

2017 Schedule OR-ASC



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|-----------------|
| Office use only |
| |

Oregon Adjustments for Form OR-40 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 to claim any of the following that aren't included on Form OR-40:

- Additions.
- Subtractions.
- Standard credits.
- Carryforward credits.
- Refundable credits.

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 2.

Section 1: Additions (codes 102–164)

| | Code | | Amount |
|-----|---|-----|--|
| 1a. | <input style="width: 40px;" type="text"/> | 1b. | <input style="width: 100px;" type="text" value=".00"/> |
| 1c. | <input style="width: 40px;" type="text"/> | 1d. | <input style="width: 100px;" type="text" value=".00"/> |
| 1e. | <input style="width: 40px;" type="text"/> | 1f. | <input style="width: 100px;" type="text" value=".00"/> |
| 1g. | <input style="width: 40px;" type="text"/> | 1h. | <input style="width: 100px;" type="text" value=".00"/> |
| 1i. | <input style="width: 40px;" type="text"/> | 1j. | <input style="width: 100px;" type="text" value=".00"/> |
| | | | <input style="width: 100px;" type="text" value=".00"/> |

Enter total on Form OR-40, line 8

Section 2: Subtractions (codes 300–360)

| | Code | | Amount |
|-----|---|-----|--|
| 2a. | <input style="width: 40px;" type="text"/> | 2b. | <input style="width: 100px;" type="text" value=".00"/> |
| 2c. | <input style="width: 40px;" type="text"/> | 2d. | <input style="width: 100px;" type="text" value=".00"/> |
| 2e. | <input style="width: 40px;" type="text"/> | 2f. | <input style="width: 100px;" type="text" value=".00"/> |
| 2g. | <input style="width: 40px;" type="text"/> | 2h. | <input style="width: 100px;" type="text" value=".00"/> |
| 2i. | <input style="width: 40px;" type="text"/> | 2j. | <input style="width: 100px;" type="text" value=".00"/> |
| | | | <input style="width: 100px;" type="text" value=".00"/> |

Enter total on Form OR-40, line 13

Section 3: Standard credits (codes 802–815)

| | Code | | Amount | | Code |
|-----|---|-----|--|-----|---|
| 3a. | <input style="width: 40px;" type="text"/> | 3b. | <input style="width: 100px;" type="text" value=".00"/> | 3c. | <input style="width: 40px;" type="text"/> |
| 3d. | <input style="width: 40px;" type="text"/> | 3e. | <input style="width: 100px;" type="text" value=".00"/> | 3f. | <input style="width: 40px;" type="text"/> |
| 3g. | <input style="width: 40px;" type="text"/> | 3h. | <input style="width: 100px;" type="text" value=".00"/> | 3i. | <input style="width: 40px;" type="text"/> |
| 3j. | <input style="width: 40px;" type="text"/> | 3k. | <input style="width: 100px;" type="text" value=".00"/> | 3l. | <input style="width: 40px;" type="text"/> |
| 3m. | <input style="width: 40px;" type="text"/> | 3n. | <input style="width: 100px;" type="text" value=".00"/> | 3o. | <input style="width: 40px;" type="text"/> |
| | | | <input style="width: 100px;" type="text" value=".00"/> | | |

Enter total on Form OR-40, line 27

State abbreviation (if claiming code 802 or 815)

Section 4: Carryforward credits (codes 835–868)

| | Code | | Amount from prior year | | Amount awarded this year | | Total used this year |
|-----|---|-----|--|-----|--|-----|--|
| 4a. | <input style="width: 40px;" type="text"/> | 4b. | <input style="width: 100px;" type="text" value=".00"/> | 4c. | <input style="width: 100px;" type="text" value=".00"/> | 4d. | <input style="width: 100px;" type="text" value=".00"/> |
| 4e. | <input style="width: 40px;" type="text"/> | 4f. | <input style="width: 100px;" type="text" value=".00"/> | 4g. | <input style="width: 100px;" type="text" value=".00"/> | 4h. | <input style="width: 100px;" type="text" value=".00"/> |
| 4i. | <input style="width: 40px;" type="text"/> | 4j. | <input style="width: 100px;" type="text" value=".00"/> | 4k. | <input style="width: 100px;" type="text" value=".00"/> | 4l. | <input style="width: 100px;" type="text" value=".00"/> |
| 4m. | <input style="width: 40px;" type="text"/> | 4n. | <input style="width: 100px;" type="text" value=".00"/> | 4o. | <input style="width: 100px;" type="text" value=".00"/> | 4p. | <input style="width: 100px;" type="text" value=".00"/> |
| 4q. | <input style="width: 40px;" type="text"/> | 4r. | <input style="width: 100px;" type="text" value=".00"/> | 4s. | <input style="width: 100px;" type="text" value=".00"/> | 4t. | <input style="width: 100px;" type="text" value=".00"/> |
| | | | <input style="width: 100px;" type="text" value=".00"/> | | | | <input style="width: 100px;" type="text" value=".00"/> |

Enter total on Form OR-40, line 30

Section 5: Refundable credits (codes 890–895)

| | Code | | Amount |
|-----|---|-----|--|
| 5a. | <input style="width: 40px;" type="text"/> | 5b. | <input style="width: 100px;" type="text" value=".00"/> |
| 5c. | <input style="width: 40px;" type="text"/> | 5d. | <input style="width: 100px;" type="text" value=".00"/> |
| 5e. | <input style="width: 40px;" type="text"/> | 5f. | <input style="width: 100px;" type="text" value=".00"/> |
| | | | <input style="width: 100px;" type="text" value=".00"/> |

Enter total on Form OR-40, line 37

— You must include this schedule with your Oregon income tax return —

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.
- **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.

If you are claiming multiple items (additions, subtractions, 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: 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, at www.oregon.gov/dor/forms.

Did you limit itemized 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 1 with the code and amount reported for each addition. Each code should only be listed once.

Step 2: Fill in the total of all additions. Enter this amount on Form OR-40, line 8.

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 page 4 or Publication OR-17.

Section 2: 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 2 with the code and amount reported for each subtraction that isn't listed on the return. Each code should only be listed once.

Step 2: Fill in the total of all subtractions. Enter this amount on Form OR-40, line 13.

Federal pension income [code 307]. You may be able to subtract some or all of your taxable federal pension included in 2017 federal income. This includes 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 occur 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 the months of service or points earned before October 1, 1991, by the total months of service or points earned before October 1, 1991, by the total number of 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.

Federal pension subtraction formula:

$$\frac{\text{Months of service or points before 10/1/91}}{\text{Total months of service or points}} \times \text{Federal pension amount included in federal income} = \text{Oregon subtraction}$$

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 were not 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 AGI is more than \$80,000 (\$160,000 if filing married filing jointly); or
- You already subtracted these expenses as a tuition and fees deduction on line 34 of your federal return.

Oregon 529 College Savings Plan deposits [code 324]. You can subtract deposits made to an Oregon 529 College Savings Plan. The combined total claimed under the ABLE account deposits subtraction and the Oregon 529 College Savings Plan deposit subtraction cannot exceed \$4,660 for joint returns (\$2,330 for all other returns). If you contribute more than your limit, you can carry forward the remaining contribution not subtracted over the next four years. Rollovers from other 529 plans into an Oregon 529 plan are considered new contributions and qualify for the

subtraction as long as they were not previously included in the subtraction. Keep a copy of your account statement with your tax records. For more information, go to www.oregoncollegesavings.com or call 1 (866) 772-8464.

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 4 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 complete 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" above 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 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. 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 on the Schedule OR-ASC, section 2, using code 351.

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 below. | 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. | 8. _____ | |

| If your filing status is: | And your federal adjusted gross income from Form OR-40, line 7 is: | | Then your maximum allowable medical subtraction per taxpayer meeting the age requirement is: |
|---|--|----------------|--|
| | At least— | But less than— | |
| Married filing jointly; or Head of household; or | -0- | \$50,000 | \$1,800 |
| | \$50,000 | \$100,000 | \$1,400 |
| Qualifying widow(er) | \$100,000 | \$200,001 | \$1,000 |
| | \$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: Brennan and Maggie were ages 65 and 64 on December 31, 2017. They are filing a joint return with a federal adjusted gross income of \$55,000 and 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 Brennan's expenses, \$1,000 for Maggie's expenses, and \$1,200 for Maggie's mother who they claim as a dependent. Both Brennan's and Maggie's expenses qualify for the special Oregon medical subtraction. Since Maggie's mother is a dependent, her expenses don't qualify for the subtraction. Brennan and Maggie would determine their subtraction as follows.

Special Oregon medical subtraction worksheet

| | Column (A) Brennan | Column (B) Maggie |
|---|-----------------------|----------------------|
| 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> |
| 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. <u>\$5,500</u> | 4. <u>\$5,500</u> |
| 5. Multiply line 3 by line 4 and round to whole dollars. | 5. <u>\$3,377</u> | 5. <u>\$963</u> |

| | | |
|---|-------------------|-------------------|
| 6. Maximum allowable medical subtraction from the table. | 6. <u>\$1,400</u> | 6. <u>\$1,400</u> |
| 7. Enter the lesser of line 5 or line 6. | 7. <u>\$1,400</u> | 7. <u>\$963</u> |
| 8. Add line 7, columns (A) and (B), and enter the total. This is your special Oregon medical subtraction. | 8. <u>\$2,363</u> | |

ABLE account deposits [code 360]. You can subtract contributions made to an Oregon or contracting state's ABLE account. The combined total claimed under the Oregon 529 College Savings Plan deposit subtraction and the ABLE account deposits subtraction cannot exceed \$4,660 if you file a joint return (\$2,330 for all others). If you contribute more than your limit, you can carry forward the remaining contribution not subtracted over the next four years.

To qualify for the Oregon subtraction, contributions must be made before the designated beneficiary turns 21 years old. Rollovers qualify as a new contribution for purposes of the subtraction; however, you can't subtract any amount rolled over from an Individual Development Account. If you contribute more than your limit, you can carry forward the remaining contribution not subtracted over the next four years. Keep a copy of your account statement with your tax records. For more information, visit the ABLE National Resource Center's website at www.ablenrc.org.

Section 3: 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 carry forward credits, standard credits are used first. For detailed information regarding standard credits, refer to Publication OR-17.

- Step 1: Complete the table in Section 3 with credits you're claiming that have a code between 802–815. Fill in the code and the amount being claimed for each standard 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).
- 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, line 27.

Section 4: 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.

- Step 1: Complete the table in section 4 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. 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 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 (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, line 30. The total of all carryforward credits can't be more than your tax reported on Form OR-40, line 29. If your carryforward credits are more than the tax reported on line 29, 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 line 29 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 |
|------|------------------------|--------------------------|----------------------|
| 840 | \$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 tax reported on line 29 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 up to \$1,500 in 2017; \$1,500 in 2018; \$1,500 in 2019; and \$1,500 in 2020. Her 2017 tax reported on line 29 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 | \$1,500.00 | \$1,500.00 |
| | .00 | .00 | .00 |
| | .00 | .00 | .00 |

Even though Senait's tax reported on line 29 is \$2,000, the credit is limited to \$1,500 per year. She is only able to use \$1,500 in 2017.

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. Their 2017 tax reported on line 29 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 line 29 [\$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 used forward to 2018.

Section 5: Refundable credits (codes 890–895)

Refundable credits can only be claimed on your 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.

Step 1: Complete the table in Section 5 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.

Step 2: Fill in the total of all refundable credits. Enter this amount on Form OR-40, line 37.



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.