



New information

Subtractions

- **Special Oregon medical subtraction.** You or your spouse must have turned age 65 by the end of the tax year to qualify for the subtraction. **Note:** Due to the extended decrease in the medical expense deduction floor in Public Law 116-94, the example on page 4 was updated on December 31, 2019.
- **Oregon college or MFS 529 savings plan and ABLE account limits.** Contribution limits have increased to \$4,865 for taxpayers filing joint returns and \$2,435 for all others. **Contributions must have been made by the end of tax year 2019 to qualify for this subtraction.** For more information, see Publication OR-17.
- **First-time home buyer subtraction.** If you're saving to purchase your first home, you can use a tax-favored account. Contributions and accounts earnings can be claimed as a subtraction. Limitations apply; see "First-time home buyer savings account" in Publication OR-17.
- **Updated December 2019: Tuition and fees.** Congress extended the deduction for qualified tuition and fees for tax year 2019 when it passed Public Law 116-94. You can find information about the related Oregon subtraction on page 2.

General instructions

In general. Use the schedule that matches the return form you're filing:

- Form OR-40 filers: Use Schedule OR-ASC.
- Form OR-40-N and Form OR-40-P filers: Use Schedule OR-ASC-NP.

Include the schedule when you file your return.

Note for Schedule OR-ASC-NP filers: Just as it is on your nonresident or part-year return, the federal column is where you enter amounts that would be reported on your Oregon return if you were a full-year resident. The Oregon column is for reporting amounts for the part of the year when you were a resident or had income from Oregon sources when you were a nonresident.

Not enough room? Use extra copies of the schedule if you need more space, and enter only the total(s) on your return. **Include any extra copies of the schedule when you file your return.**

Round all cents to the nearest dollar. For example, \$99.49 becomes \$99, and \$99.50 becomes \$100.

Codes. Every item entered on the schedule must be identified with a numerical code. A list of these can be found in Publication OR-CODES, included with these instructions. If you're using the same code for several amounts (other than code 802 or 815, for income taxes paid to other states), total the amounts and enter the **code only once**.

Section instructions

Follow the instructions below for completing each section of the schedule. Explanations are provided for some items that are commonly claimed by many taxpayers. For more details about these or other items, refer to Publication OR-17. **Note:** The instructions for the **Adjustments** and **Modifications** sections don't apply to Schedule OR-ASC filers.

Adjustments (codes 002–005)

Schedule OR-ASC-NP filers only: Section 1

Adjustments claimed on your federal return reduce your federal taxable income. For detailed information, see "Adjustments" in Publication OR-17.

Step 1: Enter adjustments you claimed on your federal return that aren't listed on Form OR-40-N or Form OR-40-P. Enter the code, the federal amount, and the Oregon amount for each adjustment. Use each code only once.

Step 2: Enter the totals for the federal and Oregon columns on Form OR-40-N or Form OR-40-P, lines 27F and 27S.

Additions (codes 103–165)

Additions are items the federal government doesn't tax but Oregon does. For detailed information, see "Additions" in Publication OR-17.

Step 1: **Schedule OR-ASC:** Enter the code and the amount of each addition in Section 1.

Schedule OR-ASC-NP: Enter the code, the federal amount, and the Oregon amount for each addition in Section 2. The federal and Oregon amounts may be different.

Use each code only once.

Step 2: Enter these total(s) on Form OR-40, line 8; Form OR-40-N or Form OR-40-P, lines 30F and 30S.

Subtractions (codes 300–361)

Subtractions are items the federal government taxes but Oregon doesn't. Some commonly claimed subtractions are explained below. **Note:** You can only subtract amounts that are included in your Oregon income. Amounts that aren't included in your Oregon income can't be subtracted. For detailed information, see "Subtractions" in Publication OR-17.

Step 1: **Schedule OR-ASC:** Enter the code and the amount of each subtraction in Section 2.

Schedule OR-ASC-NP: Enter the code, the federal amount, and the Oregon amount for each subtraction that isn't listed on the return in Section 3. The federal and Oregon amounts may be different, but the amount in the Oregon column can't be more than the amount in the federal column.

Use each code only once.

Step 2: Enter the total(s) on Form OR-40, line 13; Form OR-40-N or Form OR-40-P, lines 33F and 33S.

Federal pension income [code 307]. You may be able to subtract some or all of your federal pension included in 2019 federal income. This includes retirement benefits paid to the retiree or their beneficiary. It does not include disability payments if you have not reached the minimum retirement age. The subtraction amount is based on the number of months of federal service or points earned before and after October 1, 1991:

- **If all your months of federal service or points were before October 1, 1991,** subtract 100 percent of the taxable amount of federal pension income you reported on your federal return.
- **If you have no months of service or points before October 1, 1991,** you cannot subtract any federal pension income.
- **If your service or points occurred both before and after October 1, 1991,** subtract a percentage of the taxable federal pension income you reported on your federal return. To determine your percentage, divide your months of service or points earned before October 1, 1991, by your total months of service or points earned. Round to three places (example: 0.4576 = 45.8 percent). Once you determine your percentage, it will remain the same year to year.

For more than one pension, figure the percentage and subtraction amount separately for each pension. Add the separate amounts together to be reported on one line of Schedule OR-ASC or Schedule OR-ASC-NP.

Schedule OR-ASC-NP filers: Use the following worksheet to determine your subtraction amount for each column.

Federal column

1. Federal pension included in the federal column, Form OR-40-N or Form OR-40-P, line 16F. 1. _____

2. Divide months of service or points earned before October 1, 1991, by total months of service or points earned. Round to three decimal places. 2. _____

3. Line 1 times line 2. Round to the nearest dollar and enter here and in the federal column of Section 3. 3. _____

Oregon column

4. Federal pension included in the Oregon column, Form OR-40-N or Form OR-40-P, line 16S. 4. _____

5. Your percentage from line 2. 5. _____

6. Multiply line 4 by line 5. Enter here and in the Oregon column of Section 3. 6. _____

Federal education credits (tuition and fees deduction) [code 308].

If you're claiming the American Opportunity or Lifetime Learning credit on your federal return, you may qualify for this subtraction. If you weren't allowed a federal tuition and fees deduction because you're claiming the federal credit, you may claim an Oregon subtraction for the amount you would have been allowed on your federal return. You can claim your expenses, up to the federal limit (\$4,000 or \$2,000, depending on your income), unless:

- Your filing status is married filing separately;
- Another person can claim you as a dependent on their return;
- Your federal modified adjust gross income is more than \$80,000 (\$160,000 if filing married filing jointly); or
- You're claiming a deduction for these expenses on your federal return.

Schedule OR-ASC-NP filers:

Federal column. Enter the amount of the tuition and fees deduction you would have claimed on your federal return if you hadn't claimed the federal credit. The maximum deduction you can claim is \$4,000 or \$2,000, depending on your income.

Oregon column. For the part of the year you were a nonresident, calculate your subtraction using the following formula:

Oregon source income while a nonresident	Qualified tuition and fees paid while a nonresident	Nonresident deduction
_____	X _____	= _____
		Total income while a nonresident

Add the amount of qualified education expenses you paid while an Oregon resident. Enter the smaller of this amount or the amount entered in the federal column.

Interest and dividends on U.S. bonds and notes [code 315].

Subtract interest and dividends from qualifying U.S. bonds reported on your federal return, such as interest from U.S. Series EE and I Bonds. See this topic under “Subtractions” in Publication OR-17 for a complete list of qualifying bonds and notes.

Schedule OR-ASC-NP filers:

Federal column. Enter qualifying interest or dividends that you reported on line 8F or 9F of the federal column on your return.

Oregon column. Enter qualifying interest or dividends that you reported on line 8S or 9S of the Oregon column of your return.

Oregon income tax refund [code 325 , Schedule OR-ASC-NP filers only]. This subtraction is for Oregon state income tax refunds only. Do not include other local, county, or other states’ tax refunds.

Schedule OR-ASC filers: This subtraction is reported on line 12 of Form OR-40, not on this schedule.

Schedule OR-ASC-NP filers:

Federal column. Enter your Oregon state income tax refund only if you included it on line 10F of the federal column on your return.

Oregon column. Enter your Oregon state income tax refund only if you included it on line 10S of the Oregon column on your return.

Special Oregon medical subtraction [code 351]. You may qualify for the special Oregon medical subtraction if:

- You or your spouse turned age 65 by the end of the tax year;
- Your federal adjusted gross income (AGI) isn’t more than \$200,000 (\$100,000 if your filing status is single or married filing separately); and
- You or your spouse have qualifying medical or dental expenses.

Medical or dental expenses qualify if they can be included in itemized deductions. See IRS Publication 502 to see which expenses qualify.

You can’t subtract expenses:

- For anyone under age 65;
- For dependents, regardless of their age; or
- That are deducted elsewhere on your return.

If you qualify, use the **Special Oregon medical subtraction worksheet** and the limits in Table 1 to determine the amount of your subtraction.

Shared expenses. Did you have medical expenses or dental expenses for more than one person? If so, you must determine which expenses belong to each qualifying taxpayer. Start by totaling all expenses for each qualifying

taxpayer. If you have expenses that are for more than one person, such as insurance premiums, split the expense by the most reasonable method. For example, two qualifying taxpayers filing jointly who paid \$4,000 in insurance premiums during the year could split the expenses in half, or \$2,000 each. For more information and examples, see “Special Oregon medical” under “Subtractions” in Publication OR-17.

Special Oregon medical subtraction worksheet instructions

For worksheet lines 1 through 7, complete column (A) for yourself first, then complete column (B) for your spouse.

Line 1: Medical and dental expenses for each taxpayer— Enter each person’s qualifying medical and dental expenses that you’re claiming as itemized deductions on Schedule OR-A. Enter your expenses in column (A) and your spouse’s expenses in column (B). If you’re not including medical expenses in your Oregon itemized deductions or you’re claiming the standard deduction on your Oregon return, skip lines 2–4, enter the amount from line 1 on line 5, and go to line 6.

Line 2: Total medical and dental expenses— Enter the total medical and dental expenses you’re claiming as an itemized deduction (Schedule OR-A, line 1).

Line 3: Line 1 divided by line 2. Round to three decimal places. For example, 0.7308 is rounded to 0.731.

Line 4: Enter the lesser of the amount on line 2, above, or the amount on line 3 of your Schedule OR-A.

Line 5: Multiply line 3 times line 4 and round to whole dollars. (For example: \$101.49 is rounded to \$101.)

Line 6: Enter the maximum allowable medical subtraction for your filing status and federal AGI from Table 1. Don’t enter more than \$1,800 in each column.

Line 7: Enter the smaller of line 5 or line 6.

Line 8: Combine the amounts from line 7, columns (A) and (B). This is your special Oregon medical subtraction. Enter this amount in section 2 of Schedule OR-ASC or in both the federal and Oregon columns on Schedule OR-ASC-NP, Section 3.

Special Oregon medical subtraction worksheet

	Column (A) You	Column (B) Spouse
1. Medical and dental expenses for each qualifying taxpayer.	1. _____	1. _____
2. Total medical and dental expenses claimed (Schedule OR-A, line 1).	2. _____	2. _____
3. Line 1 divided by line 2. Round to three decimal places.	3. _____	3. _____
4. Enter the smaller of line 2, above, or Schedule OR-A, line 3.	4. _____	4. _____
5. Line 3 times line 4. Round to the nearest dollar.	5. _____	5. _____
6. Maximum allowable medical subtraction from Table 1.	6. _____	6. _____
7. Enter the smaller of line 5 or line 6.	7. _____	7. _____
8. Combine the amounts from line 7, columns (A) and (B). This is your special Oregon medical subtraction.	8. _____	_____

Table 1. Special Oregon medical subtraction—maximum amount

If your filing status is:	And your federal adjusted gross income from Form OR-40, line 7 or Form OR-40-N or OR-40-P, line 29F is:		Then your maximum allowable medical subtraction per qualifying-taxpayer is:
	At least—	But less than—	
Married filing jointly; or Head of household; or Qualifying widow(er)	-0-	\$50,000	\$1,800
	\$50,000	\$100,000	\$1,400
	\$100,000	\$200,001	\$1,000
	\$200,001 or more		-0-
Single; or Married filing separately	-0-	\$25,000	\$1,800
	\$25,000	\$50,000	\$1,400
	\$50,000	\$100,001	\$1,000
	\$100,001 or more		-0-

Example 1. Jerry and Claudia were ages 66 and 65 on December 31, 2019. They are filing a joint nonresident

return with a federal AGI of \$55,000 and Oregon source income of \$40,000. They are itemizing deductions for Oregon. In 2019, they paid \$5,700 in medical expenses that they claimed on Schedule OR-A. Of that, \$3,500 was for Jerry’s expenses, \$1,000 for Claudia’s expenses, and \$1,200 for Claudia’s mother, whom they claim as a dependent. Both Jerry’s and Claudia’s expenses qualify for the special Oregon medical subtraction. Since Claudia’s mother is a dependent, her expenses don’t qualify for the subtraction. Jerry and Claudia determine their subtraction as follows.

Special Oregon medical subtraction worksheet

	Column (A) Jerry	Column (B) Claudia
1. Medical and dental expenses for each qualifying taxpayer.	1. <u>\$3,500</u>	1. <u>\$1,000</u>
2. Total medical and dental expenses claimed (Schedule OR-A, line 1).	2. <u>\$5,700</u>	2. <u>\$5,700</u>
3. Line 1 divided by line 2. Round to three decimal places.	3. <u>0.614</u>	3. <u>0.175</u>
4. Enter the smaller of line 2, above, or Schedule OR-A, line 3.	4. <u>\$4,125</u>	4. <u>\$4,125</u>
5. Line 3 times line 4. Round to the nearest dollar.	5. <u>\$2,533</u>	5. <u>\$722</u>
6. Maximum allowable medical subtraction from Table 1.	6. <u>\$1,400</u>	6. <u>\$1,400</u>
7. Enter the smaller of line 5 or line 6.	7. <u>\$1,400</u>	7. <u>\$722</u>
8. Combine the amounts from line 7, columns (A) and (B). This is your special Oregon medical subtraction.	8. <u>\$2,122</u>	

Modifications (codes 600–652)

Schedule OR-ASC-NP filers only: Section 4

Modifications are items that further adjust your Oregon taxable income. For detailed information, see “Additions,” “Subtractions,” or “Other items” in Publication OR-17.

Step 1: Enter the code and the amount of any modifications that aren’t listed on the return. **Use each code only once.** Use a minus sign if the modification is negative.

Step 2: Enter the total on Form OR-40-N or Form OR-40-P, line 41.

Standard credits (codes 802–815)

Schedule OR-ASC: Section 3

Schedule OR-ASC-NP: Section 5

Standard credits are nonrefundable credits that can only be claimed on the current year's tax return. Credit amounts that aren't used in the current tax year are lost. If you're also claiming carryforward or refundable credits, use your standard credits first. For detailed information, see "Standard credits" in Publication OR-17.

Schedule OR-ASC-NP filers: Some Oregon credits must be multiplied by your Oregon percentage. These prorated credits are signified by "PR" on Publication OR-CODES. To prorate a credit, multiply the credit amount by your Oregon percentage on line 35 of Form OR-40-N or Form OR-40-P before you enter it on Schedule OR-ASC-NP.

Step 1: Enter the code and the amount for each credit you're claiming with a code between 802–815. If you're using code 802 or 815 to claim credits for taxes paid to more than one other state on income that was also taxed by Oregon, enter each credit on a separate line. **Except for codes 802 and 815, use each code only once.**

Step 2: If you're claiming a credit for income taxes paid to another state, enter that state's two-letter postal abbreviation in the corresponding box. If you aren't claiming this credit, leave this box blank.

Step 3: Enter the total standard credit amount on Form OR-40, line 25; Form OR-40-N, line 50; or Form OR-40-P, line 49.

Carryforward credits (codes 835–871)

Schedule OR-ASC: Section 4

Schedule OR-ASC-NP: Section 6

Carryforward credits are nonrefundable credits for which any unused portion in the current tax year may be carried forward to the next tax year. The number of years that a credit can be carried forward varies according to the carryforward rules of that credit.

When we process your return, we'll apply your credits against your tax in the order in which they're listed on the schedule. If you're claiming more than one type of carryforward credit and the total you can use is more than your tax liability for the year, enter your credits in the order in which they expire. Start with credits that expire earlier, followed by credits that expire later. **List all credits you have available even if you can't use them this year.** See Example 4.

For detailed information, see "Carryforward credits" in Publication OR-17.

For each credit with a code between 835 and 871, you'll enter three amounts:

- **Amount from prior year:** This is the amount, if any, that was available in a prior year but wasn't used because it was more than your tax liability. See Example 3.
- **Amount awarded this year:** The amount awarded is the amount of credit that is available for you to claim for the first time in 2019. For some credits, the full amount is awarded all at once (see Example 2), but for others, only a portion is awarded each year for a number of years (see Example 5). Report only the amount of the credit that is awarded for this year.

Note for Schedule OR-ASC-NP filers: Some credits must be prorated using your Oregon percentage for the year they're awarded. Prorated credits are signified by "PR" in Publication OR-CODES. To prorate a credit, multiply this year's Oregon percentage (line 35 of Form OR-40-N or Form OR-40-P) times the amount of the credit that's available for the first time this year. Enter the result on Schedule OR-ASC-NP as the amount awarded this year.

- **Total used this year:** The amount carried forward from a prior year plus the amount awarded this year, up to your 2019 tax liability, is your total amount of credit used this year. **Note:** The total of all carryforward credits used can't be more than your 2019 tax liability. If the total is more than your tax liability, you'll need to reduce the amount of one or more credits that you're using. See Example 6. **Note:** If an annual limit applies to the amount of a credit that can be used in one year, the total used for that credit can't exceed the limit, even if the credit amount you can use is less than your tax liability for the year.

Step 1: Enter the carryforward codes in the order that you would like to claim each credit. Combine amounts if you're claiming more than one amount per credit code. **Use each code only once.**

Step 2: In the "Amount from prior year" column, enter the total amount of the credit that was available but couldn't be used in a prior year and was carried forward to tax year 2019. If no amount of the credit was carried forward to 2019, enter -0-. Don't enter amounts used in 2018; only enter unused amounts.

Step 3: In the "Amount awarded this year" column, enter the credit amount that is available for you to use for the first time in 2019. **Schedule OR-ASC-NP filers:** Follow the instructions above if a credit must be prorated.

Step 4: In the "Total used this year" column, enter the credit amount you're using this year. This amount can't be more than the combined total of the "Amount from prior year" and the "Amount awarded this year" for that credit. If 2019 isn't the last year for a carryforward to be claimed, any excess credit not used this year may be carried forward to tax year 2020.

Step 5: Add up the carryforward credits you're using this year. Enter the total on Form OR-40, line 28; Form OR-40-N, line 53; or Form OR-40-P, line 52. The total of all carryforward credits can't be more than your tax on Form OR-40, line 27; Form OR-40-N, line 52; or Form OR-40-P, line 51. If your carryforward credits total more than your tax, reduce one or more of the carryforward credits you're using this year.

Example 2. In 2019, Neil and David received a \$25,000 credit for contributing to the Child Care Fund. For 2019, their tax reported on Form OR-40-P, line 51 is \$16,500. This credit is not multiplied by the Oregon percentage. Here's how they enter their credit information on Schedule OR-ASC-NP:

Code	Amount from prior year	Amount awarded this year	Total used this year
841	\$0.00	\$25,000.00	\$16,500.00
	.00	.00	.00
	.00	.00	.00

Neil and David will carry forward \$8,500 (\$25,000–\$16,500) to tax year 2020.

Example 3. Use the same facts as Example 2, except that Neil and David also contributed to the Child Care Fund in 2018. Their 2018 credit was \$10,000. They were able to use \$3,000 and carried forward \$7,000 to 2019. Here's how they enter the information for the 2018 and 2019 credits on the same line:

Code	Amount from prior year	Amount awarded this year	Total used this year
841	\$7,000.00	\$25,000.00	\$16,500.00
	.00	.00	.00
	.00	.00	.00

When we process their return, we'll apply \$7,000 carried forward from 2018 to their tax first, and they'll carry forward \$15,500 [(\$7,000+\$25,000)–\$16,500] of their 2019 credit to tax year 2020.

Example 4. Valerie and Tony received a \$6,000 credit for contributing to a university venture development fund after moving to Oregon in 2019. This credit must be prorated using their Oregon percentage. Their 2019 Oregon percentage reported on Form OR-40-P, line 35 is 70 percent, so their amount awarded this year is \$4,200 (\$6,000 x 0.70). Their 2019 tax on Form OR-40-P, line 51 is \$0. Here's how they enter their credit information:

Code	Amount from prior year	Amount awarded this year	Total used this year
864	\$0.00	\$4,200.00	\$0.00
	.00	.00	.00
	.00	.00	.00

They enter the credit information even though they can't use it this year, and carry forward \$4,200 to tax year 2020.

Example 5. Senait installed a solar heating system for her backyard swimming pool in 2017. She was awarded a \$6,000 residential energy tax credit. The provisions of this credit limited the amount that can be used each year to \$1,500, plus any amount carried forward from the previous year. Senait was "awarded" \$1,500 for tax years 2017, 2018, 2019, and 2020. In 2017, Senait used \$500 of the credit and carried \$1,000 forward to 2018. In 2018, she used \$900 of the amount carried forward from 2017, and didn't use any of the amount awarded for 2018. She carried forward a total of \$1,600 (\$100 from 2017 plus \$1,500 from 2018) to the 2019 tax year.

Senait was also awarded a \$500 credit for making a donation to the Oregon IDA Initiative Fund in 2019.

The tax on Senait's 2019 Form OR-40, line 27, is \$3,400. Here's how she enters her credit information on Schedule OR-ASC:

Code	Amount from prior year	Amount awarded this year	Total used this year
861	\$1,600.00	\$1,500.00	\$3,100.00
852	\$0.00	\$500.00	\$300.00
	.00	.00	.00

Because Senait's tax is \$3,400, she is able to use the entire \$1,600 residential energy credit carried forward plus the \$1,500 available this year. She also uses \$300 of the \$500 credit for her donation to the Oregon IDA Initiative Fund, and carries the remaining \$200 forward to tax year 2020.

Example 6. Chad and Jolene have \$3,200 of unused child and dependent care credit originally awarded in 2015 that they've carried forward to 2019. They qualified for a \$4,000 residential energy credit in 2017, with \$1,500 awarded for 2017, \$1,500 awarded for 2018, and the remaining \$1,000 awarded for 2019.

Both types of credits may be carried forward for five years after the year they were first awarded. The child and dependent care credit carryforward expires in 2020. Any residential energy credit carryforwards expire in 2022, 2023, and 2024, respectively. In 2017, Chad and Jolene used \$400 of the \$1,500 residential energy credit awarded that year, with \$1,100 carried forward to 2018. In 2018, they used another \$700 of their 2017 credit, with the remaining \$400 carried forward to 2019 along with the \$1,500 awarded for 2018.

Chad and Jolene moved out of Oregon in 2019, and are filing Form OR-40-P. Their 2019 Oregon percentage on line 35 of their return is 80 percent, and their tax on line 51 is \$4,500.

Because it expires soonest, Chad and Jolene use all \$3,200 of their child and dependent care credit carryforward first. After that, they'll use \$1,300 of their residential energy credit. Their prior-year amount is \$1,900 (\$400 from 2017 plus \$1,500 from 2018). The \$400 carried forward from 2017 will be used first, followed by \$900 carried forward from 2018. Here's how they enter their information on Schedule OR-ASC-NP:

Code	Amount from prior year	Amount awarded this year	Total used this year
840	\$3,200.00	\$0.00	\$3,200.00
861	\$1,900.00	\$1,500.00	\$1,300.00
	.00	.00	.00

The remaining \$600 (\$1,500 – \$900) of the residential energy credit awarded for 2018 will be carried forward, to be used no later than tax year 2023. The \$1,000 credit awarded for 2019 must be prorated using their 2019 Oregon percentage. They’ll carry \$800 ($\$1,000 \times 0.80$) of their 2019 credit forward, to be used no later than tax year 2024.

Refundable credits (codes 890–895)

Schedule OR-ASC: Section 5

Schedule OR-ASC-NP: Section 7

Like standard credits, refundable credits can be claimed only on the current year’s tax return, but any amount that is more than your tax will be refunded to you. For detailed information about other refundable credits, see “Refundable credits” in Publication OR-17.

Note for Schedule OR-ASC-NP filers: Some Oregon credits must be multiplied by your Oregon percentage. Prorated credits are signified by “PR” in Publication OR-CODES. To prorate your credit, multiply the credit amount by your Oregon percentage. This is the amount you can claim on your Oregon return.

Step 1: For credits with a code between 890-895, enter the code and the amount you’re claiming. **Use each code only once. Note for Schedule OR-ASC-NP filers:** For prorated credits, first multiply the credit amount by your Oregon percentage (Form OR-40-N or Form OR-40-P, line 35) , then enter the prorated amount on Schedule OR-ASC-NP, section 7.

Step 2: Add up all of the refundable credits reported on the schedule. Enter the total on Form OR-40, line 35; Form OR-40-N, line 61; or Form OR-40-P, line 60.



Publication OR-CODES

**Numeric Codes for Oregon
Adjustments, Additions, Subtractions, Modifications, and Credits**

Effective for tax year 2019

Numeric codes are required when you are claiming or reporting an adjustment, addition, subtraction, modification, or credit on Schedule OR-ASC or OR-ASC-NP. If you have multiple items that use the same code, other than a credit for income taxes paid to another state, add them together and enter the total as a single item. Include Schedule OR-ASC or OR-ASC-NP when you file your return. (**Note:** For page numbers, see the item’s listing in the Publication OR-17 Index.)

Adjustments—Schedule OR-ASC-NP, Section 1 only.	OR-40	OR-40-N	OR-40-P	Code
Certain business expenses of reservists, performing artists, and fee-basis government officials—Form 1040, Schedule 1, Line 24		X	X	002
Health savings account deduction—Form 1040, Schedule 1, Line 25		X	X	003
Penalty on early withdrawal of savings—Form 1040, Schedule 1, Line 30		X	X	004
Write-in adjustments on Form 1040, Schedule 1, Line 36, or Form 1040NR, Line 34		X	X	005

Additions—Schedule OR-ASC, Section 1 or OR-ASC-NP, Section 2.	OR-40	OR-40-N	OR-40-P	Code
Claim of right income repayments	X	X	X	103
Disposition of inherited Oregon farmland or forestland	X	X	X	106
Federal election on interest and dividends of a minor child	X	X	X	107
Federal income tax refunds	X			109
Net operating loss—non-Oregon source	X	X	X	116
Oregon College & MFS 529 Savings Plan nonqualified withdrawal	X	X	X	117
Oregon deferral of reinvested capital gain	X	X	X	118
Partnership and S corporation modifications for Oregon	X	X	X	119
Business credit—unused	X	X	X	122
Federal subsidies for employer prescription drug plans	X	X	X	123
Federal law disconnect	X	X	X	131
Accumulation distribution from certain domestic trusts	X	X	X	132
Fiduciary adjustment from Oregon estates and trusts	X	X	X	133
Gambling losses claimed as an itemized deduction	X			134
Individual development account nonqualified withdrawal	X	X	X	137
Oregon IDA Initiative Fund donation credit add back	X			138
Lump-sum distribution from a qualified retirement plan	X	X	X	139
Passive foreign investment company income	X	X	X	140
Child Care Fund contributions	X			142
Oregon Production Investment Fund contributions	X			144
University Venture Development Fund contributions	X			146
Income taxes paid to another state by a pass-through entity	X	X	X	148
Basis of business assets transferred to Oregon	X	X	X	150
Depletion in excess of property basis	X	X	X	151
Depreciation difference for Oregon	X	X	X	152
Federal depreciation disconnect	X	X	X	153
Gain or loss on sale of depreciable property with different basis for Oregon	X	X	X	154
Passive activity losses	X	X	X	155

Additions—Schedule OR-ASC, Section 1 or OR-ASC-NP, Section 2. (Continued from page 1)	OR-40	OR-40-N	OR-40-P	Code
Suspended losses	X	X	X	156
Federal estate tax on income in respect of a decedent	X			157
Interest on state and local government bonds outside of Oregon	X	X	X	158
Federal subtraction for retirement savings rollover from individual development account	X	X	X	159
Charitable donations not allowed for Oregon	X			160
Nonresident capital loss carryovers	X	X	X	161
WFHDC medical expenses	X			163
ABLE account nonqualified withdrawal	X	X	X	164
College Opportunity Grant contributions	X			165

Subtractions—Schedule OR-ASC, Section 2 or OR-ASC-NP, Section 3.	OR-40	OR-40-N	OR-40-P	Code
American Indian	X	X	X	300
Artist's charitable contribution	X			301
Construction worker and logger commuting expenses	X	X	X	303
Federal gain previously taxed by Oregon	X	X	X	306
Federal pension income	X	X	X	307
Tuition and fees	X	X	X	308
Federal income tax from a prior year	X			309
Fiduciary adjustments from Oregon estates and trusts	X	X	X	310
Foreign tax	X			311
Individual development account contributions	X	X	X	314
Interest and dividends on U.S. bonds and notes	X	X	X	315
Land donation to educational institutions	X	X	X	316
Interest from state and local government bonds	X	X	X	317
Military active duty pay	X	X	X	319
Mortgage interest credit	X			320
Net operating loss for Oregon	X	X	X	321
Oregon lottery winnings	X	X	X	322
Partnership and S corporation modifications for Oregon	X	X	X	323
Oregon College & MFS 529 Savings Plan deposit	X	X	X	324
Oregon income tax refund		X	X	325
Previously taxed employee retirement plans	X	X	X	327
Public Safety Memorial Fund award	X	X	X	329
Railroad Retirement Board benefits: tier 2, windfall/vested dual, supplemental, and railroad unemployment benefits	X	X	X	330
U.S. government interest in IRA or Keogh distributions	X	X	X	331
Scholarship awards used for housing expenses	X	X	X	333
Legislative Assembly salary and expenses	X	X	X	335
Film production labor rebate—Greenlight Oregon Labor Rebate Fund	X	X	X	336
Mobile home park capital gain	X	X	X	338
Capital Construction Fund (CCF) contributions	X	X	X	339
Federal business and health coverage credits	X	X	X	340
Income on a composite return		X	X	341
Oregon Investment Advantage	X	X	X	342
Mobile home tenant payment	X	X	X	344

Subtractions—Schedule OR-ASC, Section 2 or OR-ASC-NP, Section 3. (Continued from page 2)	OR-40	OR-40-N	OR-40-P	Code
Taxable benefits for former RDPs	X	X	X	347
Previously taxed IRA conversions	X	X	X	348
Special Oregon medical	X	X	X	351
DISC dividend payments	X	X	X	352
Depreciation difference for Oregon	X	X	X	354
Gain or loss on sale of depreciable property with different basis for Oregon	X	X	X	355
Passive activity losses	X	X	X	356
Suspended losses	X	X	X	357
Basis of business assets transferred to Oregon	x	X	X	358
Marijuana business expenses not allowed on the federal return	X	X	X	359
ABLE account deposit	X	X	X	360
First-time home buyer savings account contributions and earnings	X	X	X	361

Modifications—Schedule OR-ASC-NP, Section 4 only.	OR-40	OR-40-N	OR-40-P	Code
Artist's charitable contribution			X	600
Federal income tax refunds +		X	X	601
Federal tax from a prior year		X	X	602
Foreign tax		X	X	603
Gambling losses claimed as an itemized deduction +		X	X	604
Federal estate tax on income in respect of a decedent +		X	X	605
Federal mortgage interest credit		X	X	607
Federal business and health coverage credits		X	X	609
Child Care Fund contributions +		X	X	642
Oregon Production Investment Fund contributions +		X	X	644
University Venture Development Fund contributions +		X	X	646
Oregon IDA Initiative Fund donation credit add back +		X	X	648
Claim of right income repayment +		X	X	649
Charitable donations not allowed for Oregon +		X	X	650
WFHDC medical expenses +		X	X	651
College Opportunity Grant contributions +		X	X	652

+ Must be entered as a negative number.

Standard credits—Schedule OR-ASC, Section 3 or OR-ASC-NP, Section 5.	OR-40	OR-40-N	OR-40-P	Code
Income taxes paid to another state	X	X	X	802
Mutually-taxed gain on the sale of residential property	X	X	X	806
Oregon Cultural Trust contributions	X	PR	PR	807
Oregon Veterans' Home physicians	X	PR	PR	808
Political contributions		X	X	809
Reservation enterprise zone	X	PR	PR	810
Retirement income	X	X	X	811
Rural emergency medical technicians	X	PR	PR	812
Rural health practitioners	X	PR	PR	813
Pass-through income taxes paid to another state	X	X	X	815

Carryforward credits—Schedule OR-ASC, Section 4 or OR-ASC-NP, Section 6.	OR-40	OR-40-N	OR-40-P	Code
Agriculture workforce housing	X	PR	PR	835
Biomass production/collection carryforward	X	PR	PR	838
Business energy carryforward	X	X	X	839
Child and dependent care carryforward	X	PR	PR	840
Child Care Fund contributions	X	X	X	841
Crop donation	X	PR	PR	843
Electronic commerce zone investment	X	PR	PR	845
Employer-provided dependent care assistance carryforward	X	X	PR	846
Employer scholarship	X	PR	PR	847
Energy conservation projects	X	X	X	849
Fish screening devices	X	PR	PR	850
Oregon IDA Initiative Fund donation	X	X	X	852
Oregon Low Income Community Jobs Initiative/New Markets	X	X	X	855
Oregon Production Investment Fund contributions	X	X	X	856
Pollution control facilities carryforward	X	X	X	857
Renewable Energy Development Fund contributions carryforward	X	X	X	859
Renewable energy resource equipment manufacturing facility carryforward	X	X	X	860
Residential energy	X	PR	PR	861
Transportation projects	X	X	X	863
University Venture Development Fund contributions	X	PR	PR	864
Reforestation of underproductive forestlands	X	X	X	867
Rural technology workforce development	X	PR	PR	868
Bovine manure production/collection	X	PR	PR	869
College Opportunity Grant contributions	X	X	X	871

Carryforward credits available only to S corporation shareholders.				
Agriculture workforce housing loans (S corporation)	X	X	X	836
Alternative qualified research activities carryforward (S corporation)	X	X	X	837
Lender's credit: affordable housing (S corporation)	X	X	X	854
Lender's credit: energy conservation carryforward (S corporation)	X	X	X	848
Long-term enterprise zone facilities carryforward (S corporation)	X	X	X	853
Qualified research activities carryforward (S corporation)	X	X	X	858

Refundable credits—Schedule OR-ASC, Section 5 or OR-ASC-NP, Section 7.	OR-40	OR-40-N	OR-40-P	Code
Claim of right	X	PR	PR	890
Mobile home park closure	X	X	X	891
Working family household and dependent care (WFHDC)	X	PR	PR	895

PR indicates a credit that must be prorated.