

2017 Schedule OR-ASC-NP



Office use only

Oregon Adjustments for Form OR-40-N and Form OR-40-P Filers

Submit original form—do not submit photocopy.

First name and initial	Last name	Social Security number (SSN) — —
Spouse's first name and initial	Spouse's last name	Spouse's SSN — —

Use Schedule OR-ASC-NP to claim any of the following items that aren't included on Form OR-40-N or Form OR-40-P:

- Adjustments. • Modifications. • Carryforward credits.
- Additions. • Standard credits. • Refundable credits.
- Subtractions.

Identify the code you're claiming and enter the information requested in the corresponding section.

For more information, refer to the instructions beginning on page 3.

Section 1: Adjustments (codes 002–006)

Code	Amount in <i>federal</i> column	Amount in <i>Oregon</i> column
1a. <input style="width: 40px; height: 20px;" type="text"/>	1b. <input style="width: 100px; height: 20px;" type="text"/> .00	1c. <input style="width: 100px; height: 20px;" type="text"/> .00
1d. <input style="width: 40px; height: 20px;" type="text"/>	1e. <input style="width: 100px; height: 20px;" type="text"/> .00	1f. <input style="width: 100px; height: 20px;" type="text"/> .00
1g. <input style="width: 40px; height: 20px;" type="text"/>	1h. <input style="width: 100px; height: 20px;" type="text"/> .00	1i. <input style="width: 100px; height: 20px;" type="text"/> .00
1j. <input style="width: 40px; height: 20px;" type="text"/>	1k. <input style="width: 100px; height: 20px;" type="text"/> .00	1l. <input style="width: 100px; height: 20px;" type="text"/> .00
1m. <input style="width: 40px; height: 20px;" type="text"/>	1n. <input style="width: 100px; height: 20px;" type="text"/> .00	1o. <input style="width: 100px; height: 20px;" type="text"/> .00
	.00	27S. <input style="width: 100px; height: 20px;" type="text"/> .00

Enter total on Form OR-40-N or OR-40-P, line 27F

Section 2: Additions (codes 102–164)

Code	Amount in <i>federal</i> column	Amount in <i>Oregon</i> column
2a. <input style="width: 40px; height: 20px;" type="text"/>	2b. <input style="width: 100px; height: 20px;" type="text"/> .00	2c. <input style="width: 100px; height: 20px;" type="text"/> .00
2d. <input style="width: 40px; height: 20px;" type="text"/>	2e. <input style="width: 100px; height: 20px;" type="text"/> .00	2f. <input style="width: 100px; height: 20px;" type="text"/> .00
2g. <input style="width: 40px; height: 20px;" type="text"/>	2h. <input style="width: 100px; height: 20px;" type="text"/> .00	2i. <input style="width: 100px; height: 20px;" type="text"/> .00
2j. <input style="width: 40px; height: 20px;" type="text"/>	2k. <input style="width: 100px; height: 20px;" type="text"/> .00	2l. <input style="width: 100px; height: 20px;" type="text"/> .00
2m. <input style="width: 40px; height: 20px;" type="text"/>	2n. <input style="width: 100px; height: 20px;" type="text"/> .00	2o. <input style="width: 100px; height: 20px;" type="text"/> .00
	.00	30S. <input style="width: 100px; height: 20px;" type="text"/> .00

Enter total on Form OR-40-N or OR-40-P, line 30F

Section 3: Subtractions (codes 300–360)

Code	Amount in <i>federal</i> column	Amount in <i>Oregon</i> column
3a. <input style="width: 40px; height: 20px;" type="text"/>	3b. <input style="width: 100px; height: 20px;" type="text"/> .00	3c. <input style="width: 100px; height: 20px;" type="text"/> .00
3d. <input style="width: 40px; height: 20px;" type="text"/>	3e. <input style="width: 100px; height: 20px;" type="text"/> .00	3f. <input style="width: 100px; height: 20px;" type="text"/> .00
3g. <input style="width: 40px; height: 20px;" type="text"/>	3h. <input style="width: 100px; height: 20px;" type="text"/> .00	3i. <input style="width: 100px; height: 20px;" type="text"/> .00
3j. <input style="width: 40px; height: 20px;" type="text"/>	3k. <input style="width: 100px; height: 20px;" type="text"/> .00	3l. <input style="width: 100px; height: 20px;" type="text"/> .00
3m. <input style="width: 40px; height: 20px;" type="text"/>	3n. <input style="width: 100px; height: 20px;" type="text"/> .00	3o. <input style="width: 100px; height: 20px;" type="text"/> .00
	.00	33S. <input style="width: 100px; height: 20px;" type="text"/> .00

Enter total on Form OR-40-N or OR-40-P, line 33F

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Name	SSN - -
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Section 4: Modifications (codes 600–651)

	<i>Code</i>		<i>Amount</i>
4a.	<input style="width: 100%;" type="text"/>	4b.	.00
4c.	<input style="width: 100%;" type="text"/>	4d.	.00
4e.	<input style="width: 100%;" type="text"/>	4f.	.00
4g.	<input style="width: 100%;" type="text"/>	4h.	.00
4i.	<input style="width: 100%;" type="text"/>	4j.	.00
			.00

Enter total
on Form OR-40-N or
OR-40-P, line 43

Section 5: Standard credits (codes 802–815)

	<i>Code</i>		<i>Amount</i>		
5a.	<input style="width: 100%;" type="text"/>	5b.	.00	5c.	<input style="width: 100%;" type="text"/>
5d.	<input style="width: 100%;" type="text"/>	5e.	.00	5f.	<input style="width: 100%;" type="text"/>
5g.	<input style="width: 100%;" type="text"/>	5h.	.00	5i.	<input style="width: 100%;" type="text"/>
5j.	<input style="width: 100%;" type="text"/>	5k.	.00	5l.	<input style="width: 100%;" type="text"/>
5m.	<input style="width: 100%;" type="text"/>	5n.	.00	5o.	<input style="width: 100%;" type="text"/>
			.00		

Enter total
on Form OR-40-N, line 52;
or OR-40-P, line 51

State abbreviation
(if claiming code 802 or 815)

Section 6: Carryforward credits (codes 835–868)

	<i>Code</i>	<i>Amount from prior year</i>	<i>Amount awarded this year</i>	<i>Total used this year</i>			
6a.	<input style="width: 100%;" type="text"/>	6b.	.00	6c.	.00	6d.	.00
6e.	<input style="width: 100%;" type="text"/>	6f.	.00	6g.	.00	6h.	.00
6i.	<input style="width: 100%;" type="text"/>	6j.	.00	6k.	.00	6l.	.00
6m.	<input style="width: 100%;" type="text"/>	6n.	.00	6o.	.00	6p.	.00
6q.	<input style="width: 100%;" type="text"/>	6r.	.00	6s.	.00	6t.	.00
							.00

Enter total
on Form OR-40-N, line 55; or
OR-40-P, line 54

Section 7: Refundable credits (codes 890–895)

	<i>Code</i>		<i>Amount</i>
7a.	<input style="width: 100%;" type="text"/>	7b.	.00
7c.	<input style="width: 100%;" type="text"/>	7d.	.00
7e.	<input style="width: 100%;" type="text"/>	7f.	.00
			.00

Enter total
on Form OR-40-N, line
63; or OR-40-P, line 62

New information

Forms and schedules. 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. Please read each form and publication carefully as other items may have changed. For more information, visit us at www.oregon.gov/dor.

Additions

- **ABLE (Achieving a Better Life Experience) accounts addition requirement.** Oregon requires an addition if contributions made to an ABLE account for the benefit of a person with a disability were subtracted from taxable income in an earlier year and withdrawn in a later year for an unqualified purpose. For more information about this addition, see Publication OR-17.
- **Charitable Donation add-back.** Charitable donations to organizations that fail to spend at least 30 percent of their annual functional expenses for program services are not deductible on your Oregon return. For more information, see Publication OR-17.

Subtractions

- **Special Oregon medical subtraction.** For tax year 2017, you or your spouse must be age 64 or older on December 31, 2017 to qualify for the subtraction.

Credits

- **Working family household and dependent care credit (WFHDC).** If you qualify for the WFHDC and you paid dependent care expenses in 2017 for services performed in 2016, complete Worksheet OR-WFHDC when claiming the credit. For more information see the instructions for Schedule OR-WFHDC-NP.
- **Credit for taxes paid to another state.** If you are a resident partner or shareholder who elected to be included in a pass-through entity's nonresident composite filing with another state, refer to Publication OR-17 for claiming a credit for income taxes paid to that state on your Oregon return.

Form instructions

If you have more items than will fit on a single schedule, provide the codes and amounts on additional schedules and add the total to your tax return. Include all the schedules with your Form OR-40-N or Form OR-40-P.

If you are claiming multiple items (adjustments, additions, subtractions, modifications, or credits) with the same code,

report the items together. Enter the code only once and add the claimed amounts together.

Round all cents to the nearest dollar. For example, \$99.49 becomes \$99.00, and \$99.50 becomes \$100.00.

A list of the codes can be found at the end of these instructions on Publication OR-CODES.

Section 1: Adjustments (codes 002–006)

Adjustments claimed on your federal Form 1040 reduce your federal taxable income. See below for information regarding commonly claimed adjustments. For detailed information regarding these and other adjustments, refer to Publication OR-17 at www.oregon.gov/dor/forms.

- Step 1: Complete the table in Section 1 with adjustments you claimed on the 1040 that aren't listed on Form OR-40-N or Form OR-40-P. Fill in the code and both the federal and Oregon amount reported for each adjustment. Each code should only be listed once.

The federal and Oregon amounts may be different. The Oregon column is for the time you were in Oregon or the income that is attributable to Oregon. The federal column shows the amount as if you were an Oregon resident all year.

- Step 2: Fill in the total of these adjustments to federal and Oregon income. Enter these totals on Form OR-40-N or Form OR-40-P, lines 27F and 27S.

Domestic production activities deduction from Form 1040, line 35 [code 006]. If you claimed a domestic production activities deduction on your federal return, you will have an addition on your Oregon return. Oregon does not allow this deduction. See Publication OR-17 for more information.

Section 2: Additions (codes 102–164)

Additions are items the federal government doesn't tax but Oregon does. For detailed information regarding additions, refer to Publication OR-17.

- Step 1: Complete the table in Section 2 with the code, the federal amount, and the Oregon amount reported for each addition. The federal and Oregon amount may be different. Each code should only be listed once.

- Step 2: Fill in the total of all additions to federal and Oregon income. Enter these totals on Form OR-40-N or Form OR-40-P, lines 30F and 30S.

Achieving a Better Life Experience (ABLE) Account [code 164]. If you withdrew funds from an Oregon ABLE account for a purpose other than paying for qualified disability expenses and the funds were previously subtracted on your

Oregon return, you must report an addition. Qualified disability expenses are defined in Section 529A of the Internal Revenue Code. For more information about Oregon ABLE accounts, see Publication OR-17.

Section 3: Subtractions (codes 300–360)

Subtractions are items the federal government taxes but Oregon doesn't. See below for information regarding commonly claimed subtractions. For detailed information regarding these and other subtractions, refer to Publication OR-17.

Step 1: Complete the table in Section 3 with the code and the federal and Oregon amounts reported for each subtraction that isn't listed on the return. The federal and Oregon amount may be different. You can't subtract something in the Oregon column unless it is included in your Oregon income. Generally, the subtraction in the Oregon column will be less than or equal to the subtraction in the federal column. Each code should only be listed once.

Step 2: Fill in the total of all subtractions to federal and Oregon income. Enter these totals on 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 2017 federal income. This includes retirement benefits paid to the retiree or the 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.
- **If your service or points occurred both before and after October 1, 1991,** you will 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 the 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-NP.

Use the following worksheet to determine your subtraction amount for each column:

Federal column

1. Federal pension included in 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. Enter the percentage here. 2. _____
3. Multiply line 1 by line 2. Enter here and in the federal column of section 3, using code 307. 3. _____

Oregon column

4. Federal pension included in the Oregon column, Form OR-40-N or Form OR-40-P, line 16S. 4. _____
5. 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]. *Note: This deduction was expired at the time this publication was printed. If Congress didn't reinstate this deduction, you aren't allowed a tuition and fees deduction for Oregon.* Did you claim the American Opportunity or Lifetime Learning credit on your federal return? If so, you weren't allowed a federal tuition and fees deduction because you claimed the federal credit. Because Oregon does not have credits similar to the American Opportunity or Lifetime Learning credits, you can subtract the federal tuition and fees deduction on your Oregon return up to the amount you would have been allowed on your federal return. You can claim the lesser of the federal limit (\$4,000 or \$2,000, depending on your income) or your actual expenses. You can't claim the deduction if:

- You file married filing separately;
- You can be claimed as a dependent by another person;
- Your federal modified adjusted gross income is more than \$80,000 (\$160,000 if married filing jointly); or
- You already subtracted these expenses as a tuition and fees deduction on line 34 of your federal return.

Federal column. In section 3 of Schedule OR-ASC-NP, enter the amount of the federal 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 non-resident, calculate your subtraction using the following formula:

$$\frac{\text{Oregon source income while a nonresident}}{\text{Total income while a nonresident}} \times \frac{\text{Qualified tuition and fees paid while a nonresident}}{\text{Total income while a nonresident}} = \text{Nonresident deduction}$$

Add the amount of qualified education expenses you paid while an Oregon resident. Enter the smaller of the results or the amount you would have deducted on your federal return, but no more than \$4,000.

Oregon income tax refund [code 325]. This subtraction is for Oregon state income tax refunds only. Do not include other local, county, or other states' tax refunds.

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

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

Special Oregon medical subtraction [code 351]. If you or your spouse were age 64 or older on December 31, 2017 and have qualifying medical and/or dental expenses, you may qualify for the special Oregon medical subtraction. See the 2017 IRS Publication 502 for types of qualifying medical and dental expenses. You cannot subtract medical and dental expenses:

- For anyone under age 64;
- For dependents, regardless of their age; or
- That have already been deducted on your return.

You may not claim a subtraction if your federal adjusted gross income exceeds \$200,000 (\$100,000 for those who file single or married filing separately). Use the worksheet on page 6 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 would split the expenses in half, or \$2,000 each. For more information and examples on how to split shared expenses, refer to Publication OR-17.

Special Oregon medical subtraction worksheet instructions

For worksheet lines 1 through 7, complete column A for yourself first and then column B for your spouse using the following instructions.

Line 1: Medical and dental expenses for each taxpayer—If you were age 64 or older on December 31, 2017, enter your total qualifying medical and dental expenses. See “Shared expenses” for information about splitting expenses, such as insurance premiums. If your medical expenses were not included in your itemized deductions (federal Schedule A, line 1) or you didn’t itemize your deductions, skip lines 2–4, enter the amount from line 1 on line 5, and go to line 6. If you don’t have qualifying expenses or were not age 64 or older on December 31, 2017—**stop**—you don’t qualify for the subtraction. Complete column B for your spouse to see if you can still qualify for the subtraction based on their expenses.

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

Line 3: Divide line 1 by line 2 and round to three decimal places. For example: 0.7308 is rounded to 0.731.

Line 4: Enter the lesser of the medical and dental expenses claimed on line 1 of your Schedule A or the amount claimed on line 3 of your Schedule A.

Line 5: Multiply line 3 and 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 adjusted gross income from the table on page 6. Don’t enter more than \$1,800.

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

Line 8: Add the amounts from line 7 column (A) and column (B). This is your special Oregon medical subtraction. Enter this amount in both the federal and Oregon column of 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 (Schedule A, line 1).	2. _____	2. _____
3. Divide line 1 by line 2 and round to three decimal places.	3. _____	3. _____
4. Enter the lesser of the expenses claimed on line 1 of your Schedule A, or the amount on line 3 of your Schedule A.	4. _____	4. _____
5. Multiply line 3 by line 4 and round to whole dollars.	5. _____	5. _____
6. Maximum allowable medical subtraction from the table on the next page.	6. _____	6. _____
7. Enter the lesser of line 5 or line 6.	7. _____	7. _____

8. Add line 7, columns (A) and (B), and enter the total. This is your special Oregon medical subtraction. Enter this amount in both the federal and Oregon columns of Section 3.

4. Enter the lesser of the expenses claimed on line 1 of your Schedule A, or the amount on line 3 of your Schedule A. 4. \$5,500 4. \$5,500

5. Multiply line 3 by line 4 and round to whole dollars. 5. \$3,377 5. \$963

6. Maximum allowable medical subtraction from the table. 6. \$1,400 6. \$1,400

7. Enter the lesser of line 5 or line 6. 7. \$1,400 7. \$963

8. Add line 7, columns (A) and (B), and enter the total. This is your special Oregon medical subtraction. Enter this amount in both the federal and Oregon columns of Section 3. 8. \$2,363

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

Example 1: Jerry and Claudia were ages 65 and 64 on December 31, 2017. They are filing a joint nonresident return with a federal adjusted gross income of \$55,000 and Oregon source income of \$40,000. They are itemizing deductions for Oregon. In 2017, they paid \$5,700 in medical expenses that they claimed on Schedule A. Of that, \$3,500 was for Jerry's expenses, \$1,000 for Claudia's expenses, and \$1,200 for Claudia's mother, who 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 would 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 (Schedule A, line 1).	2. <u>\$5,700</u>	2. <u>\$5,700</u>
3. Divide line 1 by line 2 and round to three decimal places.	3. <u>0.614</u>	3. <u>0.175</u>

Section 4: Modifications (codes 600–651)

Modifications are items that further adjust your Oregon taxable income. For detailed information regarding modifications, refer to Publication OR-17.

Did you itemize deductions on your federal return because your federal adjusted gross income exceeded the threshold amount? If so, you may need to complete a worksheet to determine the correct addition amount for itemized deduction add backs for Oregon credits. The itemized deduction limit worksheet is available in Publication OR-17.

Step 1: Complete the table in Section 4 with modifications you're claiming that aren't listed on the return. Fill in the code and amount claimed for each modification. Modifications that are additions to income are reported by clearly placing a minus sign in front of the amount. Each code should only be listed once.

Step 2: Fill in the total of all modifications. Enter this number on Form OR-40-N or Form OR-40-P, line 43.

Section 5: Standard credits (codes 802–815)

Standard credits are nonrefundable credits that can only be claimed on the current year's tax return. Credit amounts awarded and not used in the current tax year will be lost. If you have both standard credits and carryforward credits, standard credits are used first. For detailed information regarding standard credits, refer to Publication OR-17.

Some Oregon credits must be multiplied by your Oregon percentage. These credits are signified with a "PR" on Publication OR-CODES. This means you need to multiply

your total credit by your Oregon percentage, line 35, to figure the amount you can claim on your Oregon return.

Step 1: Complete the table in Section 5 with credits you're claiming that have a code between 802–815. Fill in the code and the amount being claimed for each credit. Each code should only be listed once (unless you are claiming code 802 or 815 for credit for taxes paid to another state, for multiple states. These can be listed on separate lines). For prorated credits, first multiply the credit amount by the Oregon percentage (Form OR-40-N or Form OR-40-P, line 35) before filling in the amount.

Step 2: If you're claiming a credit for income taxes paid to another state on income that was also taxed by Oregon, use code 802 or 815 and enter that state's abbreviation in the corresponding box. If you aren't claiming this credit, leave this box blank.

Step 3: Fill in the total of all standard credits. Enter this amount on Form OR-40-N, line 52; or Form OR-40-P, line 51.

Section 6: Carryforward credits (codes 835–868)

Carryforward credits are nonrefundable credits for which any unused portion in the current tax year may be carried forward to the following tax year. The number of years that a credit can be carried forward varies according to the carryforward rules of that credit. For detailed information regarding carryforward credits, refer to Publication OR-17.

Some Oregon credits must be multiplied by your Oregon percentage. These prorated credits are signified with a "PR" in Publication OR-CODES. This means you need to multiply your total credit amount awarded this year by your Oregon percentage, Form OR-40-N or Form OR-40-P, line 35, to figure the amount you can claim on your Oregon return.

Step 1: Complete the table in section 6 for credits you're claiming that have a code between 835–868. Fill in the carryforward codes in the order that you would like to claim the credits (usually this will be by listing the credits with earlier carryforward expirations first).

If you received the same credit in back-to-back years, or more than once in the same year, don't list the same code twice within the table. Instead, report these credits on the same line (see Example 3). Each code should only be listed once.

List credits that are available to you even if you are not able to use them this year (see Example 4).

Step 2: Fill in the total amount of the credit that could not be used in 2016 that was carried forward to the current year (2017). Enter this amount into the "Amount from prior year" column, if any (see Example 3).

Step 3: Fill in the credit amount you earned in 2017, and enter it in the "Amount awarded this year" column, if any. For prorated credits, multiply the credit amount by your Oregon percentage (Form OR-40-N or Form OR-40-P, line 35) before entering it in the "amount awarded this year" column. Enter this amount, even if this is more than the amount that can be used this year.

If the total awarded amount of your credit can be claimed in one year, list the entire amount awarded (multiplied by your Oregon percentage, if applicable) in the "Amount awarded this year" column (see Example 2).

If the total awarded amount of your credit must be claimed over multiple years, list only the portion that is allowed to be claimed in tax year 2017 (multiplied by your Oregon percentage, if applicable) (see Example 5).

Step 4: Fill in the credit amount you're using this year. The "Total used this year" box can't be more than the combined total of the "Amount from prior year" and the "Amount awarded this year" boxes. This amount also can't be more than any credit limitation for that credit. Any excess credit not used in 2017 may be carried forward to the following tax year, if it doesn't expire according to the carryforward rules of the credit (see Example 6).

Step 5: Fill in the total of all carryforward credits being used. Enter this number on Form OR-40-N, line 55; or Form OR-40-P, line 54. The total of all carryforward credits can't be more than your tax reported on Form OR-40-N, line 54; or Form OR-40-P, line 53. If your carryforward credits are more than the tax reported on Form OR-40-N, line 54; or Form OR-40-P, line 53, you must reduce how much you are using on one or more of your carryforward credits. If you have more than one carryforward credit, consider using the maximum allowed on credits with earlier expirations first (see Example 6).

Example 2. In 2017, Neil and David received a \$25,000 credit for contributing to the Child Care Fund. For 2017, their tax reported on Form OR-40-N, line 54; or Form OR-40-P, line 53 is \$16,500. Here's how they will complete the table:

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 2018.

Example 3. The same as example 2, except that Neil and David also contributed to the Child Care Fund in 2016. Their 2016 credit was \$10,000. They were able to use \$3,000

and carried forward \$7,000 to 2017. Here's how they will complete the table, reporting the 2016 and 2017 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

They will carry forward \$15,500 [(\$7,000+\$25,000)-\$16,500] to tax year 2018.

Example 4. Valerie and Tony received a \$6,000 credit for contributing to the University Venture Development Fund in 2017. Their 2017 Oregon percentage reported on Form OR-40-N or Form OR-40-P line 35 is 100 percent. Their 2017 tax reported on Form OR-40-N, line 54; or Form OR-40-P, line 53 is \$0.00. Here's how they will complete the table:

Code	Amount from prior year	Amount awarded this year	Total used this year
864	\$0.00	\$6,000.00	\$0.00
	.00	.00	.00
	.00	.00	.00

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 limit the amount that can be used each year to \$1,500 (along with any amount carried forward from the previous year). Senait may use \$1,500 in 2017; \$1,500 in 2018; \$1,500 in 2019; and \$1,500 in 2020, but each year's limit must be multiplied by her Oregon percentage. Her 2017 Oregon percentage reported on Form OR-40-N or Form OR-40-P, line 35 is 80 percent. Her 2017 tax reported on Form OR-40-N, line 54; or Form OR-40-P, line 53 is \$2,000. Here's how she will complete the table:

Code	Amount from prior year	Amount awarded this year	Total used this year
861	\$0.00	\$1,200.00	\$1,200.00
	.00	.00	.00
	.00	.00	.00

The \$1500 credit amount allowed for 2017 is reduced to \$1,200 after being multiplied by the Oregon percentage ($\$1,500 \times 0.80$). Senait will report \$1,200 in the "Amount awarded this year" column. Senait is able to use the entire \$1,200 and lists this amount in the "Total used this year" column. Senait is not able to carry forward the remaining \$300 ($\$1,500 - \$1,200$) to another tax year.

Example 6: Chad and Jolene have \$3,200 of unused child and dependent care credit originally awarded in 2015 that

can be claimed in 2017. They also qualified for a 2017 residential energy credit of \$2,500, of which they may use up to \$1,500 in 2017 and \$1,000 in 2018 (multiplied by their Oregon percentage each year). Their 2017 Oregon percentage reported on Form OR-40-N or Form OR-40-P, line 35 is 100 percent. Their 2017 tax reported on Form OR-40-N, line 54; or Form OR-40-P, line 53 is \$4,500.

Both of these credits have five-year carryforward provisions. Because the child and dependent care credit carryforward expires in 2020 before the residential energy credit carryforward expires (in 2022 for the \$1,500 that can be claimed in 2017 and 2023 for the \$1,000 that can be claimed in 2018), they will use all of the \$3,200 child and dependent care credit first. Chad and Jolene will also use \$1,300 of their 2017 residential energy credit. Here's how they will complete the table:

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

Chad and Jolene are only able to use \$1,300 of the residential energy credit because their total amount used this year cannot equal more than their tax reported on Form OR-40-N, line 54; or Form OR-40-P, line 53 [$\$4,500 - (\$3,200 + \$1,300)$]. The remaining \$200 ($\$1,500 - \$1,300$) of the residential energy credit that cannot be used in 2017 will be carried forward to 2018.

Section 7: Refundable credits (codes 890–895)

Refundable credits can only be claimed on the current year's tax return; however any amount that is more than your tax will be refunded to you. For detailed information regarding refundable credits, refer to Publication OR-17.

Some Oregon credits on your return must be multiplied by your Oregon percentage. These credits are signified with a "PR" in Publication OR-CODES. This means you need to multiply your total credit by your Oregon percentage, line 35, to figure the amount you can claim on your Oregon return.

- Step 1: Complete the table in Section 7 with credits you're claiming that have a code between 890–895. Fill in the code and amount being claimed for each refundable credit. Each code should only be listed once. For prorated credits, first multiply the credit amount by the Oregon percentage (Form OR-40-N or Form OR-40-P, line 35).
- Step 2: Fill in the total of all refundable credits. Enter this amount on Form OR-40-N, line 63; or Form OR-40-P, line 62.



Publication OR-CODES

**Numeric Codes for Oregon
Adjustments, Additions, Subtractions, Modifications, and Credits**
Effective for tax year 2017

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.

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, Line 24		X	X	002
Health savings account deduction – Form 1040, Line 25		X	X	003
Penalty on early withdrawal of savings—Form 1040, Line 30		X	X	004
Any other adjustments reported on Form 1040, Line 36, or Form 1040NR, Line 35		X	X	005
Domestic production activities deduction—Form 1040, Line 35, or Form 1040NR, Line 34		X	X	006

Additions—Schedule OR-ASC, Section 1 or OR-ASC-NP, Section 2.	OR-40	OR-40-N	OR-40-P	Code
Domestic production activities deduction	X	X	X	102
Claim of right income repayments	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 529 College 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
Oregon-only Schedule A items	X			135
Refund of Oregon-only Schedule A items from a prior year	X			136
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
Renewable Energy Development Fund contributions	X			145
University Venture Development Fund contributions	X			146
Income taxes paid to another state	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

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
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
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
WFHDC medical expenses	X			163
ABLE account nonqualified withdrawal	X	X	X	164

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
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	X	X	X	321
Oregon lottery winnings	X	X	X	322
Partnership and S corporation modifications for Oregon	X	X	X	323
Oregon 529 College 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
US 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

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
Oregon Investment Advantage	X	X	X	342
Mobile home tenant payment	X	X	X	344
Taxable benefits for former RDPs	X	X	X	347
Previously-taxed IRA conversions	X	X	X	348
Discharge of indebtedness	X	X	X	350
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

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
Mortgage interest credit deduction		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
Renewable Energy Development Fund contributions +		X	X	645
University Development Venture 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

+ 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	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	X	X	X	859
Renewable energy resource equipment manufacturing facility carryforward	X	X	X	860
Residential energy	X	PR	PR	861
Transportation projects carryforward	X	X	X	863
University Venture Development Fund contributions	X	PR	PR	864
Alternative Fuel Vehicle Fund contributions carryforward	X	X	X	865
Reforestation of underproductive forestlands	X	X	X	867
Rural technology workforce development	X	PR	PR	868
Carryforward credits available only to S corporation shareholders.				
Agriculture workforce housing loans (S corporation)	X	X	X	836
Alternative qualified research activities (S corporation)	X	X	X	837
Contribution of computers or scientific equipment for research, carryforward only (S corporation)	X	X	X	842
Lender's credit: affordable housing (S corporation)	X	X	X	854
Lender's credit: energy conservation, carryforward only (S corporation)	X	X	X	848
Long-term rural enterprise zone facilities (S corporation)	X	X	X	853
Qualified research activities (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.