

Instructions for 2016, OR-NRC-CERT, Annual Certification for Oregon Natural Resource Credit

Important: We have changed many of our forms and schedules to provide a more consistent format and to include a shorthand name so they're easier to find. Read each form and publication carefully as other items may have changed. For more information, visit us at www.oregon.gov/dor.

Filing requirement

This form will be filed by the recipients of inherited property for which the Oregon Natural Resource Credit was claimed on a decedent's Form OR-706, *Oregon Estate Transfer Tax Return*, 150-104-001. As the recipient of the natural resource credit (NRC) property, you are required by Oregon Revised Statute (ORS) 118.140 to complete this certification form each year to report the continued qualified use of the NRC property.

Due date

Submit this completed annual certification form by April 15 of each year, even if you haven't yet used the qualified property for a complete 12 month period.

Qualified use period

The use period start date will be the date the property continued to be used as qualified natural resource property or qualified commercial fishing business property after the decedent's death.

Example: You inherited the decedent's natural resource property and began qualified use of the property on February 16, 2012. Your ending period would be the date

the asset isn't being used in the natural resource operation or December 31, 2012. This is the first of five years of operation.

Natural resource asset—part 2, column D

Categorize each natural resource asset as one of the following and enter a, b, or c, in part 2, column D:

- a. The asset is still used in the operation of a farm, forestry, or fishing business.
- b. The asset has been replaced with property that meets the requirements of ORS 118.140(9)(d).
- c. The asset has been subject to a disposition under ORS 118.140(9).
- d. The asset wasn't used in the operation of a farm, forestry, or fishing business for period listed above.

Five out of eight years of qualified use period requirement

The property is required to be used as natural resource property for five out of eight years following the decedent's death. If you don't use the natural resource property for five out of eight years following the decedent's death, or you dispose of the property before this requirement is met, part of the tax credit must be repaid. (ORS 118.140)

File Form OR-706-R, *Repayment of Oregon Natural Resource Credit*, 150-104-007; and pay additional taxes due within six months after you disposed of the property or ended the qualifying use.

Download Form OR-706-R at www.oregon.gov/dor.