

2017 Form OR-10



Office use only

Underpayment of Oregon Estimated Tax

Submit original form—do not submit photocopy.

Name	Social Security number (SSN)
	- -

Exception to paying interest

1. If you're claiming an exception to the imposition of estimated payment interest because you qualify for relief (see instructions), enter the exception number you are claiming here and on Form OR-40, box 42a; or Form OR-40-N, box 68a; or Form OR-40-P, box 67a ● 1. **Exception no.**

Part A—Figure your required annual payment

2. **2017** tax from Form OR-40, line 31; or Form OR-40-N, line 56; or Form OR-40-P, line 55 ● 2. .00

3. **2017** refundable tax credit amounts you claimed on Form OR-40, lines 35, 36, and 37; or Form OR-40-N, lines 61, 62, and 63; or Form OR-40-P, lines 60, 61, and 62 ● 3. .00

4. Line 2 minus line 3 ● 4. .00

5. Multiply line 4 by 90% (0.90) ● 5. .00

6. **2017** Oregon income tax withheld from income ● 6. .00

7. Line 4 minus line 6. **If less than \$1,000, stop here!** You don't owe underpayment interest ● 7. .00

8. Enter your 2016 Oregon tax after all credits (include refundable). You must have filed an Oregon return .. ● 8. .00

9. **Required annual payment.** Enter the smaller of line 5 or line 8 ● 9. .00

Note: If line 6 is equal to or more than line 9, **stop here!** You don't owe underpayment interest. Attach this form to your return.

Part B—Figure your required installment payment

10. Payment period due date 10.

A April 18, 2017	B June 15, 2017	C Sept. 15, 2017	D Jan. 16, 2018
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11. Divide the amount on line 9 by four and enter the amount in each column, or if you use Worksheet OR-10-AI, enter the amounts from line 31 of the worksheet here (see instructions), and check box 42b on Form OR-40, or 68b on Form OR-40-N, or 67b on Form OR-40-P ... ● 11. .00 .00 .00 .00

Part C—Figure your interest (See page 3 of the instructions)

	Date	Event	Amount	Running balance	No. of months	Monthly rate	No. of days	Daily rate	Interest due
12.	04/18/17	Req. pmt.	.00	.00					
13.	04/18/17	Withhold	.00	.00		0.004167		0.000137	.00
14.	/ /	Payment	.00	.00		0.004167		0.000137	.00
15.	/ /	Payment	.00	.00		0.004167		0.000137	.00
16.	/ /	Payment	.00	.00		0.004167		0.000137	.00
17.	06/15/17	Req. pmt.	.00	.00					
18.	06/15/17	Withhold	.00	.00		0.004167		0.000137	.00
19.	/ /	Payment	.00	.00		0.004167		0.000137	.00
20.	/ /	Payment	.00	.00		0.004167		0.000137	.00
21.	/ /	Payment	.00	.00		0.004167		0.000137	.00
22.	09/15/17	Req. pmt.	.00	.00					
23.	09/15/17	Withhold	.00	.00		0.004167		0.000137	.00
24.	/ /	Payment	.00	.00		0.004167		0.000137	.00
25.	/ /	Payment	.00	.00		0.004167		0.000137	.00
26.	/ /	Payment	.00	.00		0.004167		0.000137	.00
27.	01/16/18	Calc. chg.		.00					
28.	01/16/18	Req. pmt.	.00	.00					
29.	01/16/18	Withhold	.00	.00				0.000137	.00
30.	/ /	Payment	.00	.00				0.000137	.00
31.	/ /	Payment	.00	.00				0.000137	.00
32.	/ /	Payment	.00	.00				0.000137	.00
33.	04/17/18	— Don't calculate interest after April 17, 2018 —							

34. **Total interest due.** Add the amounts in the interest column. Round to the nearest whole dollar and enter here and on Form OR-40, line 42; or Form OR-40-N, line 68; or Form OR-40-P, line 67 34. .00

2017 Worksheet OR-10-AI



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Annualized income worksheet

Read the instructions on page 5 **before** completing this worksheet. **Note:** Start with column A. Work down the column, and complete lines 1 through 31 before going on to columns B, C, and D. Complete both sides of this worksheet.

A	B	C	D
01/01/17 to 03/31/17	01/01/17 to 05/31/17	01/01/17 to 08/31/17	01/01/17 to 12/31/17
1. Enter your adjusted gross income for each period (see instructions).			
1a. <input type="text" value=".00"/>	1b. <input type="text" value=".00"/>	1c. <input type="text" value=".00"/>	1d. <input type="text" value=".00"/>
2. Oregon additions for each period (see instructions).			
2a. <input type="text" value=".00"/>	2b. <input type="text" value=".00"/>	2c. <input type="text" value=".00"/>	2d. <input type="text" value=".00"/>
3. Add lines 1 and 2.			
3a. <input type="text" value=".00"/>	3b. <input type="text" value=".00"/>	3c. <input type="text" value=".00"/>	3d. <input type="text" value=".00"/>
4. Annualization multiplier.			
4a. <input type="text" value="4"/>	4b. <input type="text" value="2.4"/>	4c. <input type="text" value="1.5"/>	4d. <input type="text" value="1"/>
5. Annualized Oregon income. Multiply line 3 by line 4.			
5a. <input type="text" value=".00"/>	5b. <input type="text" value=".00"/>	5c. <input type="text" value=".00"/>	5d. <input type="text" value=".00"/>
6. Oregon subtractions for each period (except federal tax).			
6a. <input type="text" value=".00"/>	6b. <input type="text" value=".00"/>	6c. <input type="text" value=".00"/>	6d. <input type="text" value=".00"/>
7. Annualization multiplier.			
7a. <input type="text" value="4"/>	7b. <input type="text" value="2.4"/>	7c. <input type="text" value="1.5"/>	7d. <input type="text" value="1"/>
8. Annualized Oregon subtractions. Multiply line 6 by line 7.			
8a. <input type="text" value=".00"/>	8b. <input type="text" value=".00"/>	8c. <input type="text" value=".00"/>	8d. <input type="text" value=".00"/>
9. Federal tax subtraction from the worksheet on page 5 of the instructions.			
9a. <input type="text" value=".00"/>	9b. <input type="text" value=".00"/>	9c. <input type="text" value=".00"/>	9d. <input type="text" value=".00"/>
10. Total subtractions. Add lines 8 and 9.			
10a. <input type="text" value=".00"/>	10b. <input type="text" value=".00"/>	10c. <input type="text" value=".00"/>	10d. <input type="text" value=".00"/>
11. Enter your net Oregon itemized deductions for each period. If you don't itemize, enter -0- and skip to line 14 (see instructions).			
11a. <input type="text" value=".00"/>	11b. <input type="text" value=".00"/>	11c. <input type="text" value=".00"/>	11d. <input type="text" value=".00"/>
12. Annualization multiplier.			
12a. <input type="text" value="4"/>	12b. <input type="text" value="2.4"/>	12c. <input type="text" value="1.5"/>	12d. <input type="text" value="1"/>
13. Annualized net Oregon itemized deductions. Multiply line 11 by line 12.			
13a. <input type="text" value=".00"/>	13b. <input type="text" value=".00"/>	13c. <input type="text" value=".00"/>	13d. <input type="text" value=".00"/>
14. In each column, enter the full amount of your Oregon standard deduction (see instructions).			
14a. <input type="text" value=".00"/>	14b. <input type="text" value=".00"/>	14c. <input type="text" value=".00"/>	14d. <input type="text" value=".00"/>
15. Enter the amount from line 13 or 14, whichever is larger.			
15a. <input type="text" value=".00"/>	15b. <input type="text" value=".00"/>	15c. <input type="text" value=".00"/>	15d. <input type="text" value=".00"/>

Questions? See page 6 of the instructions for contact information. Don't submit this form. Keep it with your records.

2017 Worksheet OR-10-AI



	A 01/01/17 to 03/31/17	B 01/01/17 to 05/31/17	C 01/01/17 to 08/31/17	D 01/01/17 to 12/31/17
16. Total subtractions and deductions. Add lines 10 and 15.	16a. (.00)	16b. (.00)	16c. (.00)	16d. (.00)
17. Annualized Oregon taxable income. Line 5 minus line 16.	17a. (.00)	17b. (.00)	17c. (.00)	17d. (.00)
18. Oregon tax for the amount on line 17 (see tax tables or tax rate chart in the 2017 tax booklet).	18a. (.00)	18b. (.00)	18c. (.00)	18d. (.00)
19. Exemption credit (not annualized) from Form OR-40, line 25; Form OR-40-N, line 51; or Form OR-40-P, line 50.	19a. (.00)	19b. (.00)	19c. (.00)	19d. (.00)
20. Enter your credits for each period (see instructions). Don't include exemption credits.	20a. (.00)	20b. (.00)	20c. (.00)	20d. (.00)
21. Total credits. Add lines 19 and 20.	21a. (.00)	21b. (.00)	21c. (.00)	21d. (.00)
22. Net annualized income tax. Line 18 minus line 21.	22a. (.00)	22b. (.00)	22c. (.00)	22d. (.00)
23. Percentage that applies for each period.	23a. 22.5 %	23b. 45 %	23c. 67.5 %	23d. 90 %
24. Multiply line 22 by line 23.	24a. (.00)	24b. (.00)	24c. (.00)	24d. (.00)
25. Enter the amount from box 31a in box 25b, box 31a plus box 31b in box 25c, and box 31a plus box 31b plus box 31c in box 25d.		25b. (.00)	25c. (.00)	25d. (.00)
26. Line 24 minus line 25. If less than zero, enter -0-.	26a. (.00)	26b. (.00)	26c. (.00)	26d. (.00)
27. *Divide the amount from Form OR-10, line 9, Part A, by four and enter results in each column.	27a. (.00)	27b. (.00)	27c. (.00)	27d. (.00)
28. Enter the amount from box 30a in box 28b, from box 30b in box 28c, and from box 30c in box 28d.		28b. (.00)	28c. (.00)	28d. (.00)
29. Add lines 27 and 28.	29a. (.00)	29b. (.00)	29c. (.00)	29d. (.00)
30. If line 29 is more than line 26, line 29 minus line 26; otherwise, enter -0-.	30a. (.00)	30b. (.00)	30c. (.00)	30d. (.00)
31. Enter the smaller of line 26 or line 29 here and on Part B, line 11 of Form OR-10.	31a. (.00)	31b. (.00)	31c. (.00)	31d. (.00)

* If you are filing a part-year return, divide this amount by the number of periods you resided in Oregon, if fewer than 4. (See instructions for Form OR-10, Part B, line 11.)

2017 Oregon

Instructions for Form OR-10 and Worksheet OR-10-AI

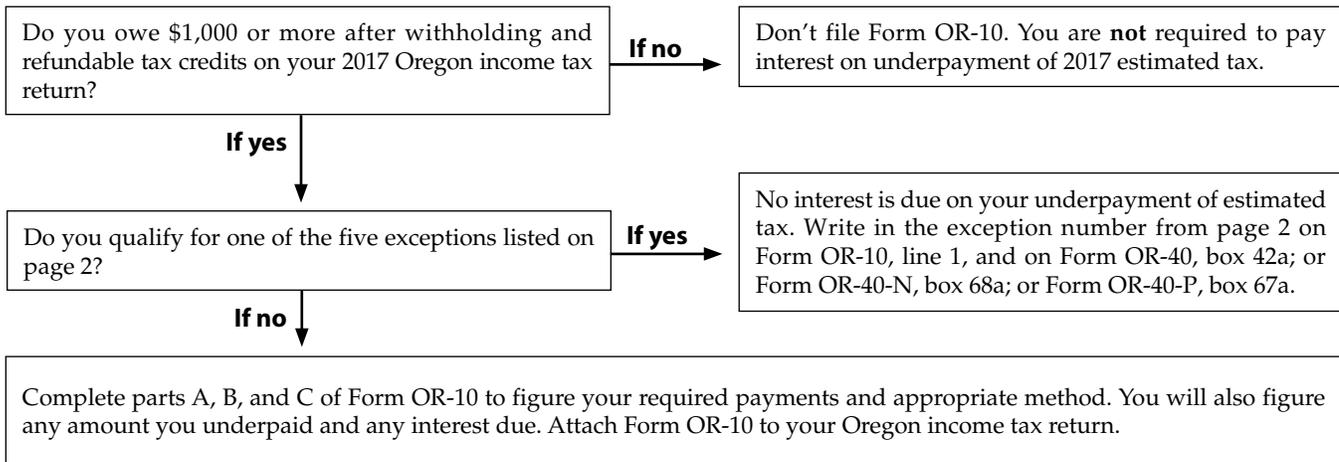
General information

As you earn income, Oregon law requires withholding or estimated tax payments. Interest is charged if you underpay or the payment is late. Use this form to determine if you owe underpayment interest.

For more information on who must pay estimated taxes, see instructions for estimated income tax.

Do I owe interest on underpayment of 2017 estimated tax payments?

↓ *Start here*



Estimated payments at a glance

A required **annual payment** is the total of the required installment payments for the tax year that is the lesser of:

- 90 percent of the net tax shown on your 2017 Oregon return; **or**
- 100 percent of the tax shown on your 2016 Oregon return (commonly called Safe Harbor).

A required **installment payment** is the amount of the payment due for each period of the tax year using either:

- Regular installment—an amount, in each period, equal to 25 percent of the required annual payment; **or**
- Annualized installment—the amount due on the actual income earned in that period (this may benefit taxpayers who don't receive their income evenly throughout the year or are part-year residents).

The total of the required installment payments must equal the required annual payment amount.

Required installment payment due dates:

April 18, 2017

June 15, 2017

September 15, 2017

January 16, 2018

General information

As you earn income, Oregon law requires payments of withholding or estimated tax. Interest is charged if you underpay or are late. Use this form to determine if you owe underpayment interest.

For more information on who must pay estimated taxes, see instructions for estimated income tax.

Instructions

These instructions are for lines not fully explained on the form.

Line 1—Claiming an exception

If you qualify for one of the following exceptions, enter the exception number on Form OR-40, box 42a; or Form OR-40-N, box 68a; or Form OR-40-P, line 67a. **Also**, enter the exception number on line 1 of your Form OR-10. Keep proof of the exception with your tax records.

Exception 1—Farmers and commercial fishermen.

If two-thirds (66.7 percent) or more of your 2016 or 2017 total gross income is from farming or fishing, you don't need to pay underpayment interest.

Gross income includes wages, interest, and dividends, as well as gross income from rentals, royalties, businesses, farming, fishing, and the sale of property. When figuring gross income, subtract only the cost of goods sold. When figuring gross income on the sale of property, subtract only the adjusted basis or cost.

Use the amounts on the lines referenced below from **both your 2016 and 2017** federal income tax returns to determine your gross income.

Farmers:

- Federal Schedule F, line 9;
- Federal Schedule E, line 42;
- Federal Form 4797, line 20. (Include only sales of livestock held for drafting, breeding, dairy, or sporting purposes.)

Fishermen:

- Federal Schedule C, line 5;
- Federal Schedule C-EZ, line 1;
- Federal Schedule E, line 42.

To claim this exception, include all of the applicable federal schedules along with your federal return when you file Form OR-10 and your Oregon return.

Exception 2—Prior year.

You meet this exception if **all** of the following are true:

- You were a full-year Oregon resident in 2016; and
- Your net income tax for 2016 was -0- or you weren't required to file a return for 2016; and
- Your tax year was a full 12 months.

Your 2016 net income tax is your Oregon income tax after tax credits, including refundable tax credits, but before withholding, estimated tax payments, or payments made with an extension.

150-101-029 (Rev. 12-17)

Note: If you were a nonresident or a part-year resident in 2016, you can't use this exception. However, you may be able to use the prior year tax to determine your required annual payment. See Part A instructions on this page.

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

You meet this exception if:

- There was reasonable cause for underpaying your estimated tax; **AND**
 - You retired at age 62 or older during 2016 or 2017; **or**
 - You became disabled during 2016 or 2017.

Reasonable cause will be decided on a case-by-case basis. The extent of your effort to comply with the law will be considered. Attach a statement to your Oregon return explaining the cause to be considered for the exception. Label the statement "**Form OR-10 Attachment**" at the top center of the page.

Exception 4—Underpayment due to unusual circumstances.

No interest is due if your underpayment is due to a casualty, disaster, or other unusual circumstance. Unemployment **doesn't** qualify as an unusual circumstance. Books and records that are destroyed by fire, flood, or other natural disaster may qualify as an unusual circumstance. Unusual circumstances will be determined on a case-by-case basis. The extent of your effort to comply with the law will be considered. Attach a statement to your Oregon return explaining the cause to be considered for the exception. Label the statement "**Form OR-10 Attachment**" at the top center of the page.

Exception 5—S corporation shareholders.

No interest is due on underpayment of S corporation income as a shareholder if:

- The income is for the first year S corporation status is elected; **and**
- You're a nonresident for 2017; **or**
- You were a part-year resident for 2016.

Contact us to see if you meet this exception.

Part A—Figure your required annual payment

Line 2. Fill in your 2017 tax after standard and carryforward credits from Form OR-40, line 31; or Form OR-40-N, line 56; or Form OR-40-P, line 55.

Line 3. Fill in your total 2017 refundable tax credit amounts from Form OR-40, lines 35, 36, and 37; or Form OR-40-N, lines 61, 62, and 63; or Form OR-40-P, lines 60, 61, and 62.

Line 6. Fill in only your Oregon income tax withheld from income. **Don't** include any estimated tax payments.

Line 8. Enter your 2016 tax after all credits, Form OR-40, line 31, minus lines 35 and 36; Form OR-40-N, line 56 minus lines 61 and 62; or Form OR-40-P, line 55 minus lines 60 and 61. If your 2016 tax after credits is less than zero, enter -0-.

If you didn't file a return for 2016, or your 2016 tax year was less than 12 months, **don't** complete line 8. Enter the amount from line 5 on line 9.

Part B—Figure your required installment payment

Line 11. Divide line 9 by four and enter the amount in each column. **If you moved into or out of Oregon in 2017, use the column(s) that correspond to the dates you lived in Oregon. Divide the amount on line 9 by the number of periods you were a resident of Oregon.** This is your required regular installment payment for the period.

OR

If you annualized your income using Worksheet OR-10-AI, enter the amounts from line 31 of the worksheet instead of using four equal payments. These are your required annualized installments. If you annualize, check box 42b on Form OR-40, 68b on Form OR-40-N, or 67b on Form OR-40-P. Keep a record showing a breakdown of the income included on line 1 of Worksheet OR-10-AI, along with supporting documentation showing the date your income was earned, received, or credited to your account, with the worksheet. We may ask you for this later.

Part C—Figure your interest

Interest is calculated on the balance of the tax due (running balance) between event dates. The required payments due in April, June, September, and January increase your running balance. Withholding and estimated payments decrease your running balance. Underpayment interest accrues until the balance is paid in full or April 17, 2018, whichever is earlier. Interest will continue to accrue on any tax due after April 17, 2018, and will be computed separately.

Note: Before January 1, 2018, an interest period is one full month (for example, April 18 through May 17 is one interest period). For a fraction of a month, interest is figured daily, based on a 365-day year. Beginning January 1, 2018, interest will be figured daily, based on a 365-day year.

Date and amount columns

Lines 12, 17, 22, and 28. Enter your required payments from line 11 in the **Amount** column for each corresponding period. If the required payment is zero, enter -0-.

Lines 13, 18, 23, and 29. Fill in one quarter of the Oregon income tax withheld from your income. Enter the figure in the **Amount** column for the four withholding payment dates. If you didn't have any withholding during that period, enter -0-. Withholding is considered to be paid in equal amounts on the required payment dates (usually four), unless you prove otherwise.

Lines 14, 15, and 16. Enter the dates and amounts of any estimated payments you made before June 15, 2017 in date order. All payments made on or before April 17, 2017 can be added together and entered on line 14.

Lines 19, 20, and 21. Enter the dates and amounts of any estimated payments you made from June 15, 2017 through September 14, 2017 in date order.

Lines 24, 25, and 26. Enter the dates and amounts of any estimated payments you made from September 15, 2017 through January 15, 2018 in date order.

Lines 30, 31, and 32. Enter the dates and amounts of any estimated payments you made from January 16, 2018 through April 17, 2018 in date order. Visit www.oregon.gov/dor to access your Revenue Online account to verify the amount of estimated payments you made toward your 2017 taxes.

Running balance column

The **running balance** is the amount of tax due at any given time during the year. Start on line 12 and work your way down. The required payments on lines 12, 17, 22, and 28 increase your running balance. Withholding and estimated payments on the other lines decrease your running balance. If there is no withholding payment for the period, your running balance will be the same as shown on the required payment line. The rate change on line 27 has no effect on your running balance. Your running balance can be positive, negative, or zero.

Example 1. Date, amount, and running balance columns

	Date	Event	Amount	Running balance	No. of months	Monthly rate	No. of days	Daily rate	Interest due
12.	04/18	Required payment	\$ 5,000	\$ 5,000					
13.	04/18	Withholding	\$ 3,500	\$ 1,500		0.004167		0.000137	
14.	05/18	Payment	\$ 2,500	\$ (1,000)		0.004167		0.000137	
15.		Payment				0.004167		0.000137	
16.		Payment				0.004167		0.000137	
17.	06/15	Required payment	\$ 5,000	\$ 4,000					
18.	06/15	Withholding	\$ 3,500	\$ 500		0.004167		0.000137	
19.	07/17	Payment	\$ 2,500	\$ (2,000)		0.004167		0.000137	
20.	08/14	Payment	\$ 3,000	\$ (5,000)		0.004167		0.000137	
21.		Payment				0.004167		0.000137	
22.	09/15	Required payment	\$ 5,000	\$ 0					
23.	09/15	Withholding	\$ 3,500	\$ (3,500)		0.004167		0.000137	

Example 1: Catelyn has a required payment of \$5,000 every period. Her total withholding is \$14,000 for the year (\$3,500 each period). Catelyn made estimated tax payments of \$2,500 on May 18, \$2,500 on July 17, and \$3,000 on August 14. Catelyn's running balance as of September 15 is negative \$3,500.

Months and days columns

For payments made or due in 2017, count the number of full months and days between the first event that creates a positive running balance and the next event that changes your running balance. For payments made or due on or after January 1, 2018, only count the number of days between these events. Don't count the number of days between required payments and withholding payments because they are on the same day. Enter the months and days in the same row as your first event. Continue entering the number of full months and days between events down the column until you reach the last event that affects your running balance. Count the number of full months and days (only the number of days beginning January 1, 2018) between the last event in your column and April 17, 2018. Underpayment interest isn't calculated past April 17, 2018, the due date of the return.

If the running balance is negative or zero, don't calculate the number of days between the day the running balance becomes negative or zero and the next event.

Example 2: Using the information on page 3, Catelyn doesn't calculate the number of days between her first required payment and first withholding payment. We recognize her

required payment and withholding on the same day. There is one full month between Catelyn's first withholding payment and first estimated tax payment. Catelyn will enter "1" in the month column on line 13.

Example 3: Using the information on page 3, Catelyn's estimated tax payment on May 18 creates a negative running balance on line 14. Since she has met the required payments to date, she won't owe further underpayment interest this period. It isn't necessary for her to calculate the number of days between her estimated tax payment and her required payment on June 15. Catelyn continues the running balance for the remaining periods in the same way.

Interest column

To calculate your interest, multiply your positive running balance by the number of full months and the monthly rate. Add to this your positive running balance multiplied by the number of days and the daily rate. **Don't** calculate interest on a negative or zero running balance.

Example 4: On line 13, Catelyn has a running balance of \$1,500 for one month. The interest that accrues during this period totals \$6.25 ($1,500 \times 1 \times 0.004167$). Catelyn later has a balance of \$500 for one full month and two days. The interest that accrues during that period totals \$2.22 [$(500 \times 1 \times 0.004167) + (500 \times 2 \times 0.000137)$].

Line 34. Add the amounts in the interest column. Round to the nearest whole dollar and enter here **and** on Form OR-40, line 42; or Form OR-40-N, line 68; or Form OR-40-P, line 67.

Examples 2, 3, and 4. Months, days, and interest columns

	Date	Event	Amount	Running balance	No. of months	Monthly rate	No. of days	Daily rate	Interest due
12.	04/18	Required payment	\$ 5,000	\$ 5,000					
13.	04/18	Withholding	\$ 3,500	\$ 1,500	1	0.004167		0.000137	\$ 6.25
14.	05/18	Payment	\$ 2,500	\$ (1,000)	-	0.004167	-	0.000137	
15.		Payment				0.004167		0.000137	
16.		Payment				0.004167		0.000137	
17.	06/15	Required payment	\$ 5,000	\$ 4,000					
18.	06/15	Withholding	\$ 3,500	\$ 500	1	0.004167	2	0.000137	\$ 2.22
19.	07/17	Payment	\$ 2,500	\$ (2,000)	-	0.004167	-	0.000137	
20.	08/14	Payment	\$ 3,000	\$ (5,000)	-	0.004167	-	0.000137	
21.		Payment				0.004167		0.000137	
22.	09/15	Required payment	\$ 5,000	\$ 0					
23.	09/15	Withholding	\$ 3,500	\$ (3,500)	-	0.004167	-	0.000137	

Instructions for annualized income worksheet

Note: Are you using the annualized income worksheet to compute your 2018 estimated tax payments? If so, see page 6 for further instructions.

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. You must multiply your Oregon tax (line 18), exemption credit (line 19), and 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 prorated credits (line 20) by your Oregon percentage.

Line 1. Enter your adjusted gross income (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 received wages for the entire year. Three months' wages belong in column A, five months in column B, eight months in column C, and all 12 months in column D. She also received a lump-sum distribution of \$25,000 from her IRA on July 17. Carley includes the total amount of the distribution in columns C and D only. If Carley received the lump-sum distribution on April 24 instead, she includes it in columns B, C, and D.

Line 2. Enter the amount of Oregon additions (Form OR-40, line 8; Forms OR-40-N or OR-40-P, line 30S) claimed during 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 column D. If she received the interest at \$500 a month, she would enter \$1,500 (for three months) in column A, \$2,500 (for five months) in column B, \$4,000 (for eight months) in column C, and all \$6,000 (for 12 months) in column D.

Line 6. Enter the amount of Oregon subtractions (Form OR-40, line 14; Forms OR-40-N or OR-40-P, line 33S) claimed during the period shown at the top of each column, less the federal tax liability subtraction.

Line 9. Compute your federal tax subtraction on your annualized income using the federal tax subtraction worksheet below.

Don't use this worksheet if your federal adjusted gross income is more than \$125,000 (filing status of single/married filing separately) or \$250,000 (filing status of married filing jointly or head of household). Use the worksheet in the 2017 Form OR-40 instructions, page 14.

If you are filing Form OR-40-N, multiply your federal tax subtraction by your Oregon percentage from Form OR-40-N, line 35.

Line 11. Enter only the amount of your net Oregon itemized deductions claimed for the period shown at the top of each column.

Example 3: Generally, home mortgage interest is a deduction paid evenly throughout the year. Three months of home mortgage interest belong in column A (January, February, and March), five months in column B, eight months in column C, and all 12 months of interest in column D.

Federal tax subtraction worksheet (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 multiplier2	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 worksheet4				
5. Annualization multiplier5	4	2.4	1.5	1
6. Multiply line 4 by line 5.....6				
7. Enter the full amount of your 2017 federal standard deduction in each column7				
8. Enter line 6 or line 7, whichever is larger.....8	()	()	()	()
9. Line 3 minus line 89				
10. 2017 federal exemption amount (Form 1040, line 42, or Form 1040A, line 26)10	()	()	()	()
11. Annualized federal taxable income. Line 9 minus line 10..... 11				
12. Federal tax on line 11 amount for each period (use the federal tax tables)12				
13. Enter \$6,550 (\$3,275 if filing separately) in each column..... 13				
14. Enter the smaller of line 12 or 13. Also enter this amount in each column on line 9 of the annualized income worksheet..... 14				

Example 4: Medical expenses claimed as medical deductions generally aren't incurred evenly throughout the tax year. For example, Jill made deductible payments on a hospital bill of \$990 in April, \$1,995 in June, and the final payment of \$2,271 in October. (All amounts are after the federal AGI limitation.) Jill will enter the \$990 payment in column B. The April payment **plus** the June \$1,995 payment (totaling \$2,985) will go in column C. In column D, she will enter \$5,256, the total deductible amount of all three payments.

Line 14. If you are married filing separately and your spouse itemizes deductions, the amount on this line is -0-. You must itemize your deductions.

Line 18. Use the tax tables or tax rate chart in your 2017 Oregon income tax booklet. Line 17 is your annualized Oregon taxable income for each column.

Line 20. Enter credit amounts that apply only to each period.

Example 5: Sam installed a residential alternative energy device on September 4. He qualifies for a credit of \$160. Sam includes \$160 in column D only.

Estimating your 2018 tax payments

You can use the annualized income worksheet as a guide to compute your 2018 annualized estimated tax payments. Follow the instructions provided for the worksheet. When completing the worksheet, be sure to use the 2018 figures for the Oregon exemption credit, federal tax subtraction, and tax rate charts. You can find these in the instructions for making estimated tax payments, Publication OR-ESTIMATE, which is available at www.oregon.gov/dor or by calling one of the numbers listed below.

When completing the annualized income worksheet, line 25, enter all previous 2018 estimated tax payments in columns B, C, and D. Don't complete the worksheet past line 26. This is your required estimated tax payment for each period of 2018.

Do you have questions or need help?

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

Contact us for ADA accommodations or assistance in other languages.