. The subtraction is for amounts not deducted in the computation of net gain from operations in the annual statement. There’s no explicit item in the annual statement.
 - P&C and life companies—See note(s) in the NAIC annual statement about retirement plans.
- **CPAR subtraction.** If you’re an owner of a partnership that was subject to a partnership-level audit by the IRS (or you’re an owner of a tiered partner of such a partnership), you may have to increase or decrease your Oregon income as a result of the audit. Report an increase in income using addition code 187 or report a decrease in income using subtraction code 384, whichever is applicable. Use these codes even if another code is assigned for the specific type of increased or decreased income (ORS 314.733). Visit our website for more information.
- **Deferred gain recognized from out-of-state disposition of property acquired in an IRC §1031 or §1033 exchange.** See ORS 317.327 regarding the computation of the subtraction if deferred gain or loss wasn’t taken into account in the computation of Oregon taxable income.
- **Depletion.** Subtract the Oregon allowance for depletion that is in excess of the federal deduction for depletion (ORS 317.374).
- **Depreciation differences.** If your Oregon depreciation isn’t the same as the amount included in net income from operations, the difference is a required modification on your Oregon return (ORS 317.356). Use Schedule OR-DEPR to determine the Oregon modification.
- **Film production labor rebate.** Subtract the amount received as a labor rebate that’s included in net income from operations (ORS 317.394).
- **Gain or loss on the sale of depreciable property.** The difference in gain or loss on the sale of business assets

when your Oregon basis is greater than your federal basis (ORS 317.356).

- **Increases in certain reserves.** Subtract increases in reserves described in the instructions for additions.
- **Marijuana business expenses.** ORS 317.363 allows Oregon taxpayers filing a corporate excise or income tax return to deduct business expenses otherwise barred by IRC §280E if the taxpayer is engaged in marijuana-related activities authorized by ORS 475C.005 to 475C.525, or ORS 475C.700 to 475C.919.
- **Psilocybin business expenses.** ORS 317.363 allows Oregon corporation excise and income tax filers to subtract certain business expenses otherwise barred by IRC §280E if the corporation is engaged in psilocybin-related activities authorized by ORS 475A.210 to 475A.722, the Oregon Psilocybin Services Act. Use subtraction code 385 on Schedule OR-ASC-CORP.
- **Realized losses.** Realized losses on sales or exchanges of assets, including non-admitted assets that weren't included in net income from operations.

Line 11. Income before net loss deduction (line 9 minus line 10).

Line 12. Net loss deduction.

- Enter the deduction on line 12 if substitute "utilized" only by Oregon. Enter as a positive number.
- Enter the deduction on Schedule OR-AP, part 2, line 10a if substitute "utilized" both in Oregon and another state.
- Include a schedule showing your computations.
- The Oregon deduction is the sum of unused net losses assigned to Oregon for preceding taxable years.
- A net operating loss carryforward is required to be reduced by the entire Oregon taxable income of intervening tax years [ORS 317.476(4)(b)].
- Insurers may carry net losses forward up to 15 years.
- Oregon doesn't allow net losses to be carried back.
- 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 ORS 317.476 and supporting administrative rules (ORS 317.665).

Line 13. Apportionment percentage. Enter the apportionment percentage from Schedule OR-AP, part 1, line 23. If you have income only in Oregon and don't apportion, enter 100.0000.

Line 14. Oregon taxable income (line 11 minus line 12, or amount Schedule OR-AP, part 2, line 12).

Tax

Line 15. Calculated excise tax. Don't enter the minimum tax on this line. See Appendix B for computation.

Line 16. Minimum tax. The minimum tax for C corporations and insurance companies doing business in Oregon is based on Oregon sales. Use the table in **Appendix B**.

- Consolidated returns: the minimum tax is based on Oregon sales of the affiliated group of corporations filing an Oregon return. One minimum tax applies to the affiliated group filing the consolidated return, not to each individual affiliate included in the consolidated return doing business in Oregon.
- The minimum tax isn't apportionable for a short tax year (except a change of accounting period).

Nonapportioned returns. Domestic insurance companies doing business only within Oregon can calculate Oregon sales by adding the following:

- Direct premiums;
- Annuity considerations; and
- Finance and service charge.

Apportioned returns. C corporations and insurance companies doing business in more than one state that apportion business income for Oregon tax purposes, use the Oregon sales amount from line 22(a) on Schedule OR-AP, part 1.

Line 17. Tax (greater of line 15 or line 16). Oregon tax is the greater of total calculated tax or minimum tax.

Line 18. Tax adjustment for installment sales interest. If you owe interest on deferred tax liabilities with respect to installment obligations under ORS 314.302, enter the amount of interest as a positive number. Include a schedule showing how you figured the interest.

Line 19. Tax before credits (line 17 plus line 18).

Credits and offsets

For a list and description of Oregon corporation credits, including links to certifying agencies and forms, visit www.oregon.gov/dor.

Note: Minimum tax can't be "reduced, paid, or otherwise satisfied through the use of any tax credit" (ORS 317.090).

Important:

- All credits are claimed on Schedule OR-ASC-CORP except OLHIGA (ORS 734.835).
- List credits and codes on the OR-ASC-CORP in the order you want them used.
- Generally, taxpayers must claim the full amount of a credit allowed per year (ORS 314.078).
- Credits can't be used to offset minimum tax, unless specified by statute.

Line 20. Total standard credits from Schedule OR-ASC-CORP, Section C. Enter the total as a positive number.

Line 21: Tax after standard credits (line 19 minus line 20, not less than minimum tax).

Line 22. Total carryforward credits from Schedule OR-ASC-CORP, Section C. Enter the total as a positive number.

Line 23. Oregon Life and Health Insurance Guaranty Association (OLHIGA) offset (ORS 734.835).

Line 24. Total carryforward credits/offsets (add lines 22 and 23). Credits against excise tax **must** be claimed in the following order: Standard and carryforward credits, then the OLHIGA offset, but not below minimum tax.

Net excise tax

Line 25. Net excise tax (line 21 minus line 24). This can't be less than minimum tax.

Payments, penalty, interest, and UND

Line 26. Estimated tax payments, other prepayments, and refundable credits (from Schedule ES on page 5).

- Fill in the total estimated tax payments made before filing your Oregon return.
- List name and FEIN of the payer only if different from the corporation filing this return.

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

Note: Missing or incomplete information on payments made by an affiliate could result in a bill.

- Include any refunds applied from other years on line 5.
- Enter payments made with your extension or other prepayments on line 6.
- Fill in on line 7 the refundable credits from Schedule OR-ASC-CORP, Section E.
- Carry the total from line 8 to Form OR-20-INS, line 26.

Line 27. Withholding payments made on your behalf from pass-through entity or real estate income. If taxes were paid on the corporation's behalf, enter the amount on this line.

There's 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 aren't doing business in Oregon. The amount to be withheld is the lesser of:

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

Withholding isn't required if one of the following requirements is met:

- The consideration for the real property doesn't 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 meets one of the requirements in ORS 314.258(3)(d) through (f).

See instructions for Oregon Form OR-18-WC, *Report of Tax Payment or Written Affirmation for Oregon Real Property Conveyance*, for more information (ORS 314.258 and supporting administrative rules).

Pass-through entity withholding requirement. A pass-through entity (partnership, S corporation, LLP, LLC, or certain trusts) with distributive income from Oregon sources must withhold tax from its nonresident owners.

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

Line 28. Tax due. Is line 25 more than line 26 plus line 27? If so, line 25 minus lines 26 and 27.

Line 29. Overpayment. Is line 25 less than line 26 plus line 27? If so, line 26 plus line 27, minus line 25.

Line 30. Penalty due with this return. To avoid penalty and interest, you must make any tax payment owed by the **original** due date of the tax return, excluding extensions. You must also e-file or mail your tax return by the original due date, or by the extended due date if you file with a valid extension included.

Enter the following penalties on your return if they apply.

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

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

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

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

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

Line 31. Interest due with this return. You must pay interest on unpaid taxes if:

- You don't pay the tax balance by the original filing due date, excluding extensions;
- You file an amended return and have tax to pay; or
- Your taxable income is changed because of a federal or state audit and you owe more tax.

Interest owed on tax starts the day after the due date of your original return, excluding extensions, and ends on the date of your payment. Interest is computed daily.

To calculate interest:

$$\text{Tax} \times \text{daily interest rate} \times \text{number of days.}$$

Interest rates and effective dates:

| For periods beginning | Annually | Daily |
|-----------------------|----------|---------|
| January 1, 2024 | 8% | 0.0219% |
| January 1, 2023 | 6% | 0.0164% |
| January 1, 2022 | 4% | 0.0110% |

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

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

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

Line 32. Interest on underpayment of estimated tax (UND). You must make quarterly estimated tax payments if you expect to owe \$500 or more in tax. This includes Oregon's minimum tax. Oregon charges UND if:

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

Use Form OR-37 to:

- Calculate the amount of underpayment of estimated tax;

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

If you have an underpayment of estimated tax, include Form OR-37 with your tax return, check the box on page 1 of Form OR-20-INS, and file them before the due date of the return.

If your current year corporation tax liability, including the minimum tax, is less than \$500, you don't need 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 33. Total penalty and interest (add lines 30 through 32).

Total due or refund

Line 34. Total due (line 28 plus line 33). See "Filing checklist" for payment options. **Don't** include a Form OR-20-V, payment voucher, with your payment if including a payment with your return.

Note: Any payments received after the original due date will be applied first to penalty, then to interest, and then to tax [ORS 305.265(13)].

Special instructions. If you owe a penalty or interest and have an overpayment on line 29, and your overpayment is less than total penalty and interest, then fill in the result of line 33 minus line 29, on line 34.

Line 36. Amount of refund to be credited to estimated tax. You may elect to apply part or all of your refund to your next year's estimated tax payments. Fill in the amount you want to apply. **Your election is irrevocable.**

Elected amounts that are attributable to estimated tax payments received prior to the following year's first quarter estimated tax due date, will be applied as a timely first quarter installment of the following year. Elected amounts attributable to payments received after the following year's first quarter estimated tax due date, will be applied to the following year's estimated tax account as of the date the payment is received. See ORS 314.515 and OAR 150-314-0302.

Line 37. Net refund (line 35 minus line 36).

Authorize your preparer. To authorize a preparer other than taxpayer to discuss this return with us, check the box located above the signature line for "Preparer signature other than taxpayer." To authorize a person other than the preparer, include a signed Form 150-800-005, *Tax Information Authorization and Power of Attorney for Representation*.

Do you have questions or need help?

www.oregon.gov/dor
503-378-4988 or 800-356-4222
questions.dor@dor.oregon.gov

Contact us for ADA accommodations or assistance in other languages.

Appendix A

Corporation Form OR-20-INS

2023 Schedule OR-ASC-CORP codes

Additions

| Description | Code | Description | Code |
|---|------|---|------|
| Charitable donations not allowed for Oregon..... | 132 | IRC §631(a) treatment of timber not recognized by Oregon..... | 162 |
| Claim of right income repayment..... | 173 | Opportunity Grant Fund (auction)..... | 185 |
| CPAR addition..... | 187 | Oregon production investment fund | 157 |
| Decreases in certain reserves | 180 | Penalty interest on prepayment of loans | 182 |
| Deferred gain from out-of-state disposition of property | 118 | Realized gains not in net income from operations..... | 172 |
| Depletion (percentage in excess of cost)..... | 166 | State income taxes deducted from the annual statement..... | 179 |
| Depreciation differences..... | 174 | Uncategorized addition (must include explanation)... | 199 |
| Federal income taxes deducted from the annual statement..... | 181 | University venture development fund contributions | 171 |
| Gain or loss on disposition of depreciable property... | 158 | | |
| Individual Development Account credit..... | 113 | | |

Subtractions

| Description | Code | Description | Code |
|---|------|---|------|
| Amortization of past service credits..... | 374 | Gain or loss on sale of depreciable property..... | 356 |
| CPAR subtraction..... | 384 | Increases in certain reserves | 373 |
| Deferred gain from out-of-state disposition of property | 352 | Marijuana business expenses | 375 |
| Depletion (Oregon in excess of federal allowance)..... | 362 | Psilocybin business expenses | 385 |
| Depreciation differences..... | 353 | Realized losses not in net income from operations..... | 363 |
| Film production labor rebate..... | 336 | Uncategorized subtraction (must include explanation)..... | 399 |

Standard credits

| Description | Code |
|---|------|
| Oregon Cultural Trust contribution (ORS 315.675)..... | 807 |
| Reservation enterprise zone (ORS 315.506)..... | 810 |
| Uncategorized credit (must include explanation)..... | 899 |

Carryforward credits

| Description | Code | Description | Code |
|---|------|--|------|
| Agricultural workforce housing (ORS 315.164)..... | 835 | Opportunity Grant Fund (auction) | |
| Bovine manure (carryforward only) (ORS 315.176).... | 869 | (carryforward only) (ORS 315.643) | 871 |
| Business energy (carryforward only) (ORS 315.354) ... | 839 | Oregon affordable housing lender's credit | |
| Child Care Fund contributions (carryforward only) | | (ORS 317.097) | 854 |
| (ORS 315.213) | 841 | Oregon Low-Income Community Jobs Initiative | |
| Crop donation (ORS 315.156) | 843 | (carryforward only) (ORS 315.533) | 855 |
| Electronic commerce zone investment (ORS 315.507) | | Oregon production investment fund (auction) | |
| (carryforward only)..... | 845 | (ORS 315.514) | 856 |
| Employer-provided dependent care assistance | | Renewable energy resource equipment | |
| (carryforward only) (ORS 315.204) | 846 | manufacturing facility (carryforward only) | |
| Employer scholarship (ORS 315.237) | 847 | (ORS 315.341) | 860 |
| Energy conservation projects (carryforward only) | | Rural technology workforce development | |
| (ORS 315.331) | 849 | (carryforward only) (ORS 315.523) | 868 |
| Fish screening devices (ORS 315.138)..... | 850 | Short line railroad rehabilitation (ORS 315.593) | 872 |
| Forest Conservation Tax Credit (FCTC) | | Transportation projects (carryforward only) | |
| (Or Laws 2022, ch 24) | 873 | (ORS 315.336) | 863 |
| Individual Development Account (IDA) donation | | Uncategorized carryforward credit (must include | |
| (ORS 315.271) | 852 | explanation)..... | 999 |
| Lender's credit: energy conservation (carryforward | | University venture fund (ORS 315.640) | 864 |
| only) (ORS 317.112) | 848 | Weatherization lender's credit (carryforward only) | |
| Long-term enterprise zone facilities (carryforward | | (ORS 317.111)..... | 866 |
| only) (ORS 317.124) | 853 | | |

Refundable credits

| Description | Code |
|--|------|
| Agricultural Employer Overtime Tax Credit (Or Laws | |
| 2022, ch 115, § 8)..... | 901 |
| Claim of right (ORS 315.068) | 890 |

Items with a specific line on the form don't have a code. See Form OR-20-INS.

Appendix B

Oregon Corporation Form OR-20-INS 2023 Tax rates and minimum tax table

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

Calculated tax (ORS 317.061)

If Oregon taxable income is:

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

Minimum tax (ORS 317.090)

Minimum tax table—C corporations only

| <i>Oregon sales of filing group</i> | <i>Minimum tax</i> |
|-------------------------------------|--------------------|
| under \$500,000 | \$150 |
| \$500,000 to \$999,999 | 500 |
| \$1,000,000 to \$1,999,999 | 1,000 |
| \$2,000,000 to \$2,999,999 | 1,500 |
| \$3,000,000 to \$4,999,999 | 2,000 |
| \$5,000,000 to \$6,999,999 | 4,000 |
| \$7,000,000 to \$9,999,999 | 7,500 |
| \$10,000,000 to \$24,999,999 | 15,000 |
| \$25,000,000 to \$49,999,999 | 30,000 |
| \$50,000,000 to \$74,999,999 | 50,000 |
| \$75,000,000 to \$99,999,999 | 75,000 |
| \$100,000,000 and above | 100,000 |

Appendix C

Oregon Corporation Form OR-20-INS

Alternative apportionment

Please read carefully. This information is not the same for all tax programs.

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

Administration

We will review the alternative apportionment request and issue a decision letter.

If your alternative apportionment petition is denied, you may appeal the denial of your petition to Oregon Tax Court as provided in ORS 305.275.

If your alternative apportionment petition is approved, you may amend your returns within the normal statute of limitations. The approval of your petition will remain in effect unless and until we revoke it during audit or you file a new petition and receive our approval of the new proposal.

Allow at least 6 months for us to make a determination. Also, note that all petitions for alternative apportionment may result in additional review and documentation requests.

Instructions

- Your written petition for alternative apportionment can be submitted with your original or amended return (Method 1) or separate from your original or amended return (Method 2).
- For administrative purposes, we prefer Method 2.

Method 1 —Alternative apportionment petition submitted with your original or amended return

- Check the alternative apportionment checkbox on the front of the return and include a written petition for alternative apportionment with your original or amended return. Failure to do so could result in your request being overlooked. This box is to denote requests only and isn't to be used after a request is approved.
- You **must** include a written petition for alternative apportionment with your original or amended return if you check the alternative apportionment checkbox.
- **Do not** complete the original or amended return using an alternative method of apportionment unless/until that alternative method of apportionment has been approved.
- Include your petition with your return.

Note: Taxpayers filing amended returns for 2015 or prior must use the form year corresponding to the tax year even though there's no alternative apportionment checkbox on the return. Clearly identify that you're requesting alternative apportionment by writing the words "Alternative apportionment request" at the top and adhere to all other requirements. Determinations to amended returns may take longer to process.

Method 2 —Alternative apportionment petition submitted separately from your original or amended return

- Your written petition must have the title "Alternative apportionment request."
- We will not rule on your alternative apportionment request until you file your original or amended return using standard apportionment provisions.
- Your original or amended return, for which the written petition requests alternative apportionment, must use standard apportionment provisions.
- Mail your petition to: Oregon Department of Revenue, Corporation Section, 955 Center St NE, Salem OR 97301-2555.

Both methods of petition

- The petition must be signed by the taxpayer or the taxpayer's representative.
- You must use standard apportionment provisions to complete your original or amended return while the department rules, in writing, on your request for alternative apportionment.
- In the case of a UDITPA taxpayer, the petition must fully explain the extent of the taxpayer's business activity in Oregon and why standard apportionment doesn't fairly and equitably represent the taxpayer's business activity in Oregon. An ORS 314.280 taxpayer must fully explain why standard apportionment doesn't fairly and equitably represent the amount of net income the taxpayer earns inside and outside Oregon. An insurer must explain why standard apportionment doesn't fairly and equitably represent the insurer's business activity within Oregon.
- Your petition must fully explain your proposed method of alternative apportionment and explain why this proposed method is more accurate in reflecting business activity or net income, as appropriate, in Oregon than the standard formula.
- The petition must show how the Oregon return (Form OR-20, OR-20-INC, OR-20-INS, or OR-20-S) would be completed, including the net tax calculation, using the proposed method of alternative apportionment.