

Form OR-10 Instructions

Underpayment of Oregon Estimated Tax

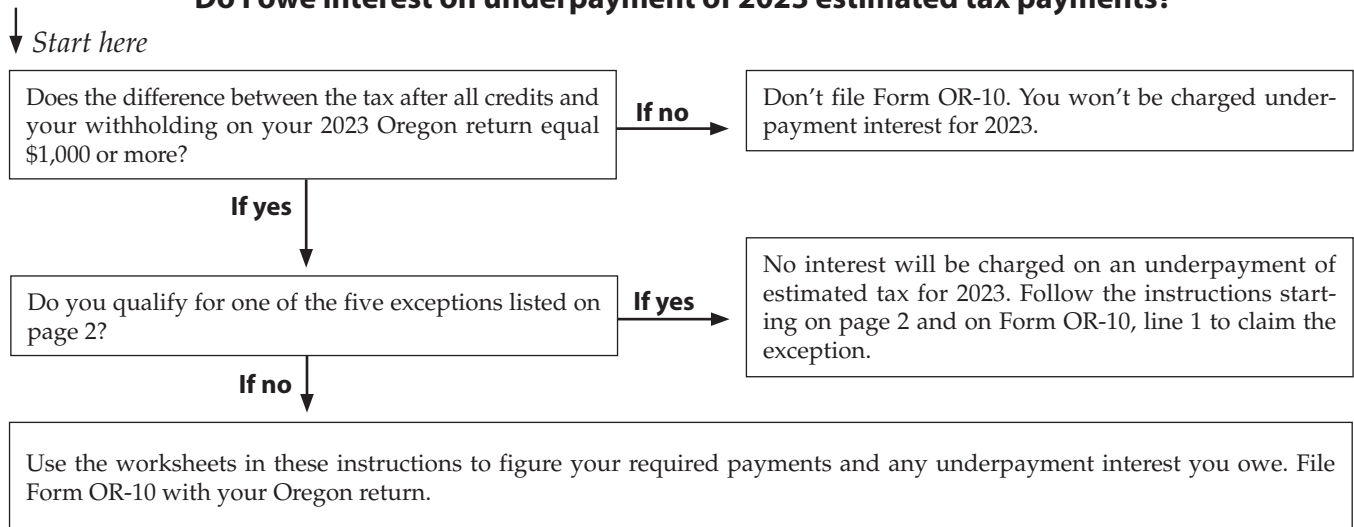
2023

Oregon law generally requires you to pay tax as you earn or receive income during the year. Oregon employers and other payers are required to withhold tax when they pay you. You may be required to make estimated payments if the tax on your return after all credits and withholding will be \$1,000 or more.

Your annual estimated tax payment may be paid in up to four installments. Unless an exception applies, underpayment interest is charged for each installment period when you underpaid or made late payments. Use these instructions to determine if you owe underpayment interest.

For more information about estimated taxes, see Publication OR-ESTIMATE.

Do I owe interest on underpayment of 2023 estimated tax payments?



Estimated payments at a glance

Required annual payment: The total amount of all tax payments, including estimated tax and withholding, that you must make in order to avoid being charged underpayment interest. Your required annual payment is the lesser of:

- Ninety percent (90%) of the tax after all credits shown on your 2023 Oregon return; or
- One hundred percent (100%) of the tax after all credits shown on your 2022 Oregon return (also known as “safe harbor”).

Annual estimated tax payment: Your required annual payment minus your withholding. This may be paid in up to four installments. You may also pay the entire annual amount by the due date for the first installment payment.

Required installment payment: The amount of estimated tax to be paid each installment period.

- **Regular installment:** The annual estimated tax payment amount divided by four.
- **Annualized installment:** An estimated tax payment based on income actually earned or received during an installment period. Annualizing income may benefit taxpayers who don't receive their income evenly throughout the year or are part-year residents. Instructions for annualizing your income begin on page 6.

Required installment payment due dates for tax year 2023:

Calendar-year filers

April 18, 2023
June 15, 2023
September 15, 2023
January 16, 2024

Fiscal-year filers

15th day of the 4th month of the tax year
15th day of the 6th month
15th day of the 9th month
15 days after the last day of the tax year

Instructions for Form OR-10

Line 1—Claiming an exception

Oregon law provides an exception from the requirement to pay underpayment interest in these five situations, which are described in more detail below:

Exception 1: Two-thirds of your income is from farming or fishing.

Exception 2: The tax on last year's resident return was \$0.

Exception 3: You retired at age 62 or older or became disabled within the last two years and there was a reasonable cause for the underpayment.

Exception 4: You underpaid due to unusual circumstances.

Exception 5: You're a shareholder of a corporation that recently made a Subchapter S election and you were a nonresident in 2023 or a part-year resident in 2022.

If you qualify for an exception, follow these steps:

1. Enter the exception number in the box on line 1 of Form OR-10.
2. Enter the exception number on Form OR-40, box 44a; Form OR-40-N, box 69a; or Form OR-40-P, box 68a.
3. Include Form OR-10 when you file your Oregon return.
4. If you're required to explain your situation or provide proof to show why you qualify for the exception, keep your explanation and proof with your tax records; we may ask for it later.

Exception 1—Farmers and commercial fishermen.

If your gross income from farming or fishing, including oyster farming, was at least 2/3 of the gross income shown on your return for tax years 2022 or 2023, you don't have to pay underpayment interest for 2023.

Gross income. Gross income generally means all income you receive during the year, including (but not limited to) wages, interest, and dividends, as well as gross profit from rentals, royalties, businesses, farming, fishing, and the sale of property. When figuring gross profit, subtract only the cost of goods sold. When figuring gross profit on the sale of property, subtract only the adjusted basis or cost.

Gross income doesn't include income that Oregon doesn't tax, like Social Security or Railroad Retirement Board benefits.

Gross income from farming or fishing. Use the following amounts from your **2022 and 2023** federal returns to determine your gross income from farming or fishing:

- Schedule C, line 7.
- Schedule F, line 9.
- Schedule E, line 42.
- Form 4797, line 20. Include only sales of draft, breeding, sporting, or dairy livestock.

If you claim Exception 1, keep a copy of the applicable schedules and forms that you're filing with your federal return with your tax records.

Exception 2—Prior year tax was \$0.

You won't be charged underpayment interest for 2023 if all of the following are true:

- You were a full-year Oregon resident for tax year 2022;
- Your 2022 Oregon tax after all credits, but before withholding or other payments, was \$0 or you weren't required to file a 2022 Oregon return; **and**
- Your tax year was a full 12 months.

No statement is required if you claim Exception 2.

Note: If you were a nonresident or a part-year resident for tax year 2022, you can't claim Exception 2. However, you may be able to use your 2022 tax to determine your required annual payment for 2023. See the **required annual payment worksheet**.

Exception 3—Retired or disabled AND have a reasonable cause for the underpayment.

Underpayment interest won't be charged if:

- During 2022 or 2023, you retired at age 62 or older or became disabled; **and**
- There was reasonable cause for underpaying your estimated tax.

Reasonable cause is determined on a case-by-case basis. We also consider the extent of your effort to comply with the law.

If you claim Exception 3, keep a statement explaining why you underpaid with your tax records.

Exception 4—Underpayment due to unusual circumstances.

Underpayment interest won't be charged for one or more installment periods that were underpaid due to a casualty, disaster, or other unusual circumstance. Unemployment isn't an unusual circumstance, but the loss of your tax records from a fire, flood, or other natural disaster might qualify. Unusual circumstances are determined on a case-by-case basis. We also consider the extent of your effort to comply with the law.

If you claim Exception 4, gather and keep relevant supporting documentation of the unusual circumstances with your tax records.

Exception 5—S corporation shareholders.

Underpayment interest won't be charged on an underpayment of estimated tax on your pro rata share of S corporation income if:

- The income is for the first year that S corporation status was elected; **and**
- You were a nonresident for tax year 2023 or a part-year resident for tax year 2022.

If you claim Exception 5, keep a copy of federal Form 2553 or other proof of the S corporation election with your tax records.

Line 2—Required annual payment

Use this worksheet to:

- Determine whether you owe underpayment interest.
- Figure the smaller of 90 percent of your 2023 tax after credits or 100 percent of your 2022 tax after credits.

Required annual payment worksheet

2023 tax after credits and withholding
1. Enter your 2023 tax after nonrefundable credits from Form OR-40, line 31;
Form OR-40-N, line 56; or Form OR-40-P, line 55 1. _____
2. Enter your total 2023 refundable tax credits you claimed on Form OR-40, lines 36 through 39;
Form OR-40-N, lines 61 through 64; or Form OR-40-P, lines 60 through 63 2. _____
3. **2023 tax after refundable credits.** Line 1 minus line 2 3. _____
4. Enter your **2023 Oregon tax withheld** from wages and other income.
Don't include any estimated payments 4. _____
5. **2023 tax after all credits and withholding.** Line 3 minus line 4 5. _____
If the amount on line 5 is less than \$1,000, stop here! You don't owe underpayment interest.
Ninety percent of 2023 tax after credits
6. Multiply line 3 by 90% (0.90)..... 6. _____
One hundred percent of 2022 tax after credits
Note: Complete lines 7, 8, and 9 only if you filed a 2022 Oregon return. If you didn't file a 2022 Oregon return, enter the amount from line 6 on line 10.
7. Enter your **2022 tax after tax recaptures** from Form OR-40, line 31; Form OR-40-N, line 56; or
Form OR-40-P, line 55..... 7. _____
8. Enter any **2022 refundable tax credit** amounts you claimed on Form OR-40, lines 35, 36, and 37;
Form OR-40-N, lines 61, 62, and 63; or Form OR-40-P, lines 60, 61, and 62 8. _____
9. **2022 tax after credits.** Line 7 minus line 8. If less than zero, enter \$0 9. _____
10. **Required annual payment.** Enter the smaller of line 6 or line 9. 10. _____

Enter the amount from line 10 on Form OR-10, line 2.

Line 3—Required installment payments

Enter your required regular or annualized installments here and on Form OR-10, line 3. You'll also enter them in the Underpayment interest worksheet.

Regular installments. Divide the amount on line 10 of the required annual payment worksheet by four. These are your required regular installments.

Note for part-year residents: Divide the amount on line 10 of the required annual payment worksheet by the number of installment periods when you were an Oregon resident or had income from a trade or business in Oregon. Use the payment due dates on page 1 as a guide. Enter the required amount for each corresponding installment period. If an installment period doesn't have a required payment, enter \$0.

Annualized installments. If you're annualizing your income using the annualized income worksheet beginning on page 6, enter the amounts from line 31 of the worksheet. These are your required annualized installments.

Required installment payments		
Line on Form OR-10	Installment	Amount
3A	First	\$
3B	Second	\$
3C	Third	\$
3D	Fourth	\$

Line 4—Underpayment interest

Underpayment interest is calculated on a running balance of estimated tax due from one event to the next. Events are withholding paid on your behalf, required installment payments, a rate change (if any), and estimated payments you've made. Underpayment interest accrues until the balance is paid in full or the due date for filing the return (without extensions), whichever is earlier. Interest accruing on unpaid tax after April 15, 2024 is computed separately.

Interest rates may change once a year. For 2023, the annual interest rate is 6 percent. For 2024, the annual interest rate is 8 percent. Interest is figured daily, based on a 365-day year.

Underpayment interest worksheet						
Date	Event	Amount	Running balance	Number of days	Daily rate	Interest due
04/18/23	Withholding					
04/18/23	Required installment				0.000164	
	Payment				0.000164	
	Payment				0.000164	
	Payment				0.000164	
06/15/23	Withholding			1	0.000164	
06/15/23	Required installment				0.000164	
	Payment				0.000164	
	Payment				0.000164	
	Payment				0.000164	
09/15/23	Withholding			1	0.000164	
09/15/23	Required installment				0.000164	
	Payment				0.000164	
	Payment				0.000164	
	Payment				0.000164	
01/01/24	Rate change (if any)				0.000219	
	Payment				0.000219	
01/16/24	Withholding			1	0.000219	
01/16/24	Required installment				0.000219	
	Payment				0.000219	
	Payment				0.000219	
	Payment				0.000219	
04/15/24	Total					

Date and amount columns

Due dates for calendar-year filers are shown in the **Date** column. If you're a fiscal-year filer, use your fiscal due dates for your required installment payments and withholding when figuring your underpayment interest.

Contact us or use your Revenue Online account at www.oregon.gov/dor if you need to verify the date or amount of any payment you've made.

Lines 1, 6, 11, and 17. Withholding is treated as if it were paid in equal amounts on the due date for each required installment payment unless you can show that it was paid differently. Divide your total Oregon withholding by four (or the number you used to calculate your required installments). Enter the result in the **Amount** column for each withholding date. If no tax was withheld during a period, enter \$0.

Lines 2, 7, 12, and 18. Enter your required installment payment in the **Amount** column for each corresponding period. If there's no required installment payment for the period, enter \$0.

Lines 3, 4, and 5. Enter the dates and amounts of any estimated payments you made before June 15, 2023 in date order. All payments made on or before April 18, 2023 can be added together and entered on line 3.

Lines 8, 9, and 10. Enter the dates and amounts of any estimated payments you made from June 15, 2023 through September 15, 2023 in date order.

Lines 13, 14, and 16. On lines 13 and 14, enter the dates and amounts of any estimated payments you made from September 16, 2023 through December 31, 2023 in date order. Any interest rate change as of January 1 is noted on line 15. Use line 16 to enter a 2023 estimated payment made after December 31, 2023 and before January 16, 2024.

Lines 19, 20, and 21. Enter the dates and amounts of any 2023 estimated payments you made from January 16, 2024 through April 15, 2024 in date order.

Running balance column

The **running balance** is the amount of tax due at any given time during the year. Required installments increase your running balance, while withholding and estimated payments decrease it. Your running balance can be positive, negative, or zero.

Start on line 1 and work your way down the column.

Example 1: Catelyn's required installment is \$5,000 every period. Their total withholding is \$12,000 for the year (\$3,000 each period). Catelyn made estimated tax payments of \$1,200

on May 23, \$1,300 on June 6, \$2,500 on July 17, and \$1,500 on August 14. Catelyn's running balance as of September 15 is negative \$500.

Table 1—Catelyn's Date, Amount, and Running balance columns

	Date	Event	Amount	Running balance	Number of days	Daily rate	Interest due
1.	04/18	Withholding	\$3,000	- \$3,000	1	0.000164	
2.	04/18	Required installment	\$5,000	\$2,000		0.000164	
3.	05/23	Payment	\$1,200	\$800		0.000164	
4.	06/06	Payment	\$1,300	- \$500		0.000164	
5.		Payment				0.000164	
6.	06/15	Withholding	\$3,000	- \$3,500	1	0.000164	
7.	06/15	Required installment	\$5,000	\$1,500		0.000164	
8.	07/17	Payment	\$2,500	- \$1,000		0.000164	
9.	08/14	Payment	\$1,500	- \$2,500		0.000164	
10.		Payment				0.000164	
11.	09/15	Withholding	\$3,000	- \$5,500	1	0.000164	
12.	09/15	Required installment	\$5,000	- \$500		0.000164	

Number of days column

Count the number of days after the first event that creates a positive running balance until the next event that changes your running balance. For this purpose, the withholding date is treated as a separate day. If the next event is the withholding date, stop counting the day before that date; otherwise, include the day of the next event. Enter your count in the **Number of days** column, on the same line as the first event. One day has been entered for you on the withholding date. Continue down the column, entering the number of days when your running balance is positive, until you reach the last event. If your running balance is positive after the last event, count the number of days after the last event through the due date of the return.

Don't count any days when your running balance is negative or \$0.

Example 2: Using the information shown in Table 1, Catelyn counts 35 days after the first required installment through May 23, the day they make the first estimated payment. Catelyn enters "35" in the **Number of days** column on the same line as the required installment, as shown in Table 2. Their running balance is still positive after this payment, so they count the days after May 23 through June 6, when they make another payment. They enter "14" on the same line as the May 23 payment.

Catelyn's payment on June 6 created a negative running balance on line 4. They won't owe underpayment interest

for the rest of this period, so they don't count the days after June 6 through June 14, the day before the next withholding is applied. They have a negative balance on the withholding date, so they won't calculate interest for that day. In the same way, Catelyn continues counting the number of days when the running balance is positive for each of the remaining installment periods.

Interest due column

To calculate your underpayment interest, multiply each positive running balance by the number of days and the daily rate on the same line. **Don't** calculate interest on a negative or zero running balance. Round each amount to the nearest whole dollar.

Line 22. Add the amounts in the **Interest due** column. Enter the total here, on Form OR-10, line 4, and on Form OR-40, line 44; Form OR-40-N, line 69; or Form OR-40-P, line 68.

Example 3: On line 2 of Table 2, Catelyn's running balance is \$2,000 for 35 days. They calculate \$11.48 in interest ($\$2,000 \times 35 \times 0.000164$), rounded to \$11. On line 3, their running balance is \$800 for 14 days. They calculate \$1.83 in interest ($\$800 \times 14 \times 0.000164$), rounded to \$2. In the next period, on line 7, Catelyn's running balance is \$1,500 for 32 days. The interest due for that period is \$7.87 ($\$1,500 \times 32 \times 0.000164$), rounded to \$8. As of September 15, their total underpayment interest due is \$21 (\$11 + \$2 + \$8).

Table 2—Catelyn's Number of days and Interest due columns

	Date	Event	Amount	Running balance	Number of days	Daily rate	Interest due
1.	04/18	Withholding	\$3,000	- \$3,000			
2.	04/18	Required installment	\$5,000	\$2,000	35	0.000164	\$11
3.	05/23	Payment	\$1,200	\$800	14	0.000164	\$2
4.	06/06	Payment	\$1,300	-\$500		0.000164	
5.		Payment				0.000164	
6.	06/15	Withholding	\$3,000	- \$3,500	1	0.000164	
7.	06/15	Required installment	\$5,000	\$1,500	32	0.000164	\$8
8.	07/17	Payment	\$2,500	-\$1,000		0.000164	
9.	08/14	Payment	\$1,500	-\$2,500		0.000164	
10.		Payment				0.000164	
11.	09/15	Withholding	\$5,000	\$2,500	1	0.000164	
12.	09/15	Required installment	\$3,000	-\$500		0.000164	

Instructions for annualized income worksheet

Note: Are you using the annualized income worksheet to compute your 2024 estimated tax payments? If so, see page 10 for additional instructions.

If you don't receive your income evenly throughout the year, your required installment payment for one or more periods may be less than the amount figured using the regular installment method. The annualized income installment method annualizes your tax at the end of each period based on a reasonable estimate of your income, deductions, and other items that are paid or received from the beginning of the tax year through the end of the period.

Complete the **annualized income worksheet** to see whether you can pay less estimated tax for any period. If you find that annualizing will benefit you, do the following:

- Enter the required installments from line 31 of the worksheet on lines 1, 6, 11, and 16 of the **underpayment interest worksheet** and on line 3 of Form OR-10.
- Check the box on your return to indicate that you annualized your income: Form OR-40, box 44b; Form OR-40-N, box 69b; or Form OR-40-P, box 68b.
- Keep the worksheets, supporting documentation showing the dates your income was earned, received, or credited to you, and a breakdown of the income you entered on line 1 with your tax records. We may ask for this later.

Part-year residents. If you moved into or out of Oregon during the year, use only the columns that include the dates you lived in Oregon or had income from an Oregon trade or business. You must multiply your Oregon tax (line 18), exemption credit (line 19), and any prorated credits (line 20) by your Oregon percentage.

Nonresidents. You must multiply your federal tax subtraction (line 9), itemized deductions or standard deduction (line 11 or 14), exemption credit (line 19), and any prorated credits (line 20) by your Oregon percentage.

Line 1. Enter your federal AGI (Form OR-40, line 7; Form OR-40-N, line 29S; or Form OR-40-P, line 29F) received during the period shown at the top of each column.

Example 1: Carley's AGI was \$73,000. She earned \$4,000 each month in wages for the entire year and received a lump-sum distribution of \$25,000 from a trust in July. She enters the following amounts on line 1:

Box 1A: \$12,000 (\$4,000 x 3 months).

Box 1B: \$20,000 (\$4,000 x 5 months).

Box 1C: \$57,000 (\$4,000 x 8 months, plus \$25,000).

Box 1D: \$73,000 (\$4,000 x 12 months, plus \$25,000).

If Carley had received the lump-sum distribution in April instead of July, she would include it in boxes 1B, 1C, and 1D.

Line 2. Enter your Oregon additions (Form OR-40, line 8; Forms OR-40-N or OR-40-P, line 30S) for the period shown at the top of each column.

Example 2: Payton has an Oregon addition of \$6,000 for California bond interest received in September. Payton enters the \$6,000 in box 2D.

Line 6. Enter your Oregon subtractions, other than the subtraction for your federal tax liability (Form OR-40, line 14 minus line 10; Forms OR-40-N or OR-40-P, line 33S), for the period shown at the top of each column.

Line 9. Figure the subtraction for your federal tax liability for each column by completing Table 3 below. **Note:** If your federal AGI is more than \$125,000 (single or married filing separately) or \$250,000 (married filing jointly, qualifying surviving spouse, or head of household), don't complete Table 3. Instead, on line 9 of each column,

enter the applicable limit from the federal tax subtraction table in the 2023 edition of your return instructions.

Nonresidents: Multiply your federal tax subtraction by your Oregon percentage from Form OR-40-N, line 35.

Line 11. Enter your Oregon itemized deductions for the period shown at the top of each column. **Note:** Be sure to consider deduction limits figured on Schedule OR-A, such as the AGI threshold for deducting medical and dental expenses or the \$10,000 limit on state and local taxes.

Table 3—Federal tax liability subtraction (line 9).	(A) Jan 1 to Mar 31	(B) Jan 1 to May 31	(C) Jan 1 to Aug 31	(D) Jan 1 to Dec 31
1. Enter the amount of your federal AGI for each period.....1.				
2. Annualization multiplier.....2.	4	2.4	1.5	1
3. Multiply line 1 by line 2.....3.				
4. Actual federal itemized deductions for each period. If you don't itemize, skip to line 7 of this worksheet.....4.				
5. Annualization multiplier.....5.	4	2.4	1.5	1
6. Multiply line 4 by line 5.....6.				
7. Enter the full amount of your 2023 federal standard deduction in each column.....7.				
8. Enter line 6 or line 7, whichever is larger.....8.				
9. Line 3 minus line 8.....9.				
10. 2023 federal business income deduction (Form 1040, line 13)10.				
11. Annualized federal taxable income. Line 9 minus line 10..... 11.				
12. Federal tax on the amounts on line 11 for each period (use the federal tax tables or charts)12.				
13. Enter \$7,800 (\$3,900 if filing separately) in each column.....13.				
14. Enter the smaller of line 12 or line 13. Also enter this amount in each box on line 9 of the annualized income worksheet14.				

Example 3: Jill, a real estate broker, earns most of her commissions in the late spring and summer months, so she annualizes her income. Her AGI entered on line 1 is \$15,000 in box 1A, \$25,000 in box 1B, \$65,000 in box 1C, and \$85,000 in box 1D.

She's deducting mortgage interest, property taxes, and medical expenses on Schedule OR-A. Her mortgage interest payment averaged \$300 per month, and she paid \$1,600 in property tax in October. Jill made three payments toward a hospital bill during the year: \$1,200 in May, \$8,000 in August, and \$2,500 in November. Her Oregon itemized deductions total \$8,400.

Her property tax deduction is less than the \$10,000 limit, but she has to apply the AGI threshold to her medical expenses. For each period, Jill applies the 7.5 percent threshold to her annualized AGI, but limits her annualized expenses to \$11,700, the actual amount she paid for the year (\$1,200 + \$8,000 + \$2,500), so that she doesn't deduct too much in any period.

Here is how Jill figures her itemized deductions for each column:

Column A:

Mortgage interest: (\$300 x 3)	\$900
Property tax:	\$0
Medical expenses:	\$0
Total for Column A:	<u>\$900</u>

Jill enters \$900 in box 11A. In box 13A, she enters \$3,600 (\$900 x 4).

Column B:

Mortgage interest: (\$300 x 5)	\$1,500
Property tax:	\$0
Medical expenses:	
Amount paid this period	\$1,200
Multiplier for Column B	<u>x 2.4</u>
Annualized expenses	\$2,880
Medical expenses:	
Lesser of annualized or \$11,700	\$2,880
AGI threshold:	
AGI for Column B (box 1B)	\$20,000
Multiplier for Column B	<u>x 2.4</u>
Annualized AGI	\$48,000

Threshold percentage	x 0.075		
Annualized AGI threshold		\$3,600	
Deductible medical/dental expenses			\$0
Total for Column B:			<u>\$1,500</u>

Jill enters \$1,500 in box 11B. In box 13B, she enters \$3,600 (\$1,500 x 2.4).

Column C:

Mortgage interest: (\$300 x 8)			\$2,400
Property tax:			\$0
Medical expenses:			
Amount paid this period	\$9,200		
Multiplier for Column C	x 1.5		
Annualized expenses	<u>\$13,800</u>		
Lesser of annualized or \$11,700		\$11,700	
AGI threshold:			
AGI for Column C (box 1C)	\$65,000		
Multiplier for Column C	x 1.5		
Annualized AGI:	<u>\$97,500</u>		
Threshold percentage	x 0.075		
Annualized AGI threshold		\$7,313	
Deductible medical/dental expenses			\$4,387
Total for Column C:			<u>\$6,787</u>

Jill enters \$6,787 in box 11C. In box 13C, she enters \$10,181 (\$6,787 x 1.5).

Column D:

Mortgage interest: (\$300 x 12)			\$3,600
Property tax:			\$1,600
Medical expenses:			
Amount paid this period:	\$11,700		
Multiplier for Column D:	x 1		
Annualized expenses	<u>\$11,700</u>		
Lesser of annualized or \$11,700		\$11,700	
AGI threshold:			
AGI for Column D (box 1D)	\$85,000		
Multiplier for Column D	x 1		
Annualized AGI:	<u>\$85,000</u>		
Threshold percentage	x 0.075		
Annualized AGI threshold		\$6,375	
Deductible expenses			\$5,325
Total for Column D:			<u>\$10,525</u>

Jill enters \$10,525 in box 11D and enters the same amount in box 13D (\$10,525 x 1).

Line 14. Enter your standard deduction including any additional amounts. If your filing status is married filing separately and your spouse itemizes deductions, or if you're a non-U.S. citizen without permanent residency status, enter \$0. You must itemize your deductions.

Line 18. Use the tax tables or tax rate chart from your 2023 return instructions to figure the tax on the annualized income in each box on line 17.

Line 20. Enter credit amounts that apply only to each period. If you are reporting a tax recapture (Form OR-40, line 22; Form OR-40-N, line 48; or Form OR-40-P, line 47), subtract it from your total credits. **Do not** include exemption credits.

Additional information about credits and tax recaptures may be found in Publication OR-17.

Example 4: Daron has a \$3,000 credit carried forward from the Oregon return he filed in April. Daron must report a \$100 tax recapture for a nonqualified withdrawal he made in July from an Oregon 529 College Savings Network account. He also contributed \$200 to a political campaign in September, qualifying him for a \$50 credit. He enters \$3,000 in boxes 20A and 20B. He enters \$2,900 (\$3,000–\$100) in box 20C. In box 20D, Daron enters \$2,950 (the \$3,000 carry forward minus the \$100 tax recapture, plus the \$50 political contribution credit).

Annualized income worksheet

The worksheet calculates your tax for each period while factoring the other items claimed on your return.

Read the instructions **before** completing this worksheet. **Note:** Start with column A. Work down each column, and complete lines 1 through 31 before going on to columns B, C, and D.

	(A) Jan 1 to Mar 31	(B) Jan 1 to May 31	(C) Jan 1 to Aug 31	(D) Jan 1 to Dec 31
1. Federal adjusted gross income for each period (see instructions)1.				
2. Oregon additions for each period (see instructions)2.				
3. Add lines 1 and 23.				
4. Annualization multiplier4.	4	2.4	1.5	1
5. Annualized Oregon income. Multiply line 3 by line 45.				
6. Oregon subtractions for each period (except federal tax)6.				
7. Annualization multiplier7.	4	2.4	1.5	1
8. Annualized Oregon subtractions. Multiply line 6 by line 78.				
9. Federal tax liability from Table 3 (see instructions)9.				
10. Total subtractions. Add lines 8 and 910.				
11. Oregon itemized deductions for each period. If you don't itemize, enter \$0 and skip to line 14 (see instructions)11.				
12. Annualization multiplier12.	4	2.4	1.5	1
13. Annualized Oregon itemized deductions. Multiply line 11 by line 1213.				
14. In each column, enter the full amount of your Oregon standard deduction (see instructions)14.				
15. Enter line 13 or 14, whichever is larger15.				
16. Total subtractions and deductions. Add lines 10 and 1516.				
17. Annualized Oregon taxable income. Line 5 minus line 1617.				
18. Oregon tax for the amount on line 17 (see tax tables or tax rate chart in the 2023 return instructions)18.				
19. Exemption credit (not annualized) from Form OR-40, line 25; Form OR-40-N, line 51; or Form OR-40-P, line 5019.				
20. Credits minus tax recaptures for each period. Do not include exemption credits (see instructions)20.				
21. Total credits. Add lines 19 and 2021.				
22. Net annualized income tax. Line 18 minus line 2122.				
23. Percentage that applies for each period23.	22.5%	45%	67.5%	90%
24. Annualized tax per period. Multiply line 22 by line 2324.				
25. Prior period installment payment. Enter the amount from box 31A in box 25B, from boxes 31A and 31B in box 25C, and from boxes 31A, 31B, and 31C in box 25D25.				
26. Line 24 minus line 25. If less than zero, enter \$026.				
27. Line 10 of the required annual payment worksheet divided by four.*27.				
28. Prior excess regular installment. Enter the amount from box 30A in box 28B, from box 30B in box 28C, and from box 30C in box 28D28.				
29. Add lines 27 and 2829.				
30. Excess regular installment amount. Line 29 minus line 26. If line 29 is less than line 26, enter \$030.				
31. Annualized installment payment. Enter the smaller of line 26 or line 2931.				

Enter the amounts from line 31 on line 1 of the **underpayment interest worksheet** on page 4 and on Form OR-10, line 3.

* If you are a part-year filer, divide by the number of periods you were an Oregon resident or had income from Oregon sources while you were a nonresident, if less than four.

Estimating your 2024 tax payments

You can use the **annualized income worksheet** as a guide to figure your 2024 annualized estimated tax payments. Follow the instructions provided for the worksheet, except:

- Skip lines 27 through 31.
- Use 2024 Oregon figures for the personal exemption credit, federal tax subtraction, standard deduction, and tax rate charts. You can find these indexed figures inside Publication OR-ESTIMATE.
- Enter the amount from box 26A in box 25B, from box 26B in box 25C, and from box 26C in box 25D.

The amounts on line 26 are your required installment payments for 2024.

Do you have questions or need help?

www.oregon.gov/dor
503-378-4988 or 1-800-356-4222
questions.dor@dor.oregon.gov

Contact us for ADA accommodations or assistance in other languages.