

**FORM FIA-40N OREGON FARM INCOME AVERAGING 2015**

First name and initial	Last name	Social Security number (SSN)	Date of birth (mm/dd/yyyy)
Spouse's first name and initial	Spouse's last name	Spouse's SSN	Spouse's date of birth (mm/dd/yyyy)

**Computation of 2015 Taxable Income**

	Federal column	Oregon column
1 Enter income after subtractions from your 2015 Oregon Form 40N, line 34.....	1a	1b
2 Enter in both columns your <b>elected farm income</b> from Oregon sources from federal Schedule J, line 2; or from Oregon Form 40N, line 18S.....	2a	2b
3 Line 1 minus line 2 in both the federal and Oregon columns.....	3a	3b
4 Recomputed Oregon percentage. Divide line 3b by line 3a (not more than 100.0%) .....	4	4
5 Multiply the allowable modifications from line 4 of the worksheet for your 2015 Oregon Form 40N, line 44, by the recomputed Oregon percentage shown above.....	5	5
6 Enter your deductions and modifications not multiplied by the Oregon percentage from 2015 Form 40N, line 45.....	6	6
7 Add lines 5 and 6.....	7	7
8 Line 3b minus line 7. Enter the result here .....	8	8
9 Figure the tax on line 8 using the 2015 Tax Rate Charts.....	9	9
10 Divide line 2b by 3.0 and enter here.....	10	10

**Prior Years' Tax**

11 Enter the amount from your 2015 Schedule Z, Computation for Tax Year 2012, Computation A, line 10; Computation B, line 8; or Computation C, line 4; whichever applies.....	11	11
12 Enter the amount from your 2015 Schedule Z, Computation for Tax Year 2013, Computation A, line 10; Computation B, line 8; or Computation C, line 4; whichever applies.....	12	12
13 Enter the amount from your 2015 Schedule Z, Computation for Tax Year 2014, Computation A, line 10; Computation B, line 8; or Computation C, line 4; whichever applies.....	13	13
14 Add lines 9, 11, 12, and 13.....	14	14

**Computation of 2015 Tax**

15 <b>2012 Tax.</b> If you used FIA to figure your tax for 2014, enter the amount from your 2014 Form FIA-40, line 12; Form FIA-40N, line 12; or Form FIA-40P, line 11. If you did not use FIA in 2014 but did for 2013, enter the amount from 2013 Form FIA-40, line 16; Form FIA-40N, line 13; or Form FIA-40P, line 12. If you did not use FIA in 2014 or 2013 but did in 2012, enter the amount from 2012 FIA-40, line 4; FIA-40N, line 9; or FIA-40P, line 8. Otherwise, enter the tax from your 2012 Form 40, line 29; Form 40N, line 51; or Form 40P, line 50.....	15	15
16 <b>2013 tax.</b> If you used FIA to figure your tax for 2014, enter the amount from your 2014 Form FIA-40, line 16; Form FIA-40N, line 13; or Form FIA-40P, line 12. If you did not use FIA in 2014 but did for 2013, enter the amount from 2013 Form FIA-40, line 4; Form FIA-40N, line 9; or Form FIA-40P, line 8. Otherwise, enter the tax from your 2013 Form 40, line 29; Form 40N, line 51; or Form 40P, line 50 .....	16	16
17 <b>2014 tax.</b> If you used FIA to figure your tax for 2014, enter the amount from your 2014 Form FIA-40, line 4; Form FIA-40N, line 9; or Form FIA-40P, line 8. Otherwise, enter the tax from your 2014 Form 40, line 29; Form 40N, line 51; or Form 40P, line 50 .....	17	17
18 Add lines 15, 16, and 17.....	18	18
19 Line 14 minus line 18.....	19	19
20 Figure the tax on the amount on your 2015 Form 40N, line 47, using the Form 40N 2015 tax rate charts and enter here.....	20	20
21 Is line 19 less than line 20? If yes, enter the amount from line 19 here and on Form 40N, line 49, and check box 49a on Form 40N. If no, <b>STOP:</b> your tax is not reduced by using FIA. Complete your Form 40N without using FIA.....	21	21

**FORM FIA-40P OREGON FARM INCOME AVERAGING 2015**

First name and initial	Last name	Social Security number (SSN)	Date of birth (mm/dd/yyyy)
Spouse's first name and initial	Spouse's last name	Spouse's SSN	Spouse's date of birth (mm/dd/yyyy)

**Computation of 2015 Taxable Income**

	Federal column	Oregon column
1 Enter income after subtractions from your 2015 Oregon Form 40P, line 34 ..... 1a	<input type="text"/>	1b <input type="text"/>
2 Enter your <b>elected farm income</b> from Oregon sources from federal Schedule J, line 2; or from Oregon Form 40P, line 18S..... 2a	<input type="text"/>	2b <input type="text"/>
3 Line 1 minus line 2 in both the federal and Oregon columns ..... 3a	<input type="text"/>	3b <input type="text"/>
4 Recomputed Oregon percentage. Divide line 3b by line 3a (not more than 100.0%) ..... 4	_____ %	
5 Enter allowable deductions and modifications from your 2015 Form 40P, line 44 ..... 5	<input type="text"/>	
6 Line 3a minus line 5. Enter the result here..... 6		<input type="text"/>
7 Figure the tax on line 6 using the 2015 Tax Rate Charts ..... 7		<input type="text"/>
8 Multiply line 7 by the recomputed Oregon percentage on line 4..... 8		<input type="text"/>
9 Divide line 2b by 3.0 and enter here ..... 9	<input type="text"/>	<input type="text"/>

**Prior Years' Tax**

10 Enter the amount from your 2015 Schedule Z, Computation for Tax Year 2012, Computation A, line 10; Computation B, line 8; or Computation C, line 4; whichever applies..... 10	<input type="text"/>	<input type="text"/>
11 Enter the amount from your 2015 Schedule Z, Computation for Tax Year 2013, Computation A, line 10; Computation B, line 8; or Computation C, line 4; whichever applies..... 11	<input type="text"/>	<input type="text"/>
12 Enter the amount from your 2015 Schedule Z, Computation for Tax Year 2014, Computation A, line 10; Computation B, line 8; or Computation C, line 4; whichever applies..... 12	<input type="text"/>	<input type="text"/>
13 Add lines 8, 10, 11, and 12..... 13	<input type="text"/>	<input type="text"/>

**Computation of 2015 Tax**

14 <b>2012 tax.</b> If you used FIA to figure your tax for 2014, enter the amount from your 2014 Form FIA-40, line 12; Form FIA-40N, line 12; or Form FIA-40P, line 11. If you did not use FIA in 2014 but did for 2013, enter the amount from 2013 Form FIA-40, line 16; Form FIA-40N, line 13; or Form FIA-40P, line 12. If you did not use FIA in 2014 or 2013 but did in 2012, enter the amount from 2012 FIA-40, line 4; FIA-40N, line 9; or FIA-40P, line 8. Otherwise, enter the tax from your 2012 Form 40, line 29; Form 40N, line 51; or Form 40P, line 50 ..... 14	<input type="text"/>	<input type="text"/>
15 <b>2013 tax.</b> If you used FIA to figure your tax for 2014, enter the amount from your 2014 Form FIA-40, line 16; Form FIA-40N, line 13; or Form FIA-40P, line 12. If you did not use FIA in 2014 but did for 2013, enter the amount from 2013 Form FIA-40, line 4; Form FIA-40N, line 9; or Form FIA-40P, line 8. Otherwise, enter the tax from your 2013 Form 40, line 29; Form 40N, line 51; or Form 40P, line 50 ..... 15	<input type="text"/>	<input type="text"/>
16 <b>2014 tax.</b> If you used FIA to figure your tax for 2014, enter the amount from your 2014 Form FIA-40, line 4; Form FIA-40N, line 9; or Form FIA-40P, line 8. Other- wise, enter the tax from your 2014 Form 40, line 29; Form 40N, line 51; or Form 40P, line 50 ..... 16	<input type="text"/>	<input type="text"/>
17 Add lines 14, 15, and 16..... 17	<input type="text"/>	<input type="text"/>
18 Line 13 minus line 17..... 18	<input type="text"/>	<input type="text"/>
19 Figure the tax on the amount on your 2015 Form 40P, line 45, using the 2015 tax rate charts from Form 40P instructions. Multiply the result by the Oregon percentage on your 2015 Form 40P, line 28, and enter here..... 19	<input type="text"/>	<input type="text"/>
20 Is line 18 less than line 19? If yes, enter the amount from line 18 here and on Form 40P, line 47, and check box 47a on Form 40P. If no, <b>STOP:</b> your tax is not reduced by using FIA. Complete your Form 40P without using FIA ..... 20	<input type="text"/>	<input type="text"/>

150-101-161 (Rev. 03-16)

**—Don't include this form with your Oregon return. Keep it with your records.—**

**COMPUTATION FOR TAX YEAR 2012**

**Computation A.** Complete if you filed **Form 40N** for tax year 2012.

1 If you used Schedule Z to figure your tax for 2014, enter the amount from your 2014 Schedule Z, Computation for Tax Year 2012, Computation A, lines 3a and 3b. If you did not use Schedule Z to figure your tax for 2014 but did for 2013, enter the amounts from your 2013 Schedule Z, Computation for Tax Year 2012, Computation A, lines 3a and 3b. If you did not income average in 2013 or 2014 but did in 2012, enter the amount from your 2012 FIA-40N, lines 3a and 3b. Otherwise, enter the amount shown on your 2012 Form 40N, lines 38f and 38s (if -0- or less, see instructions).....

	Federal column	Oregon column
1a	<input style="width:40px;" type="text"/>	<input style="width:40px;" type="text"/>
2 Enter amount from 2015 Form FIA-40, line 6; Form FIA-40N, line 10; or Form FIA-40P, line 9 .....	2a <input style="width:40px;" type="text"/>	2b <input style="width:40px;" type="text"/>
3 Add lines 1 and 2 in both the federal and Oregon columns .....	3a <input style="width:40px;" type="text"/>	3b <input style="width:40px;" type="text"/>
4 Recompute the Oregon percentage. Divide line 3b by line 3a (not more than 100.0%).....	4 _____ . ____ %	
5 Enter deductions and modifications from line 4 of the worksheet for your 2012 Oregon Form 40N, line 47 .....		5 <input style="width:40px;" type="text"/>
6 Multiply the amount on line 5 by the recomputed Oregon percentage on line 4 and enter here .....		6 <input style="width:40px;" type="text"/>
7 Enter the amount from your 2012 Oregon Form 40N, line 48 .....		7 <input style="width:40px;" type="text"/>
8 Add lines 6 and 7 .....		8 <input style="width:40px;" type="text"/>
9 Line 3b minus line 8. Enter the result here .....		9 <input style="width:40px;" type="text"/>
10 Figure the tax on line 9 using the 2012 Tax Rate Charts. Enter the amount here and on Form FIA-40, line 8; Form FIA-40N, line 11; or Form FIA-40P, line 10 .....		10 <input style="width:40px;" type="text"/>

**Computation B.** Complete if you filed **Form 40P** for tax year 2012.

1 If you used Schedule Z to figure your tax for 2014, enter the amount from your 2014 Schedule Z, Computation for Tax Year 2012, Computation B, lines 3a and 3b. If you did not use Schedule Z to figure your tax for 2014 but did for 2013, enter the amounts from your 2013 Schedule Z, Computation for Tax Year 2012, Computation B, lines 3a and 3b. If you did not income average in 2013 or 2014 but did in 2012, enter the amount from your 2012 FIA-40P, lines 3a and 3b. Otherwise, enter the amount shown on your 2012 Form 40P, lines 38f and 38s (if -0- or less, see instructions) .....

	Federal column	Oregon column
1a	<input style="width:40px;" type="text"/>	<input style="width:40px;" type="text"/>
2 Enter amount from 2015 Form FIA-40, line 6; Form FIA-40N, line 10; or Form FIA-40P, line 9 .....	2a <input style="width:40px;" type="text"/>	2b <input style="width:40px;" type="text"/>
3 Add lines 1 and 2 in both the federal and Oregon columns .....	3a <input style="width:40px;" type="text"/>	3b <input style="width:40px;" type="text"/>
4 Recompute the Oregon percentage. Divide line 3b by line 3a (not more than 100.0%).....	4 _____ . ____ %	
5 Enter the amount from your 2012 Oregon Form 40P, line 48 .....	5 <input style="width:40px;" type="text"/>	
6 Line 3a minus line 5. Enter the result here.....		6 <input style="width:40px;" type="text"/>
7 Figure the tax on line 6 using the 2012 Tax Rate Charts .....		7 <input style="width:40px;" type="text"/>
8 Multiply line 7 by the Oregon percentage on line 4. Enter the amount here and on Form FIA-40, line 8; Form FIA-40N, line 11; or Form FIA-40P, line 10 .....		8 <input style="width:40px;" type="text"/>

**Computation C.** Complete if you filed **Form 40** for tax year 2012.

1 If you used Form FIA-40 to figure your tax for 2014, enter the amount from your 2014 Form FIA-40, line 11. If you used Schedule Z to figure your tax for 2014, enter the amount from the 2014 Schedule Z, Computation for Tax Year 2012, Computation C, line 3. If you did not use Form FIA-40 for tax year 2014 but did for 2013, enter the amount from 2013 Form FIA-40, line 15. If you used Schedule Z to figure your tax, enter the amounts from your 2013 Schedule Z, Computation for Tax Year 2012, Computation C, line 3. If you did not use Form FIA-40 to figure your tax in 2014 or 2013 but did in 2012, enter the amount from your 2012 Form FIA-40, line 3. Otherwise, enter the amount shown on your 2012 Form 40, line 28; (if -0- or less, see instructions) .....

	Oregon column
1	<input style="width:40px;" type="text"/>

**COMPUTATION FOR TAX YEAR 2012** (continued)

**Computation C** (continued)

2	Enter amount from 2015 Form FIA-40, line 6; Form FIA-40N, line 10; or Form FIA-40P, line 9 .....	2	Oregon column	
3	Add lines 1 and 2 .....	3		
4	Figure the tax on line 3 using the 2012 Tax Tables or Tax Rate Charts. Enter the amount here and on Form FIA-40, line 8; Form FIA-40N, line 11; or Form FIA-40P, line 10 .....	4		

**COMPUTATION FOR TAX YEAR 2013**

**Computation A.** Complete if you filed **Form 40N** for tax year 2013.

1	If you used Schedule Z to figure your tax for 2014 enter the amounts from your 2014 Schedule Z, Computation for Tax Year 2013, Computation A, lines 3a and 3b. If you did not income average for 2014 but did in 2013 enter the amount from your 2013 Form FIA-40N, line 3a and 3b. Otherwise, enter the amount shown on your 2013 Form 40N, lines 38F and 38S (if -0- or less, see instructions).....	1a	Federal column		1b	Oregon column
2	Enter amount from 2015 Form FIA-40, line 6; Form FIA-40N, line 10; or Form FIA-40P, line 9.....	2a			2b	
3	Add lines 1 and 2 in both the federal and Oregon columns .....	3a			3b	
4	Recompute the Oregon percentage. Divide line 3b by line 3a (not more than 100.0%).....	4	_____ . ____%			
5	Enter deductions and modifications from line 4 of the worksheet for your 2013 Oregon Form 40N, line 47 .....	5				
6	Multiply the amount on line 5 by the recomputed Oregon percentage on line 4 .....	6				
7	Enter the amount from your 2013 Oregon Form 40N, line 48 .....	7				
8	Add lines 6 and 7 .....	8				
9	Line 3b minus line 8. Enter the result here .....	9				
10	Figure the tax on line 9 using the 2013 Tax Tables or Tax Rate Charts. Enter the amount here and on Form FIA-40, line 12; Form FIA-40N, line 12; or Form FIA-40P, line 11.....	10				

**Computation B.** Complete if you filed **Form 40P** for tax year 2013.

1	If you used Schedule Z to figure your tax for 2014 enter the amounts from your 2014 Schedule Z, Computation for Tax Year 2013, Computation B, lines 3a and 3b. If you did not income average for 2014 but did in 2013 enter the amount from your 2013 Form FIA-40P, lines 3a and 3b. Otherwise, enter the amount shown on your 2013 Form 40P, lines 38F and 38S (if -0- or less, see instructions) .....	1a	Federal column		1b	Oregon column
2	Enter amount from 2015 Form FIA-40, line 6; Form FIA-40N, line 10; or Form FIA-40P, line 9 .....	2a			2b	
3	Add lines 1 and 2 in both the federal and Oregon columns .....	3a			3b	
4	Recompute the Oregon percentage. Divide line 3b by line 3a (not more than 100.0%).....	4	_____ . ____%			
5	Enter the amount from your 2013 Oregon Form 40P, line 47 .....	5				
6	Line 3a minus line 5. Enter the result here .....	6				
7	Figure the tax on line 6 using the 2013 Tax Tables or Tax Rate Charts .....	7				
8	Multiply line 7 by the Oregon percentage on line 4. Enter the amount here and on Form FIA-40, line 12; Form FIA-40N, line 12; or Form FIA-40P, line 11 .....	8				

**Computation C.** Complete if you filed **Form 40** for tax year 2013.

1	If you used Form FIA-40 to figure your tax for 2014, enter the amount from 2014 Form FIA-40, line 15. If you used Schedule Z to figure your tax for 2014 enter the amounts from your 2014 Schedule Z, Computation for Tax Year 2013, Computation C, line 3. If you used Form FIA-40 for tax year 2013 but not for 2014, enter the amount from 2013 Form FIA-40, line 3. Otherwise, enter the amount shown on your 2013 Form 40, line 28, (if -0- or less, see instructions) .....	1	Oregon column	
2	Enter amount from 2015 Form FIA-40, line 6; Form FIA-40N, line 10; or Form FIA-40P, line 9 .....	2		
3	Add lines 1 and 2 .....	3		
4	Figure the tax on line 3 using the 2013 Tax Tables or Tax Rate Charts. Enter the amount here and on Form FIA-40, line 12; Form FIA-40N, line 12; or Form FIA-40P, line 11 .....	4		

**COMPUTATION FOR TAX YEAR 2014**

**Computation A.** Complete if you filed **Form 40N** for tax year 2014.

1	If you used Form FIA-40N to figure your tax for 2014, enter the amounts from your 2014 Form FIA-40N, lines 3a and 3b. Otherwise, enter the amount shown on your 2014 Form 40N, lines 38F and 38S (if -0- or less, see instructions).....	1a	<table border="1" style="display: inline-table; vertical-align: middle;"><tr><td style="width: 50px; height: 20px;"></td><td style="width: 50px; height: 20px;"></td></tr></table>			Federal column	1b	<table border="1" style="display: inline-table; vertical-align: middle;"><tr><td style="width: 50px; height: 20px;"></td><td style="width: 50px; height: 20px;"></td></tr></table>			Oregon column
2	Enter amount from 2015 Form FIA-40, line 6; Form FIA-40N, line 10; or Form FIA-40P, line 9 .....	2a	<table border="1" style="display: inline-table; vertical-align: middle;"><tr><td style="width: 50px; height: 20px;"></td><td style="width: 50px; height: 20px;"></td></tr></table>				2b	<table border="1" style="display: inline-table; vertical-align: middle;"><tr><td style="width: 50px; height: 20px;"></td><td style="width: 50px; height: 20px;"></td></tr></table>			
3	Add lines 1 and 2 in both the federal and Oregon columns .....	3a	<table border="1" style="display: inline-table; vertical-align: middle;"><tr><td style="width: 50px; height: 20px;"></td><td style="width: 50px; height: 20px;"></td></tr></table>				3b	<table border="1" style="display: inline-table; vertical-align: middle;"><tr><td style="width: 50px; height: 20px;"></td><td style="width: 50px; height: 20px;"></td></tr></table>			
4	Recompute the Oregon percentage. Divide line 3b by line 3a (not more than 100.0%) .....	4	_____ . _____ %								
5	Enter deductions and modifications from line 4 of the worksheet for your 2014 Oregon Form 40N, line 47 .....	5				<table border="1" style="display: inline-table; vertical-align: middle;"><tr><td style="width: 50px; height: 20px;"></td><td style="width: 50px; height: 20px;"></td></tr></table>					
6	Multiply the amount on line 5 by the recomputed Oregon percentage on line 4 .....	6				<table border="1" style="display: inline-table; vertical-align: middle;"><tr><td style="width: 50px; height: 20px;"></td><td style="width: 50px; height: 20px;"></td></tr></table>					
7	Enter the amount from your 2014 Oregon Form 40N, line 48 .....	7				<table border="1" style="display: inline-table; vertical-align: middle;"><tr><td style="width: 50px; height: 20px;"></td><td style="width: 50px; height: 20px;"></td></tr></table>					
8	Add lines 6 and 7 .....	8				<table border="1" style="display: inline-table; vertical-align: middle;"><tr><td style="width: 50px; height: 20px;"></td><td style="width: 50px; height: 20px;"></td></tr></table>					
9	Line 3b minus line 8. Enter the result here .....	9				<table border="1" style="display: inline-table; vertical-align: middle;"><tr><td style="width: 50px; height: 20px;"></td><td style="width: 50px; height: 20px;"></td></tr></table>					
10	Figure the tax on line 9 using the 2014 Tax Rate Charts. Enter the amount here and on Form FIA-40, line 16; Form FIA-40N, line 13; or Form FIA-40P, line 12 .....	10				<table border="1" style="display: inline-table; vertical-align: middle;"><tr><td style="width: 50px; height: 20px;"></td><td style="width: 50px; height: 20px;"></td></tr></table>					

**Computation B.** Complete if you filed **Form 40P** for tax year 2014.

1	If you used Form FIA-40P to figure your tax for 2014, enter the amount from the 2014 Form FIA-40P, lines 3a and 3b. Otherwise, enter the amount shown on your 2014 Form 40P, lines 38F and 38S (if -0- or less, see instructions) .....	1a	<table border="1" style="display: inline-table; vertical-align: middle;"><tr><td style="width: 50px; height: 20px;"></td><td style="width: 50px; height: 20px;"></td></tr></table>			Federal column	1b	<table border="1" style="display: inline-table; vertical-align: middle;"><tr><td style="width: 50px; height: 20px;"></td><td style="width: 50px; height: 20px;"></td></tr></table>			Oregon column
2	Enter amount from 2015 Form FIA-40, line 6; Form FIA-40N, line 10; or Form FIA-40P, line 9 .....	2a	<table border="1" style="display: inline-table; vertical-align: middle;"><tr><td style="width: 50px; height: 20px;"></td><td style="width: 50px; height: 20px;"></td></tr></table>				2b	<table border="1" style="display: inline-table; vertical-align: middle;"><tr><td style="width: 50px; height: 20px;"></td><td style="width: 50px; height: 20px;"></td></tr></table>			
3	Add lines 1 and 2 in both the federal and Oregon columns .....	3a	<table border="1" style="display: inline-table; vertical-align: middle;"><tr><td style="width: 50px; height: 20px;"></td><td style="width: 50px; height: 20px;"></td></tr></table>				3b	<table border="1" style="display: inline-table; vertical-align: middle;"><tr><td style="width: 50px; height: 20px;"></td><td style="width: 50px; height: 20px;"></td></tr></table>			
4	Recompute the Oregon percentage. Divide line 3b by line 3a (not more than 100.0%) .....	4	_____ . _____ %								
5	Enter the amount from your 2014 Oregon Form 40P, line 47 .....	5				<table border="1" style="display: inline-table; vertical-align: middle;"><tr><td style="width: 50px; height: 20px;"></td><td style="width: 50px; height: 20px;"></td></tr></table>					
6	Line 3a minus line 5. Enter the result here.....	6				<table border="1" style="display: inline-table; vertical-align: middle;"><tr><td style="width: 50px; height: 20px;"></td><td style="width: 50px; height: 20px;"></td></tr></table>					
7	Figure the tax on line 6 using the 2014 Tax Rate Charts .....	7				<table border="1" style="display: inline-table; vertical-align: middle;"><tr><td style="width: 50px; height: 20px;"></td><td style="width: 50px; height: 20px;"></td></tr></table>					
8	Multiply line 7 by the Oregon percentage on line 4. Enter the amount here and on Form FIA-40, line 16; Form FIA-40N, line 13; or Form FIA-40P, line 12 .....	8				<table border="1" style="display: inline-table; vertical-align: middle;"><tr><td style="width: 50px; height: 20px;"></td><td style="width: 50px; height: 20px;"></td></tr></table>					

**Computation C.** Complete if you filed **Form 40** for tax year 2014.

1	If you used Form FIA-40 to figure your tax for 2014, enter the amount from your 2014 Form FIA-40, line 3. Otherwise, enter the amount shown on your 2014 Form 40, line 28; (if -0- or less, see instructions) .....	1			Oregon column	<table border="1" style="display: inline-table; vertical-align: middle;"><tr><td style="width: 50px; height: 20px;"></td><td style="width: 50px; height: 20px;"></td></tr></table>		
2	Enter amount from 2015 Form FIA-40, line 6; Form FIA-40N, line 10; or Form FIA-40P, line 9 .....	2				<table border="1" style="display: inline-table; vertical-align: middle;"><tr><td style="width: 50px; height: 20px;"></td><td style="width: 50px; height: 20px;"></td></tr></table>		
3	Add lines 1 and 2 .....	3				<table border="1" style="display: inline-table; vertical-align: middle;"><tr><td style="width: 50px; height: 20px;"></td><td style="width: 50px; height: 20px;"></td></tr></table>		
4	Figure the tax on line 3 using the 2014 Tax Tables or Tax Rate Charts. Enter the amount here and on Form FIA-40, line 16; Form FIA-40N, line 13; or Form FIA-40P, line 12 .....	4				<table border="1" style="display: inline-table; vertical-align: middle;"><tr><td style="width: 50px; height: 20px;"></td><td style="width: 50px; height: 20px;"></td></tr></table>		

You may elect to figure your 2015 tax by averaging, over the previous three years (base years), all or part of your 2015 taxable farm income.

You will need copies of your original or amended Oregon income tax returns for tax years 2012, 2013, and 2014 to figure your tax on Form FIA-40N or Form FIA-40P. You can obtain copies of prior years' returns for a fee from the Oregon Department of Revenue. You will also need tax booklets for those years. You can download the forms and instructions from our website or see page 4 to contact us by phone.

### **Elected farm income**

Your elected farm income is the amount of your taxable income from farming that you elect to include on Form FIA-40N or Form FIA-40P, line 2. Do not enter more than the amount on line 1.

**Note:** While federal law allows averaging of fishing business income, Oregon law does not. Do not include fishing business income on Form FIA-40N, or FIA 40P, line 2.

To figure elected farm income, first figure your taxable income from farming. Taxable income from farming includes all income, gains, losses, and deductions attributable to any farming business. However, it does not include gain from the sale or other disposition of land. Gains and losses must be from property (other than land) regularly used by you in the farm business for a substantial period of time. Oregon source farm income includes income or loss received from an Oregon farm while you were a nonresident and farm income or loss received during any portion of the year you were an Oregon resident.

You do not have to include all of your taxable income from farming on Form FIA-40N or Form FIA-40P, line 2.

Your elected farm income cannot exceed your Oregon taxable income. Also, the portion of your elected farm income treated as a net capital gain cannot exceed the smaller of your total net capital gain or your net capital gain attributable to your farming business.

If your elected farm income includes net capital gain, you must allocate an equal portion of the net capital gain to each of the base years.

If, for any base year, you had a capital loss that resulted in a capital loss carryover to the next tax year, do not reduce the elected farm income allocated to that base year by any part of the carryover.

Farm income averaging cannot be used together with the pass-through entity income reduced tax rate under ORS 316.043.

### **Farming business**

A farming business is the trade or business of cultivating land or raising or harvesting any agricultural or horticultural commodity. This includes:

- Operating a nursery or sod farm.
- Raising or harvesting trees bearing fruits, nuts, or other crops.
- Raising ornamental trees (but not evergreen trees that are more than 6 years old when severed from the roots).
- Raising, shearing, feeding, caring for, training, and managing animals.
- Leasing land to a tenant engaged in a farming business, but **only** if the lease payments are based on a share of the tenant's production (not a fixed amount).
- Wages and other compensation you received as a shareholder in an S corporation engaged in a farming business.

#### **A farming business does not include:**

- Contract harvesting of an agricultural or horticultural commodity grown or raised by someone else, or
- Merely buying or reselling plants or animals grown or raised by someone else.

### **Instructions for Schedule Z**

Before you can complete Schedule Z you will need the amount from FIA-40, line 6; Form FIA-40N, line 10; or Form FIA-40P, line 9. On Schedule Z, complete either Computation A, B, or C for each tax year. Figures from Schedule Z are needed to complete Form FIA-40N, lines 11 through 13; or Form FIA-40P, lines 10 through 12. If you filed Form 40N or 40P in 2012, 2013, or 2014, complete Schedule Z for Form FIA-40, lines 8, 12, and 16.

If you were a part-year resident or a nonresident for 2012, 2013, or 2014 and if your income after subtractions for either federal or Oregon was zero or less for any of these three tax years, use the worksheets below to figure the amount to enter on Schedule Z, Computation A or B, line 1. If you were a full year resident with taxable income that was -0- or less for 2012, 2013, or 2014, use the worksheets below to figure the amount to enter on Schedule Z, Computation C, line 1.

**NOL** means *net operating loss* and applies to the year of the actual loss. **NOLD** means *net operating loss deduction* and applies to the year to which the NOL is carried.

**2012 Taxable Income Worksheet** Federal (a) Oregon (b)

*Part-Year or Nonresident Return for 2012*

1. Figure income after subtractions, for federal and Oregon, from your 2012 Form 40N or Form 40P without limiting it to -0-. Include any NOLD carryovers or carrybacks if you did not have a NOL in 2012. Do not include any NOLD carryover or carryback from other years if you had a NOL in 2012. Enter the result here..... 1a \_\_\_\_\_ 1b \_\_\_\_\_
2. If there is a loss on your 2012 federal Schedule D, line 21, add that loss (as a positive amount) and your 2012 capital loss carryover to 2013. Subtract from that sum the amount of the loss on your 2012 federal Schedule D, line 16. Enter the result here ..... 2a \_\_\_\_\_ 2b \_\_\_\_\_
3. If you had a NOL for 2012 for federal or Oregon, or both, enter amounts as a positive number in the appropriate column. Otherwise, enter as a positive amount the portion (if any) of the NOLD carryovers and carrybacks to 2012 that were not used in 2012 and were carried to tax years after 2012.. 3a \_\_\_\_\_ 3b \_\_\_\_\_
4. Add lines 1, 2, and 3 for each column. Enter the result here and on your 2015 Schedule Z, Tax Year 2012, Computation A or B, line 1 ..... 4a \_\_\_\_\_ 4b \_\_\_\_\_

*Full-Year Return for 2012*

5. Figure the taxable income from your 2012 tax return without limiting it to -0-. Include any NOLD carryovers or carrybacks if you did not have a NOL in 2012. Do not include any NOLD carryover or carryback from other years if you had a NOL in 2012. Enter the result here ..... 5 \_\_\_\_\_
6. If there is a loss on your 2012 federal Schedule D, line 21, add that loss (as a positive amount) and your 2012 capital loss carryover to 2013. Subtract

from that sum the amount of the loss on your 2012 federal Schedule D, line 16. Enter the result here ..... 6 \_\_\_\_\_

7. If you had a NOL for 2012, enter it as a positive amount here. Otherwise, enter the portion (if any) of the NOLD carryovers and carrybacks to 2012 that were not used in 2012 and were carried to tax years after 2012 as a positive amount here ..... 7 \_\_\_\_\_
8. Add lines 5, 6, and 7. Enter the result here, and on your 2015 Schedule Z, Tax Year 2012, Computation C, line 1 ..... 8 \_\_\_\_\_

**2013 Taxable Income Worksheet**

*Part-Year or Nonresident Return for 2013*

9. Figure income after subtractions, for federal and Oregon, from your 2013 Form 40N or Form 40P without limiting it to -0-. Include any NOLD carryovers or carrybacks if you did not have a NOL in 2013. Do not include any NOLD carryover or carryback from other years if you had a NOL in 2013. Enter the result here..... 9a \_\_\_\_\_ 9b \_\_\_\_\_
10. If there is a loss on your 2013 federal Schedule D, line 21, add that loss (as a positive amount) and your 2013 capital loss carryover to 2014. Subtract from that sum the amount of the loss on your 2013 federal Schedule D, line 16. Enter the result here..... 10a \_\_\_\_\_ 10b \_\_\_\_\_
11. If you had a NOL for 2013 for federal or Oregon, or both, enter amounts as a positive number in the appropriate column. Otherwise, enter as a positive amount the portion (if any) of the NOLD carryovers and carrybacks to 2013 that were not used in 2013 and were carried to tax years after 2013 ..... 11a \_\_\_\_\_ 11b \_\_\_\_\_
12. Add lines 9, 10, and 11. Enter the result here and on your 2015 Schedule Z, Tax Year 2013, Computation A or B, line 1 ..... 12a \_\_\_\_\_ 12b \_\_\_\_\_

*Full-Year Return for 2013* Federal (a) Oregon (b)

- 13. Figure the taxable income from your 2013 tax return without limiting it to -0-. Include any NOLD carryovers or carrybacks if you did not have a NOL in 2013. Do not include any NOLD carryover or carryback from other years if you had a NOL in 2013. Enter the result here ..... 13 \_\_\_\_\_
- 14. If there is a loss on your 2013 federal Schedule D, line 21, add that loss (as a positive amount) and your 2013 capital loss carryover to 2014. Subtract from that sum the amount of the loss on your 2013 federal Schedule D, line 16. Enter the result here ..... 14 \_\_\_\_\_
- 15. If you had a NOL for 2013, enter it as a positive amount here. Otherwise, enter the portion (if any) of the NOLD carryovers and carrybacks to 2013 that were not used in 2013 and were carried to tax years after 2013 as a positive amount here ..... 15 \_\_\_\_\_
- 16. Add lines 13, 14, and 15. Enter the result here, and on your 2015 Schedule Z, Tax Year 2013, Computation C, line 1 ..... 16 \_\_\_\_\_

**2014 Taxable Income Worksheet**

*Part-Year or Nonresident Return for 2014*

- 17. Figure income after subtractions, for federal and Oregon, from your 2014 Form 40N or Form 40P without limiting it to -0-. Include any NOLD carryovers or carrybacks if you did not have a NOL in 2014. Do not include any NOLD carryover or carryback from other years if you had a NOL in 2014. Enter the result here..... 17a \_\_\_\_\_ 17b \_\_\_\_\_
- 18. If there is a loss on your 2014 federal Schedule D, line 21, add that loss (as a positive amount) and your 2014 capital loss carryover to tax year 2015. Subtract from that sum the amount of the loss on your 2014

- federal Schedule D, line 16. Enter the result here..... 18a \_\_\_\_\_ 18b \_\_\_\_\_
- 19. If you had a NOL for 2014 for federal or Oregon, or both, enter amounts as a positive number in the appropriate column. Otherwise, enter as a positive amount the portion (if any) of the NOLD carryovers and carrybacks to 2014 that were not used in 2014 and were carried to tax years after 2014 ..... 19a \_\_\_\_\_ 19b \_\_\_\_\_
- 20. Add lines 17, 18, and 19. Enter the result here and on your 2015 Schedule Z, Tax Year 2014, Computation A or B, line 1 ..... 20a \_\_\_\_\_ 20b \_\_\_\_\_

*Full Year Return for 2014*

- 21. Figure the taxable income from your 2014 tax return without limiting it to -0-. Include any NOLD carryovers or carrybacks if you did not have a NOL in 2014. Do not include any NOLD carryover or carryback from other years if you had a NOL in 2014. Enter the result here..... 21 \_\_\_\_\_
- 22. If there is a loss on your 2014 federal Schedule D, line 21, add that loss (as a positive amount) and your 2014 capital loss carryover to 2015. Subtract from that sum the amount of the loss on your 2014 federal Schedule D, line 16. Enter the result here ..... 22 \_\_\_\_\_
- 23. If you had a NOL for 2014, enter it as a positive amount here. Otherwise, enter the portion (if any) of the NOLD carryovers and carrybacks to 2014 that were not used in 2014 and were carried to tax years after 2014 as a positive amount here ..... 23 \_\_\_\_\_
- 24. Add lines 21, 22, and 23. Enter the result here, and on your 2015 Schedule Z, Tax Year 2014, Computation C, line 1 ..... 24 \_\_\_\_\_



**Example:** John Farmington owns a farm in Ontario, Oregon but is a resident of Idaho. John files as a nonresident for Oregon each year. John did not use farm income averaging for 2012, 2013, or 2014. For tax year 2015, John has elected farm income of \$18,000 on line 2 of Form FIA-40N. His 2012 income after subtractions shown on line 38 of Form 40N is \$25,906 in the federal column and \$6,150 in the Oregon column.

John had a NOL for tax year 2013 of \$22,950 for Oregon only, which he elected to carryback five years. Of the \$22,950 loss, \$9,000 was carried back to tax year 2012 and completely absorbed. John combines the \$9,000 NOLD with his Oregon income after subtractions of \$6,150. The result is negative \$2,850 and is entered in the Oregon column on line 1(b) of the 2012 taxable income worksheet. John enters \$25,906 in the federal column on line 1(a) of the 2012 worksheet.

When John filed his 2012 federal tax return, he had a \$3,000 net capital loss deduction on Schedule D, line 21 (which was also entered on Form 1040, line 13), a \$7,000 loss on Schedule D, line 16, and a \$4,000 capital loss carryover to 2013. The capital losses are not Oregon source. Since the NOL is for Oregon only, no adjustment is necessary for the capital loss deduction or for the capital loss carryover to 2013. John enters -0- in both columns on line 2 of the 2012 worksheet.

John had no net operating losses for tax year 2012 for either federal or Oregon. Because the NOL from 2013 is completely absorbed in 2012, there is no carryover to tax years after 2012. John enters -0- in both columns on line 3 of the worksheet. John adds the amounts on lines 1, 2, and 3, and enters the result, negative \$2,850, on line 4b of the worksheet. John adds -0- to the \$25,906 and enters the result, positive \$25,906, on line 4a of the worksheet. These figures represent John's recomputed federal and Oregon income after subtractions for tax year 2012. John enters both of these figures on Schedule Z, Computation A for tax year 2012, line 1, in the federal and Oregon columns.

For tax year 2013, John's income after subtractions is \$10,850 for federal and negative \$27,250 for Oregon. John enters

\$10,850 on line 9a and negative \$27,250 on line 9b of the 2013 worksheet.

John had a \$3,000 net capital loss deduction on his 2013 Schedule D, line 21, and a \$7,000 loss on Schedule D, line 16, the carryover from 2012 to 2013. Because the NOL is for Oregon only, no adjustment is necessary on line 10a and no adjustment is made on line 10b since the capital loss deduction is not Oregon source. John enters -0- on lines 10a and 10b of the 2013 worksheet. John enters -0- on line 11a and the Oregon only NOL of \$22,950 on line 11b of the worksheet.

In the federal column on line 12a, John enters positive \$10,850. For the Oregon column, John adds \$22,950 from line 11b and negative \$27,250 from line 9b of the worksheet and enters negative \$4,300 on line 12b. These figures represent John's recomputed federal and Oregon income after subtractions for tax year 2013. John enters both of these figures on Schedule Z, Computation A, for tax year 2013, line 1, in the federal and Oregon columns.

For tax year 2014, John's income after subtractions is not negative in either the federal or Oregon columns. Therefore, John can complete Schedule Z without using the worksheets.

## Have questions? Need help?

**General tax information** ..... [www.oregon.gov/dor](http://www.oregon.gov/dor)  
Salem ..... 503-378-4988  
Toll-free from an Oregon prefix..... 1-800-356-4222

### Asistencia en español:

En Salem o fuera de Oregon ..... 503-378-4988  
Gratis de prefijo de Oregon..... 1-800-356-4222

### TTY (hearing or speech impaired; machine only):

Salem area or outside Oregon ..... 503-945-8617  
Toll-free from an Oregon prefix..... 1-800-886-7204

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