

Form OR-20-S Instructions

Oregon S Corporation Tax

2025

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Information contained herein is a guide. For complete details of law, refer to Oregon Revised Statutes (ORS) and Oregon Administrative Rules (OAR).

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Purpose of Form OR-20-S

Use Form OR-20-S, Oregon S Corporation Tax Return to calculate and report the Oregon corporate excise or income tax liability of a business entity taxable as an S corporation doing business in Oregon or with Oregon sources of income.

Important reminders

If your registered corporation or insurance company isn't doing business in Oregon and has no Oregon-source income, then you don't need to file a corporation tax return.

Revenue Online. Revenue Online provides convenient, secure access to tools for managing your Oregon tax account. With Revenue Online, you may:

- View your tax account.
- Make payments.
- View correspondence we sent you.
- Check the status of your refund.

For more information and instructions on setting up your Revenue Online account, visit www.oregon.gov/dor.

What's new

Note: Not all information in this section pertains to all taxpayers or form types. If applicable, refer to House Bills (HB) or Senate Bills (SB) as shown.

Visit www.oregon.gov/dor for possible updates to these instructions.

General

Tie to federal tax law

In general, Oregon tax law is based on federal tax law. Oregon is tied to the federal definition of taxable income as of December 31, 2023; however, Oregon is still disconnected from:

- Federal subsidies for prescription drug plans (IRC §139A; ORS 317.401).
- Deferral of certain deductions for tax years beginning on or after January 1, 2009 and before January 1, 2011 may require subsequent Oregon modifications (IRC §168(k) and §179; ORS 317.301).

Credits

Note: generally, only credits carried forward from C corporation years are allowed on the S corporation return. See "Credits" below and ORS 314.766(5).

Affordable housing lenders tax credit (ORS 317.097)

HB 2087 (2025) allows the credit for loans made to a qualified mortgage loan fund for loans made or modified on or after January 1, 2026, and tax years beginning on or after, January 1, 2026. HB 3589 (2025) allows the tax credit if the project received money from the Elderly and Disabled Housing Fund under ORS 456.535.

Agricultural overtime tax credit (ORS 315.133)

HB 2339 (2025) allows the agricultural overtime tax credit to be applied against ORS 317.090(2)(a) minimum tax (generally for C corporations) for tax years beginning on or after January 1, 2023.

Research and development for semiconductor companies (ORS 315.518 to 315.522)

HB 2095 (2025) deleted the reference to the alternative incremental credit at IRC 41(c)(4).

General credits

HB 2087 (2025) extended the sunset dates of the following tax credits. Unless otherwise noted, the sunset dates were extended to tax years beginning before January 1, 2032.

- Crop donation tax credit. The credit percentage is raised to 25% for tax years beginning on or after January 1, 2025 (ORS 315.156).
- Manufactured dwelling park capital gains subtraction (note following ORS 317.401).
- Individual Development Accounts (IDA) donations tax credit, donations to a fiduciary organization must be made prior to April 15, 2030 (ORS 315.271).
- Oregon Production Investment Fund (OPIF) tax credit auctions (ORS 315.514).

Estimated tax payments

Requirements

Oregon estimated tax payment requirements aren't the same as federal estimated tax payment requirements. You must make estimated tax payments if you expect to owe tax of \$500 or more. This includes Oregon minimum tax. This requirement also applies if you're an S corporation paying tax on income from built-in gains or excess net passive investment income. See ORS 314.505 to 314.525 and supporting administrative rules.

If you don't make estimated payments as required, you may be subject to interest on underpayment of estimated tax (UND). Refer to Form OR-37 if you have an underpayment of estimated tax.

Payment due dates

Estimated tax payments are due quarterly, as follows:

- **Calendar year filers:** April 15, June 15, September 15, and December 15.

- **Fiscal year filers:** The 15th day of the 4th, 6th, 9th, and 12th months of your fiscal year.
- If the due date falls on a Saturday, Sunday, or legal holiday, use the next regular business day.

Payment options

Important: For details about making payments **with your return**, see “Filing checklist” below.

Estimated payments may be made by electronic funds transfer (EFT), online, or by mail.

EFT. You **must** make your Oregon estimated payments by EFT if you’re required to make your federal estimated payments by EFT. We may grant a waiver from EFT payments if you’d be disadvantaged by the requirement (ORS 314.518 and administrative supporting rules).

If you don’t meet the federal requirements for mandatory EFT payments, you may still make voluntary EFT payments.

You can make EFT payments through Revenue Online or through your financial institution. To learn more about Revenue Online or to make an EFT payment, visit www.oregon.gov/dor. If you pay by EFT, **don’t** send Form OR-20-V, *Oregon Corporation Tax Payment Voucher*.

Mail. If paying by mail, send each payment with a Form OR-20-V, payment voucher, to: Oregon Department of Revenue, PO Box 14950, Salem OR 97309-0950.

Include on your check:

- Federal employer identification number (FEIN).
- Tax year beginning and ending dates.
- Contact phone.

Estimated tax payments worksheet

(Keep for your records—don’t file with your payment.)

- | | |
|---|----------|
| 1. Oregon net income expected in upcoming tax year. | 1. _____ |
| 2. Tax on Oregon net income (see Appendix B). | 2. _____ |
| 3. Subtract tax credits allowable in upcoming tax year. Tax credits can’t be used to reduce the \$150 minimum excise tax. | 3. _____ |
| 4. Net tax (line 2 minus line 3). | 4. _____ |

If the amount on line 4 is less than \$500, **stop**. You don’t have to make estimated tax payments.

Caution: If your final tax liability when you file your return is \$500 or more, you may be subject to UND.

- | | |
|---|----------|
| 5. Amount of each payment.
(Divide line 4 by the number of payments you need to make.
This is usually 4.) | 5. _____ |
|---|----------|

If your expected net tax changes during the year, refigure your estimated tax payments using the *Estimated tax payments worksheet*.

To avoid additional charges for UND, you must pay the amount of any prior underpayment plus the amount of the current required payment.

Example: During the year, Corporation A’s expected net tax increased from \$2,000 to \$6,000. Corporation A made timely first and second quarter estimated payments of \$500 before its expected net tax increased.

Corporation A should make four payments of \$1,500 each during the year. Because of its increased net tax, Corporation A will be subject to UND charges for the first and second quarters. To avoid UND charges for the third and fourth quarters, Corporation A must make timely payments of \$3,500* for the third quarter and \$1,500 for the fourth quarter.

*\$1,000 for the first-quarter underpayment, plus \$1,000 for the second-quarter underpayment, plus \$1,500 for the required third-quarter installment equals \$3,500.

Filing information

Who must file with Oregon?

S corporations doing business in Oregon or receiving income from Oregon sources are required to file Form OR-20-S, *Oregon S Corporation Tax Return*, under the excise or income tax provisions in ORS Chapters 317 and 318. S corporation tax statutes and rules are in Chapter 314 of the Oregon Revised Statutes and Oregon Administrative Rules (ORS 314.730 to 314.784).

Exemption for emergency service providers. An out-of-state emergency service provider is exempt from tax when operating solely for the purposes of performing disaster or emergency-related work on critical infrastructure. Disaster or emergency-related work conducted by an out-of-state business may not be used as the sole basis for determining that a corporation is doing business in Oregon.

Note: Oregon follows the **federal entity classification regulations**. If an entity is classified or taxed as an S corporation for federal income tax purposes, it will be treated as an S corporation for Oregon tax purposes.

For Oregon tax purposes, S corporation income generally is taxable to the shareholders rather than the corporation. However, S corporations do pay Oregon tax on income from built-in gains or excess net passive income

if such income is subject to tax on the federal corporation return.

The income or loss of an S corporation is reported to each shareholder on the federal form, Schedule K-1. See “**Shareholder information**” below.

Minimum tax requirements. All S corporations **doing business** in Oregon must pay the \$150 minimum excise tax. The minimum tax isn’t passed through to the shareholders, but is payable by the S corporation.

Excise or income tax?

Oregon has two types of corporate taxes: excise and income. **Excise tax is the most common.** Most corporations don’t qualify for Oregon’s income tax.

Excise tax requirements. Excise tax is a tax for the privilege of **doing business** in Oregon. It’s measured by net income. S corporations doing business in Oregon must file a Form OR-20-S to report and pay the \$150 minimum excise tax. If the S corporation has an **Oregon address**, generally the S corporation will file an *Oregon S Corporation Tax Return* and pay excise tax.

“**Doing business**” means **carrying on or being engaged in any profit-seeking activity** in Oregon not protected by Public Law 86-272. A taxpayer having one or more of the following in this state is doing business in Oregon:

- A stock of goods.
- An office.
- A place of business (other than an office) where affairs of the corporation are regularly conducted.
- Employees or representatives providing services to customers as the primary business activity (such as accounting or personal services), or services incidental to the sale of tangible or intangible personal property (such as installation, inspection, maintenance, warranty, or repair of a product).
- An economic presence through which the taxpayer regularly takes advantage of Oregon’s economy to produce income.

Income tax requirements. S corporations may still be subject to the Oregon corporation income tax if they have income from an Oregon source. S corporations that derive income from sources within Oregon but whose income producing activity doesn’t actually constitute doing business must file Form OR-20-S under the **income tax** provisions in ORS Chapter 318.

Income is from an Oregon source if it’s derived from:

- Tangible or intangible property located or used in Oregon;
- Any activity carried on in Oregon, whether intrastate, interstate, or foreign commerce that doesn’t otherwise constitute doing business in Oregon.

There is no minimum tax for a corporate **income tax** filer.

Corporations with **no business activity** in Oregon or without income from Oregon sources, even if registered to do business in the state, aren’t subject to the excise, income, or minimum tax and aren’t required to file a return.

Important: Don’t file a Form OR-20-S unless you’re required to do so. Filing an unnecessary return may result in a billing for minimum tax.

Shareholder information

Shareholders who meet Oregon filing requirements must file an Oregon tax return. Refer to the appropriate Oregon tax returns and instructions for an explanation of those requirements, based on shareholder classification (individual, corporation, trust, or estate).

Resident shareholders are taxed on their pro rata share of S corporation income, loss, and deductions from the federal K-1s. Those amounts are modified by Oregon additions and subtractions.

Nonresident shareholders are taxed on their share of business income from the federal K-1s, multiplied by the S corporation’s apportionment percentage from Schedule OR-AP, part 1, *Apportionment of Income for Corporations and Partnerships* (ORS 314.734). Nonresident shareholders are also taxed on their share of nonbusiness income from Oregon sources.

Each individual shareholder of an S corporation may claim their pro rata share of the corporation’s business tax credits unless the shareholder is included on a composite return (ORS 314.752 and supporting administrative rules). The credit is allowable for the tax year of the individual in which the S corporation’s tax year ends.

Composite returns

Pass-through entities with distributive income attributable to Oregon sources must file a composite return on behalf of its nonresident owners who elect to participate in the composite filing. A nonresident owner is an individual who isn’t a resident of Oregon, a business entity that has a commercial domicile outside of Oregon, a nonresident trust, or a qualified funeral trust. The pass-through entity reports the nonresident owners’ share of Oregon-source distributive income on one tax return, Form OR-OC, *Oregon Composite Return*.

Withholding requirement

An S corporation with one or more nonresident owners who have no other Oregon source income is required to withhold tax on the owner’s distributive share of S corporation income. The requirement is waived if the owner makes an election to join in the filing of a composite return, sends us a signed Form OR-19-AF, 150-101-175, or meets another exception listed in ORS 314.775 and supporting administrative rules.

Each quarter, the S corporation will complete a Form OR-19-V, *Tax for Nonresident Owners Payment Voucher*. Send in any required payments with a completed Form OR-19-V. At the end of the year, complete Form OR-19 to show how much of each quarterly payment belongs to each nonresident shareholder.

E-file

If you're required to e-file with the IRS, you're also required to e-file for Oregon (ORS 314.364). We accept calendar year, fiscal year, short year, and amended electronic corporation tax returns utilizing the IRS Modernized e-file platform (MeF). Beginning January 2026, we'll accept e-filed returns for tax year 2025, and will continue accepting returns for 2024 and 2023.

Your tax return software also allows you to make electronic payments when e-filing your **original** return.

Note: Your paper return may be rejected if you're required to electronically file your Oregon corporation tax return, unless a waiver request has been approved by us prior to the filing of the paper return.

If you'd like to request a waiver, send an email with the FEIN, tax year, and reason you're unable to e-file to bus.electronicfiling@dor.oregon.gov, prior to paper-filing your return.

For a list of software vendors or for more information, search "e-filing" at www.oregon.gov/dor.

Federal or other state audit changes

If the IRS or other taxing authority changes or corrects your federal or other state return for any tax year, you **must** notify us. File an amended Oregon return and include a copy of the federal or other state audit report. Mail this **separately** from your current year's return.

If you don't amend or send a copy of the federal or other state report, we have two years from the date we're notified of the change by the IRS to issue a deficiency notice. To receive a refund, you must file a claim for refund of tax within two years of the date of the federal or other state report.

Amended returns

Oregon doesn't have an amended return form for corporations. Use the form for the tax year you're amending and check the **amended** box. **Always use your current address.** If your address has changed, **don't** use your old address or our system will revert your current address to the old address.

Fill in all amounts on your amended return, even if they're the same as originally filed. If you're amending to change additions, subtractions, or credits, include detail of all items and amounts, including carryovers.

If you change taxable income by filing an original or amended federal or other state return, you must file an amended Oregon return within **90 days** of when the original or amended federal or other state return is filed (ORS 314.380). Include a copy of your original or amended federal or other state return with your amended Oregon return and explain the changes.

If you filed Form OR-20-S and later determined you should file Form OR-20, amend your return using Form OR-20 and check the amended box.

You may make payments online for your amended return at www.oregon.gov/dor.

Don't make payments for amended returns with EFT. This also applies to e-filed amended returns. For paper returns, you may pay online or include a check or money order with your return. For e-filed returns, you may pay online or send a check or money order separately. If you mail your payment separate from your return, write "**Amended**" on the payment and include a completed Form OR-20-V with the amended box checked.

Don't amend your Oregon return if you amend the federal return to carry a net operating loss back to prior years. Oregon allows corporations to **carry net operating losses forward only**.

On the **estimated tax payments** line on your amended Form OR-20-S, enter the net excise tax per the original return or as previously adjusted. Don't include any penalty or interest portions of payments already made.

If paying additional tax with your amended return, you must include interest with your payment. Interest is figured from the day after the due date of your original return up to the day we receive your full payment. See "Interest rates."

Pay all tax and interest due when you file your amended return or within 30 days after receiving a billing notice from us to avoid being charged a 5 percent late payment penalty.

Protective claims

Don't file an amended return as a protective claim. Use Oregon Form OR-PCR, *Protective Claim for Refund*, 150-101-184, when your claim to a refund is contingent on a pending court decision or legislative action. Notify us within 90 days of the final determination by filing an amended return. Don't file an amended return before the pending action is final.

Filing checklist

Rounding to whole dollars. Enter amounts on the return and accompanying schedules as whole dollars only. Example: \$4,681.55 becomes \$4,682; and \$8,775.22 becomes \$8,775.

- **Due date of your return.** Returns are due by the 15th day of the month following the due date of your federal corporation return. When the 15th falls on a Saturday, Sunday, or legal holiday, the due date is the next business day.
- **Extensions.** See the instructions below for the extension checkbox. When you file, include the extension as the final page of your return.
- **Payments.**
 - **Payments received after the original due date will be applied first to penalty, then to interest, and then to tax [ORS 305.265(13)].**
 - **Estimated payments and prepayments.** Identify all estimated payments claimed by completing Schedule ES on your return. List all payments that were submitted prior to filing your return. Include the corporation name and FEIN if a payment was made by an affiliate of the filing corporation.
 - **Online payments.** You may pay online for any return at www.oregon.gov/dor. Search “payments.”
 - **Making electronic payments with your e-filed return.** We accept electronic payments when e-filing your **original** return.
 - **Making check or money order payments with your paper return.** Make your check or money order payable to Oregon Department of Revenue. Write the following on your check or money order:
 - Filer FEIN.
 - Tax year beginning and ending dates.
 - Contact phone.
 - **To speed up processing of your return:**
 - Don’t use Form OR-20-V payment voucher.
 - Don’t staple payment to the return.
 - Don’t send cash or postdated checks.
 - Don’t use red or purple or any gel ink.
- **Assembling your return.** Assemble your Oregon return forms in the following order:
 1. Form OR-20-S, *Oregon S Corporation Income Tax Return*;
 2. Schedule OR-AP, *Apportionment of Income for Corporations and Partnerships*;
 3. Schedule OR-PI, *Schedule of Partnership Information*;
 4. Schedule OR-ASC-CORP, *Oregon Adjustments*;
 5. Form OR-37, *Underpayment of Oregon Corporation Estimated Tax*;
 6. Form OR-24, *Like-Kind Exchanges/Involuntary Conversions*;
 7. Schedule OR-FCG-20, *Farm Liquidation Long-Term Capital Gain Tax Adjustment*;
 8. Other Oregon statements;
 9. Oregon credit forms including notice of credit transfers;
 10. Copy of federal tax return and schedules;
 11. Federal Schedule K-1s, if less than 11 shareholders during the year, or K-1 Summary (see below); and
 12. Form 7004, Federal extension.

- **K-1 Summary.** If you had more than 10 shareholders, include a summary of shareholder information. Your summary must include each shareholder’s name, SSN or FEIN, address, profit/loss sharing percentage, and Oregon modifications and credits. We prefer summaries and K-1s on CD or a USB flash drive. Label it with the entity’s FEIN, name, and tax year. If the CD or flash drive is password protected, mail the password separately. Include the S corporation name and identification number with the password.

Mailing Addresses

Tax-due returns, with or without payment, mail to:

Oregon Department of Revenue
PO Box 14790
Salem OR 97309-0470
(Do NOT include a payment voucher.)

Refunds or no tax-due returns, mail to:

Oregon Department of Revenue
PO Box 14777
Salem OR 97309-0960

Check or money order payments only, mail to:

Oregon Department of Revenue
PO Box 14950
Salem OR 97309-0950
(Include Form OR-20-V payment voucher.)

Form instructions

Heading and checkboxes

- **Excise or income tax checkbox.** Oregon has two types of corporate taxes: excise and income. **Excise tax is the most common.** Most corporations don’t qualify for Oregon’s income tax. See “Excise or income tax.”
Do you pay an excise tax or income tax to Oregon? One box must be checked:
 - Excise tax if you do business in Oregon.
 - Income tax if you don’t do business in Oregon, but you have taxable income from an Oregon source.
- **OR-FCG-20 checkbox.** A reduced tax rate is available if you sold or exchanged capital assets used in farming. Complete Schedule OR-FCG-20 and check the box in the header of the form.
- **Extension checkbox.** For an Oregon extension when you’re also filing for a federal extension: Send a copy of the federal extension with the Oregon return when you file. Check the extension box on your Oregon return and include a copy of the extension after all other enclosures.

For an “Oregon only” extension: Answer question 1 on federal extension Form 7004, write **“For Oregon Only”** at the top of the form, and include it with your Oregon

return when you file. Check the extension checkbox on the Oregon return.

The Oregon extension due date is the 15th day of the month following what would be the federal extension's due date. Don't send the extension until you file your Oregon return.

More time to file doesn't mean more time to pay your tax. To avoid penalty and interest, pay your tax due online, or by mail with Form OR-20-V, by the original due date of your return. **Note:** Filing Form OR-20-V isn't an extension of time to file your tax return.

If you're making an extension payment by mail, send the payment to: Oregon Department of Revenue, PO Box 14950, Salem OR 97309-0950.

Include on your check:

- FEIN.
- "Extension."
- Tax year beginning and ending dates.
- Contact phone.

- **Form OR-37 checkbox.** If you have an underpayment, you must include a completed Form OR-37. Check the Form OR-37 box in the header of your return.

Use Form OR-37 to:

- Calculate the amount of underpayment of estimated tax;
- Compute the amount of interest you owe on the underpayment; or
- Show you meet an exception to the payment of interest.

- **REIT/RIC checkbox.** If you participated in a REIT or RIC, you must check the appropriate box in the header area of the Oregon tax return.
- **Amended checkbox.** Check the amended box if this is an amended return.
- **Form OR-24 checkbox.** Corporations may defer, for Oregon tax purposes, all gains realized in the exchange of like-kind property and involuntary conversions under IRC §1031 or §1033, even though the replacement property is outside Oregon. Oregon will tax the deferred gain when it's included in federal taxable income.

Include a copy of your Oregon Form OR-24, *Like-Kind Exchanges/Involuntary Conversions*, 150-800-734, with your Oregon return and check the Form OR-24 box if all of the following apply:

- The corporation reported deferred gain on a federal Form 8824;
- All or part of the property exchanged or given up was located in Oregon; and
- All or part of the acquired property was located outside of Oregon.

For a more detailed explanation, see ORS 314.650 and 314.665 and supporting administrative rules regarding apportionment of deferred gain.

- **Federal Form 8886 checkbox and reportable transactions.** If you're required to report listed or reportable transactions to the IRS on federal Form 8886, you must check this box. We'll assess penalties if you don't comply with this requirement.
- **Global intangible low-taxed income (GILTI) included on federal return.** If you included GILTI on your federal return, check this box.
- **Accounting period change checkbox (Excise tax return filers only.)** Check this box only if both of the following apply:
 - The excise tax return covers a period of less than 12 months, **and**
 - The short-period return is due to a qualified change in accounting period per IRC §441 to §444.

Note: A short-period return doesn't automatically constitute a qualified change in accounting period. A taxpayer that isn't in existence for the entire year shouldn't check this box. This includes subsidiaries that join or leave a consolidated filing group and newly formed or dissolved corporations.

If you file a short-period return due to a qualified change in accounting period and you're subject to the minimum tax, apportion the \$150 minimum tax by multiplying the \$150 minimum tax by the total number of months in the short period and dividing it by 12.

- **Alternative apportionment checkbox.** See Appendix C for complete information. Check this box if you have included a request with your return.

Name. Enter your company name as listed on your business registration with the Oregon Secretary of State's office.

- **Legal name.** Enter the corporation's current legal name as set forth in the articles of incorporation or other legal document.
- **FEIN.** Enter the FEIN of the corporation named as the filer on the consolidated Oregon return.
- **DBA/ABN.** If the corporation is doing business under a different name, for example, DBA or ABN, enter that name.
- **Current address.** Always enter the corporation's current address. If the address for the year you're filing was different, **don't** use the old address or our system will revert your current address to the old address.

Questions

Questions A–C. Complete only if this is your first return or the answer changed during the tax year.

Question D. Refer to the current list of North American Industry Classification System (NAICS) codes found with your federal tax return instructions. Only enter the code if this is your first return, the current code is different than you reported last year, or your code begins with "111" or "112".

Question G. If this is the corporation's first return, check the box and provide all information as requested. If the corporation is a successor to a previously existing business in Oregon, check the box and provide all information as requested. You would only check one of the boxes.

Question H. Final returns: A final tax return is required when a corporation has ceased to exist, withdrawn from doing business in Oregon, dissolved, merged, or reorganized. Check the box and provide requested information.

Question I. Utility or telecommunications companies. Taxpayers primarily engaged in utilities or telecommunications may elect to apportion income using a double-weighted sales factor formula (ORS 314.280 and supporting administrative rules). Check the box if making this election.

Question J. Enter ordinary business income or loss from federal Form 1120-S, line 21.

Question K. Total Oregon sales.

- **Apportioned returns.** Enter the amount of Oregon sales from Schedule OR-AP, line 22(a).
- **Nonapportioned returns.** Enter the amount of sales as defined by ORS 314.665. Generally, S corporations doing business only within Oregon will calculate Oregon sales by adding:
 - Gross receipts from sales of inventory (less returns and allowances), equipment, and other assets;
 - Gross rent and lease payments received; and
 - Gross receipts from the performance of services.**Note:** (This is a non-exclusive list.)

Line instructions

Do **not** complete lines 1–5 unless you have taxable income **and** tax on federal Form 1120-S.

S corporations without built-in gains or excess net passive income:

- Skip lines 1 through 5,
- Enter your apportionment percentage on line 6,
- Enter 0 taxable income on line 7,
- Enter 0 calculated tax on line 8,
- Enter 0 total calculated tax on line 10,
- Then skip to line 11, "Minimum tax" (see instructions).

Line 1. Income taxed on federal Form 1120-S.

S corporations with built-in gains or excess net passive income: Taxable income.

Line 1(a). Enter the amount from federal Form 1120-S, Schedule D, Part III, line 18. If the amount is negative, enter \$0.

Line 1(b). Enter the amount from federal Form 1120-S, "Worksheet for line 23a."

Line 1(c). Enter total of lines 1(a) and 1(b).

Additions

Important: Additions for S corporations with federal taxable income or LIFO benefit recapture only. **S corporations without built-in gains or excess net passive income, start on line 6.**

Line 2. Total additions from Schedule OR-ASC-CORP, Section A. The amount by which any item of income is greater under Oregon law than under federal law, or the amount by which any allowable deduction is less under Oregon law than under federal law, is an addition on your Oregon return. **Enter only additions that apply to taxable income included in line 1c.**

Use Schedule OR-ASC-CORP, Section A, to report the amount and description code of each addition. Use the description code from the list in Appendix A. The total of all additions is entered on Form OR-20-S, line 2.

Additions include:

- **Charitable donations not allowed for Oregon.** Donations to a charitable organization that has received a disqualifying order from the Attorney General aren't deductible as charitable donations for Oregon tax purposes. Such organizations are required to provide a disclosure to a donor to acknowledge this. The Attorney General will publish and otherwise make publicly available information identifying the charitable organizations receiving a disqualification order. If you claimed a federal deduction, an addition must be made on your Oregon return for donations to such charitable organizations (ORS 317.491).
- **CPAR addition.** If you're an owner of a partnership that was subject to a partnership-level audit by the IRS (or you're an owner of a tiered partner of such a partnership), you may have to increase or decrease your Oregon income as a result of the audit. Report an increase in income using addition code 187 or report a decrease in income using subtraction code 384, whichever is applicable. Use these codes even if another code is assigned for the specific type of increased or decreased income (ORS 314.733). Visit our website for more information.
- **Deferred gain recognized from out-of-state disposition of property acquired in an IRC §1031 or §1033 exchange.** See ORS 317.327 regarding the computation of the addition if gain or loss is recognized for federal

tax purposes but not taken into account in the computation of Oregon taxable income.

- **Depreciation differences.** If your Oregon depreciation isn't the same as your federal depreciation, the difference is a required modification to your Oregon return (ORS 317.301). Use *Schedule OR-DEPR* to determine the Oregon modification.
- **Gain or loss on the disposition of depreciable property.** Add the difference in gain or loss on sale of business assets when your Oregon basis is less than your federal basis (ORS 317.356).
- **Income from sources outside the United States.** Add income from sources outside the United States, as defined in IRC §862, not included in federal taxable income under IRC §§861 to 864 (ORS 317.625).
- **Interest income excluded from the federal return.** Oregon gross income includes interest on all state and municipal bonds or other interest excluded for federal tax purposes. Reduce the addition by any interest incurred to carry the obligations and by any expenses incurred in producing this interest income (ORS 317.309).
- **Oregon excise tax and other state or foreign taxes on or measured by net income.** Oregon excise tax may not be deducted on the Oregon return. Taxes of other states or foreign governments on or measured by net income or profits may not be deducted on the Oregon return. If you subtracted these taxes on your federal return, you must add them back on your Oregon return. However, the Oregon minimum tax and local taxes, such as the Multnomah County Business Income tax, are deductible, and aren't required to be added back (ORS 317.314).
- **Pass-through Entity Elective (PTE-E) tax deducted on entity-level federal return.** If your S corporation is a member of another PTE who elected to pay Oregon's PTE-E tax and the PTE claimed a deduction for PTE-E tax on their federal return, you must report an addition on Schedule OR-ASC-CORP. See Form OR-21 Instructions or Publication OR-17 for additional information.

Subtractions

Important: Subtractions for S corporations with federal taxable income or LIFO benefit recapture only. S corporations without federal taxable income, start on line 6.

Line 3. Total subtractions from Schedule OR-ASC-CORP, Section B. The amount by which an item of income is less under Oregon law than federal law, or the amount by which an allowable deduction is greater under Oregon law than federal law, is a subtraction on your Oregon return. **Enter only subtractions that apply to taxable income included in line 1c.**

Use Schedule OR-ASC-CORP, Section B, to report the amount and description code of each subtraction. Use the description code from the list in Appendix A. The total of all subtractions is entered on Form OR-20-S, line 3.

Subtractions include:

- **CPAR subtraction.** If you're an owner of a partnership that was subject to a partnership-level audit by the IRS (or you're an owner of a tiered partner of such a partnership), you may have to increase or decrease your Oregon income as a result of the audit. Report an increase in income using addition code 187 or report a decrease in income using subtraction code 384, whichever is applicable. Use these codes even if another code is assigned for the specific type of increased or decreased income (ORS 314.733). Visit our website for more information.
- **Deferred gain recognized from out-of-state disposition of property acquired in an IRC §1031 or §1033 exchange.** See ORS 317.327 regarding the computation of the subtraction if gain or loss is recognized for federal tax purposes but not taken into account in the computation of Oregon taxable income.
- **Depreciation differences.** If your Oregon depreciation isn't the same as your federal depreciation, the difference is a required modification to your Oregon return (ORS 317.301). Use *Schedule OR-DEPR* to determine the Oregon modification.
- **Film production labor rebate.** Subtract the amount received as a labor rebate that's included in federal taxable income (ORS 317.394).
- **Gain or loss on the sale of depreciable property.** The difference in gain or loss on the sale of business assets when your Oregon basis is greater than your federal basis (ORS 317.356 and OAR 150-317-0420).
- **Interest on obligations of the U.S. and its instrumentalities** included in Form OR-20-S, line 1. **This applies to income tax filers only. Reduce the subtraction by any expenses incurred to produce this interest income.**
- **Losses from outside the United States.** Subtract losses from sources outside the United States, as defined in IRC §862, not included in federal taxable income under IRC §§861 to 864 (ORS 317.625).
- **Manufactured dwelling park tenant payments** made under ORS 90.505 to 90.840 to compensate a tenant for costs incurred due to the closure of the park may be subtracted (ORS 317.092).
- **Marijuana business expenses.** ORS 317.363 allows Oregon taxpayers filing a corporate excise or income tax return to deduct business expenses otherwise barred by IRC §280E if the taxpayer is engaged in marijuana-related activities authorized by ORS 475C.005 to 475C.525, or ORS 475C.700 to 475C.919.

- **Psilocybin business expenses.** ORS 317.363 allows Oregon corporation excise and income tax filers to subtract certain business expenses otherwise barred by IRC §280E if the corporation is engaged in psilocybin-related activities authorized by ORS 475A.210 to 475A.722, the Oregon Psilocybin Services Act. Use subtraction code 385 on Schedule OR-ASC-CORP.
- **PTE-E tax refund included on entity-level federal return.** Your subtraction is limited to the amount of the refund that you included as income on your return (ORS 305.100).
- **Sale of manufactured dwelling park.** The net gain attributable to the sale of a manufactured dwelling park to a tenant's association, facility purchase association, or tenant's association supported nonprofit organization is exempt from tax (Note following ORS 317.401).
- **State of Oregon interest income included on line 1 (income filers only).** Interest income from obligation of the state of Oregon isn't taxable if the obligation was issued after May 24, 1961. Reduce the subtraction by any expenses incurred to produce this interest income.

Line 4. S corporation income before net loss deduction (line 1 plus line 2, minus line 3).

Line 5. Net loss deduction.

- Use **line 5** only for Oregon net loss carried over from a year the S corporation was a C corporation. Enter as a positive number.
- **Include a schedule** showing your computations.
- Net losses are allowed as a deduction against built-in gain income only.
- The Oregon deduction is the sum of unused net losses assigned to Oregon for preceding taxable years.
- A net operating loss carryforward is required to be reduced by the entire Oregon taxable income of intervening tax years [ORS 317.476(4)(b)].
- Net losses can be carried forward up to 15 years to offset built-in gain income (ORS 314.766).
- Oregon doesn't allow net losses to be carried back unless a corporation is engaged in crop production, animal production, or aquaculture. See ORS 317.346 for more information.

Line 6. Apportionment percentage. Enter the apportionment percentage from Schedule OR-AP, part 1, line 23. If you have income only in Oregon and don't apportion, enter 100.0000.

Line 7. Oregon taxable income (line 4 minus line 5, or from Schedule OR-AP, part 2, line 12). Complete this line **only** if you are an S corporation with federal taxable income, built-in gains, or excess net passive income. **Most S corporations enter zero.**

Tax

Line 8. Calculated tax. Don't enter minimum tax on this line.

All S corporations **without** federal taxable income, built-in gains, or excess net passive income enter 0 on lines 8 through 10 and go to line 11. S corporations **with** federal taxable income, built-in gains, or excess net passive income must determine and enter the calculated tax as follows:

- Is Oregon taxable income \$1 million or less? If so, multiply Oregon taxable income by 6.6 percent and enter the result. Enter 0 if the result is negative or zero.
- Is Oregon taxable income greater than \$1 million? If so, multiply the amount that's greater than \$1 million by 7.6 percent, and add \$66,000. Enter the result.

Line 9. Schedule OR-FCG-20 adjustment. A reduced tax rate is available if you sold or exchanged capital assets used in farming. Subtract the amount of adjustment for tax on net long-term capital gain from farm property from line 9 of Schedule OR-FCG-20 (ORS 317.063).

Line 10. Total calculated tax (line 8 minus line 9).

Line 11. Minimum tax.

Excise tax filers. S corporations doing business in Oregon enter **\$150 minimum tax**.

Reminder: The minimum tax isn't apportionable for a short tax year (except a change of accounting period).

Income tax filers. S corporations not doing business in Oregon, but with Oregon-source income don't pay minimum tax. Enter 0 for minimum tax.

Line 12. Tax (greater of line 10 or line 11). Oregon tax is the greater of total calculated tax or minimum tax.

Line 13. Tax adjustment for installment sales interest. If you owe interest on deferred tax liabilities with respect to installment obligations under ORS 314.302, enter the amount of interest. Include a schedule showing how you computed the interest.

Line 14. Tax before credits (line 12 plus line 13).

Credits

For a list and description of Oregon corporation credits, visit www.oregon.gov/dor.

Important:

- Only credits carried forward from C corporation years are allowed on the S corporation return.
- No credits are allowed to offset the tax on excess net passive income or minimum tax, unless specified by statute. Credit carryforwards are only allowed to offset the tax on built-in gains [ORS 314.766(5)].

- List credits and codes on the OR-ASC-CORP in the order you want them used.

Line 15. Total carryforward credits from Schedule OR-ASC-CORP, Section D. Use Schedule OR-ASC-CORP to report the amount and description of credits. Use the description code from the list in Appendix A. The total of all credits is entered on Form OR-20-S, line 15. These credits can apply to tax on recognized built-in gains only.

Line 16. Tax after carryforward credits (line 14 minus line 15).

Line 17. LIFO benefit recapture addition. Oregon has adopted the provisions of IRC §1363(d) for S corporations. LIFO benefits are included in taxable income for the last year of the C corporation under these provisions. On the LIFO benefits line of each of the first three returns of the new S corporation, add one-third of the tax that was deferred from the last year of the C corporation. The tax on LIFO benefit recapture is in addition to all other taxes, including the Oregon corporate minimum tax for excise tax filers. Include the computation schedule with the Oregon return (ORS 314.771).

Net tax

Line 18. Net tax (enter line 16 plus line 17).

Payments, penalty, interest, and UND

Line 19. Estimated tax and prepayments.

Estimated tax paid for the tax year. Fill in the total estimated tax payments made before filing your Oregon return.

Schedule ES—Estimated payments or other prepayments. Fill in the total estimated tax payments and any payments made with Form OR-20-V. Also include any refunds applied from other years on line 5. List name and FEIN of the payer only if different from the corporation filing this return. On line 6, enter payments made with your extension or other prepayments.

Total. On line 7, enter the total of lines 1 through 6, then carry total to Form OR-20-S, line 19.

Line 20. Tax due. Is line 18 more than line 19? If so, line 18 minus line 19.

Line 21. Overpayment. Is line 18 less than line 19? If so, line 19 minus line 18.

Line 22. Penalty due with this return. To avoid penalty and interest, you must make any tax payment owed by the **original** due date of the tax return, excluding extensions. You must also e-file or mail your tax return by the original due date, or by the extended due date if you file with a valid extension.

Enter the following penalties on your return if they apply.

- **5 percent failure-to-pay penalty.** Include a penalty payment of 5 percent of your unpaid tax if you don't pay by the original due date, even if you have an extension of time to file.

Exception: You won't be charged the 5 percent failure-to-pay penalty if you meet all of the following requirements:

- You have a valid federal or Oregon extension, and
- You pay at least 90 percent of your tax after credits by the original due date of the return, and
- You file your return within the extension period, and
- You pay the balance of tax due when you file your return, and
- You pay the interest on the balance of tax due when you file your return or within 30 days of the date of the bill you receive from us.

If you filed with a valid extension but didn't pay 90 percent of your tax liability by the original due date, you'll be charged the 5 percent failure-to-pay penalty.

- **20 percent failure-to-file penalty.** Include a penalty payment of 20 percent of your unpaid tax if you don't file your return within three months after the due date (including extensions). The failure-to-file penalty is in addition to the 5 percent failure-to-pay penalty.

- **100 percent late pay and late filing penalty.** Include a penalty payment of 100 percent of your unpaid tax if you don't file returns for three consecutive years by the original or extended return filing due date of the third year. A 100 percent penalty is assessed on each year's tax balance.

Line 23. Interest due with this return. You must pay interest on unpaid taxes if:

- You don't pay the tax balance by the original filing due date, excluding extensions;
- You file an amended return and have tax to pay; or
- Your taxable income is changed because of a federal or state audit and you owe more tax.

Interest owed on tax starts the day after the due date of your original return, excluding extensions, and ends on the date of your payment. Interest is computed daily.

Even if you have an extension to file, you'll owe interest if you pay after the return's original due date.

To calculate interest:

$$\text{Tax} \times \text{Daily interest rate} \times \text{Number of days.}$$

Interest rates and effective dates:

For interest periods beginning	Annually	Daily
January 1, 2026	8%	0.0219%
January 1, 2025	9%	0.0247%
January 1, 2024	8%	0.0219%

Interest accrues on any unpaid tax during an extension of time to file.

Interest will increase by one-third of 1 percent per month (4 percent yearly) on delinquencies if:

- You file a return showing tax due, or we assessed an existing deficiency; and
- The assessment isn't paid within 60 days after the notice of assessment is issued; and
- You haven't filed a timely appeal with us.

Line 24. Interest on underpayment of estimated tax (UND). You must make quarterly estimated tax payments if you expect to owe \$500 or more in tax. This includes Oregon minimum tax. Oregon charges UND interest if:

- The quarterly payment is less than the amount due for that quarter; or
- We receive the quarterly payment after that quarter's due date; or
- No quarterly payments are made during the year and the final tax liability is \$500 or more.

Use Form OR-37 to:

- Calculate the amount of underpayment of estimated tax;
- Compute the interest you owe on the underpayment; or
- Show you meet an exception to the payment of interest.

If you have an underpayment of estimated tax, include Form OR-37 with your tax return, check the box on page 1 of Form OR-20-S, and file them before the due date of the return.

If your current year corporation tax liability, including the minimum tax, is less than \$500, you're not required to make estimated payments. Don't complete this form. However, this provision doesn't apply to a high-income taxpayer. A **"high-income taxpayer"** is one that had federal taxable income before net operating loss and capital loss carryovers and carrybacks of \$1 million or more in any one of the last three years, not including the current year. **Note:** This may result in the overpayment being applied to your second estimated tax installment. See ORS 314.515.

Line 25. Total penalty and interest (add lines 22 through 24).

Total due or refund

Line 26. Total due (line 20 plus line 25). See "Filing checklist" for payment options. **Don't** include a Form OR-20-V, payment voucher, with your payment if you're including a payment with your return.

Note: Any payments received after the original due date will be applied first to penalty, then to interest, and then to tax [ORS 305.265(13)].

Special instructions. If you owe penalty or interest and have an overpayment on line 21, and your overpayment is less than total penalty and interest, then fill in the result of line 25 minus line 21, on line 26.

Line 27. Refund available (line 21 minus line 25).

Line 28. Amount of refund to be credited to estimated tax. You may elect to apply part or all of your refund to your next year's estimated tax payments. Fill in the amount you want to apply. **Your election is irrevocable.**

Elected amounts that are attributable to estimated tax payments received prior to the following year's first quarter estimated tax due date, will be applied as a timely first quarter installment of the following year. Elected amounts attributable to payments received after the following year's first quarter estimated tax due date, will be applied to the following year's estimated tax account as of the date the payment is received. See ORS 314.515 and OAR 150-314-0302.

Line 29. Net refund (line 27 minus line 28).

Schedule SM instructions

Schedule SM is for reporting total Oregon modifications to federal taxable income that are passed through to all S corporation shareholders. If items of income, loss, or deduction are different under Oregon and federal law, indicate the federal schedule K-1 line and amount of the modification.

Note: Don't use Schedule OR-ASC-CORP codes for Schedule SM additions and subtractions.

Line 1. Interest on government bonds of other states. Enter interest the corporation received from states and local governments other than Oregon and its municipalities. Example: Include interest from state of Washington bonds or San Francisco city bonds, but omit interest from Oregon government bonds.

Line 2. Gain or loss on the sale of depreciable property. Enter the difference in gain or loss on the sale of business assets when your Oregon basis is less than your basis for federal purposes (ORS 316.716).

Line 3. Other additions. See ORS 316.680 through 316.848. Include a schedule with your return. Examples of other additions include:

- Gain from involuntary conversion. An S corporation shall make the election to defer gain from the involuntary conversion of its owned property.
- Depletion in excess of basis.
- High-yield discount obligation interest.
- **PTE-E tax addition:** Oregon state taxes deducted on the federal income tax return.

For more information see Form OR-21-MD and instructions, "Addition for tax deducted at federal level." Taxes paid by the electing PTE to the State of Oregon

that are deducted on a federal return filed by the entity must be added to Oregon income. Individual members of the electing PTE, or individual members of a PTE that is a member of the electing PTE, report their share of the addition on their Oregon personal income tax returns, including composite returns joined by non-resident individuals.

Line 4. Total Oregon additions.

Line 5. Interest from U.S. government. Enter the amount of interest received from the U.S. government, its instrumentalities, and organizations that invest in U.S. government securities.

Line 6. Gain or loss on the sale of depreciable property. Enter the difference in gain or loss on the sale of business assets when the Oregon basis is greater than it's for federal purposes (ORS 316.716).

Line 7. Work opportunity credit wage reductions. Were salaries and wages on federal Form 1120-S reduced for the work opportunity tax credit? Enter the amount of reduction here.

Line 8. Subtractions. See ORS 316.680 through 316.848 and ORS 314.734(4) and (5). Include a schedule with your return. You may subtract the Oregon corporation tax paid on built-in gains reported on line 1 of the return. Examples of other subtractions include:

- Local government bond interest.
- Like-kind exchanges.
- High yield discount obligation dividends.
- Sale of public utility dividend reinvestment plan stock.
- Depreciation of basis differences due to claiming a federal tax credit.
- Long-term capital gains from sale of farm.

Include a schedule with your return.

Line 9. Total Oregon subtractions.

Each shareholder's share of additions and subtractions must be reported to the shareholder. These amounts may be added to the federal K-1s and labeled "Oregon additions" and "Oregon subtractions." Alternatively, the S corporation could use Oregon Schedule OR-K-1 to report the Oregon modifications to each shareholder. Don't file the OR-K-1 schedules with your return.

Note: Nonresident shareholders must report their ownership percentage of modifications, multiplied by the S corporation's Oregon apportionment percentage from Schedule OR-AP.

Authorize your preparer. To authorize a preparer other than taxpayer to discuss this return with us, check the box located above the signature line for "Preparer signature other than taxpayer." To authorize a person other than the preparer, include a signed Form OR-AUTH-INFO, *Authorization to Receive Tax Information*, 150-101-100.

Do you have questions or need help?

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

Contact us for ADA accommodations or assistance in other languages.

Appendix A

Corporation Form OR-20-S

2025 Schedule OR-ASC-CORP codes

Additions

Description	Code	Description	Code
Charitable donations not allowed for Oregon	132	Income from sources outside U.S.	159
CPAR addition.....	187	Interest income excluded from the federal return (state, municipal, and other interest income).....	150
Deferred gain from out-of-state disposition of property	118	Oregon excise tax and other tax.....	151
Depreciation differences.....	174	PTE-E tax deducted on entity-level federal return.....	167
Gain or loss on disposition of depreciable property...	158	Uncategorized addition (must include explanation)...	199

Subtractions

Description	Code	Description	Code
CPAR subtraction.....	384	Manufactured dwelling park tenant payments.....	344
Deferred gain from out-of-state disposition of property	352	Marijuana business expenses	375
Depreciation differences.....	353	Psilocybin business expenses	385
Film production labor rebate.....	336	PTE-E tax refund included on entity-level federal return.....	387
Gain or loss on sale of depreciable property	356	Sale of manufactured dwelling park.....	338
Interest on obligations from the federal return and its instrumentalities (income filers only).....	361	State of Oregon interest income (income filers only)...	364
Losses from outside U.S.	358	Uncategorized subtraction (must include explanation).....	399

Credits (carryforward from prior C corporation status only)

Description	Code	Description	Code
Standard credits: None		Oregon affordable housing lender's credit (ORS 317.097)	854
Carryforward credits:		Oregon Low-Income Community Jobs Initiative (ORS 315.533)	855
Agricultural workforce housing (ORS 315.164).....	835	Oregon production investment fund (auction) (ORS 315.514)	856
Bovine manure (ORS 315.176)	869	Publicly supported housing sale (ORS 315.283)	875
Business energy (ORS 315.354)	839	Renewable energy resource equipment manufacturing facility (ORS 315.341).....	860
Child Care Fund contributions (ORS 315.213).....	841	Research and development for semiconductor companies (non-refundable)(ORS 315.518 to 315.522)	874
Crop donation (ORS 315.156)	843	Rural technology workforce development (ORS 315.523)	868
Employer-provided dependent care assistance (ORS 315.204)	846	Short line railroad rehabilitation (ORS 315.593)	872
Employer scholarship (ORS 315.237)	847	Transportation projects (ORS 315.336)	863
Energy conservation projects (ORS 315.331).....	849	Uncategorized carryforward credit (must include explanation).....	999
Fish screening devices (ORS 315.138).....	850	University venture fund (ORS 315.640)	864
Forest Conservation Tax Credit (FCTC) (ORS 315.124)	873	Weatherization lender's credit (ORS 317.111)	866
Individual Development Account (IDA) donation (ORS 315.271)	852		
Lender's credit: energy conservation (ORS 317.112)...	848		
Long-term enterprise zone facilities (ORS 317.124)	853		
Opportunity Grant Fund (auction) (ORS 315.643).....	871		

Appendix B

Oregon Corporation Form OR-20-S

2025 Tax rates and minimum tax

Note: Corporation **excise** tax filers pay the greater of calculated tax or minimum tax.

Calculated tax (ORS 317.061)

S corporations without federal taxable income, built-in gains, or excess net passive income generally have 0 calculated tax. These corporations pay minimum tax if they're **excise** tax filers.

If Oregon taxable income is:

- \$1 million or less, multiply Oregon taxable income by 6.6 percent (not below zero).
- More than \$1 million, multiply the amount exceeding \$1 million by 7.6 percent, and add \$66,000.

Minimum tax (ORS 317.090)

S corporation minimum tax is \$150 for **excise** tax filers.

Note: Income tax filers pay only calculated tax. They're not subject to minimum tax.

Appendix C

Oregon Corporation Form OR-20-S

Alternative apportionment

Please read carefully. This information is not the same for all tax programs.

Oregon law allows taxpayers to request an alternative method of apportionment using the instructions below. Uniform Division of Income for Tax Purposes Act (UDITPA) taxpayers filing under ORS 314.605 to ORS 314.675, as well as insurers, and taxpayers filing under ORS 314.280, must use this procedure to apply for alternative apportionment.

Administration

We will review the alternative apportionment request and issue a decision letter.

If your alternative apportionment petition is denied, you may appeal the denial of your petition to Oregon Tax Court as provided in ORS 305.275.

If your alternative apportionment petition is approved, you may amend your returns within the normal statute of limitations. The approval of your petition will remain in effect unless and until we revoke it during audit or you file a new petition and receive our approval of the new proposal.

Allow at least 6 months for us to make a determination. Also, note that all petitions for alternative apportionment may result in additional review and documentation requests.

Instructions

- Your written petition for alternative apportionment can be submitted with your original or amended return (Method 1) or separate from your original or amended return (Method 2).
- For administrative purposes, we prefer Method 2.

Method 1 —Alternative apportionment petition submitted with your original or amended return

- Check the alternative apportionment checkbox on the front of the return and include a written petition for alternative apportionment with your original or amended return. Failure to do so could result in your request being overlooked. This box is to denote requests only and isn't to be used after a request is approved.
- You **must** include a written petition for alternative apportionment with your original or amended return if you check the alternative apportionment checkbox.
- **Do not** complete the original or amended return using an alternative method of apportionment unless/until that alternative method of apportionment has been approved.
- Include your petition with your return.

Note: Taxpayers filing amended returns for 2015 or prior must use the form year corresponding to the tax year even though there's no alternative apportionment checkbox on the return. Clearly identify that you're requesting alternative apportionment by writing the words "Alternative apportionment request" at the top and adhere to all other requirements. Determinations to amended returns may take longer to process.

Method 2 —Alternative apportionment petition submitted separately from your original or amended return

- Your written petition must have the title "Alternative apportionment request."
- We will not rule on your alternative apportionment request until you file your original or amended return using standard apportionment provisions.
- Your original or amended return, for which the written petition requests alternative apportionment, must use standard apportionment provisions.
- Mail your petition to: Oregon Department of Revenue, Corporation Section, 955 Center St NE, Salem OR 97301-2555.

Both methods of petition

- The petition must be signed by the taxpayer or the taxpayer's representative.
- You must use standard apportionment provisions to complete your original or amended return while the department rules, in writing, on your request for alternative apportionment.
- In the case of a UDITPA taxpayer, the petition must fully explain the extent of the taxpayer's business activity in Oregon and why standard apportionment doesn't fairly and equitably represent the taxpayer's business activity in Oregon. An ORS 314.280 taxpayer must fully explain why standard apportionment doesn't fairly and equitably represent the amount of net income the taxpayer earns inside and outside Oregon. An insurer must explain why standard apportionment doesn't fairly and equitably represent the insurer's business activity within Oregon.
- Your petition must fully explain your proposed method of alternative apportionment and explain why this proposed method is more accurate in reflecting business activity or net income, as appropriate, in Oregon than the standard formula.
- The petition must show how the Oregon return (Form OR-20, OR-20-INC, OR-20-INS, or OR-20-S) would be completed, including the net tax calculation, using the proposed method of alternative apportionment.