

Refunds for paper-filed returns won't be mailed or deposited until April.  
To get your refund sooner, file electronically.



# 2025 Oregon Income Tax

## Form OR-40-N and Form OR-40-P Instructions

### Nonresident/Part-year Resident



#### Check out our online services

Revenue Online is a secure online portal that provides access to your tax account at any time. You can:

- Check the status of your refund.
- View and print Form 1099-G or letters from us.
- Make or schedule payments.
- Securely communicate with us.
- Update your information.
- Check balances and view your account history.
- File an appeal.

Visit [www.oregon.gov/dor](http://www.oregon.gov/dor) and click on "Revenue Online" to sign up.

- **April 15, 2026** is the due date for filing your return and paying your tax due.
- **File electronically—it's fast, easy, and secure.** See "Electronic filing."
- **Do you qualify for the Oregon Kids Credit or the earned income credit?** See "Refundable credits."
- **Find out if you qualify for the working family household and dependent care credit.** See Schedule OR-WFHDC Instructions for details.
- **Are you a veteran?** Find out about veterans' benefits at [www.oregon.gov/odva](http://www.oregon.gov/odva).
- These instructions aren't a complete statement of laws or Oregon Department of Revenue rules. If you need more information, see Publication OR-17 or contact us.

[www.oregon.gov/dor](http://www.oregon.gov/dor)

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## Do you have questions or need help?

### Internet

[www.oregon.gov/dor](http://www.oregon.gov/dor)

- Download forms, instructions, and publications.
- Access additional information not included in these instructions.

### Revenue Online

[www.oregon.gov/dor](http://www.oregon.gov/dor) (click on Revenue Online)

- Securely communicate with us.
- Check your refund status.
- Make or schedule payments.
- View your account history.
- Find out how much you owe.
- File an appeal.
- View letters and your Form 1099-G, if applicable.

### Email or write

[questions.dor@dor.oregon.gov](mailto:questions.dor@dor.oregon.gov)

[preguntas.dor@dor.oregon.gov](mailto:preguntas.dor@dor.oregon.gov)

Oregon Department of Revenue  
955 Center St NE  
Salem OR 97301-2555

- Include your name and daytime phone number.
- Include the last four digits of your SSN or ITIN.

To request printed forms or publications:  
Forms

Oregon Department of Revenue  
PO Box 14999  
Salem OR 97309-0990

### Phone

**503-378-4988 or 800-356-4222**

Monday–Friday, 7:30 a.m.–5 p.m.

*Closed Thursdays from 9:00–11:00 a.m. and closed on holidays. Wait times may vary.*

Contact us for ADA accommodations or assistance in other languages.

### In person

Offices are located in Salem, Portland, Eugene, Bend, Gresham, and Medford. Find hours and directions to our offices on our website.

**Our main office is located at:**

955 Center St NE  
Salem, OR 97301-2555

### Taxpayer Advocacy

If you think you are not being treated fairly, or if you have a problem or complaint, please contact the Office of the Taxpayer Advocate for assistance.

**503-945-8700**

TTY: We accept all relay calls.

[taxpayer.advocate@dor.oregon.gov](mailto:taxpayer.advocate@dor.oregon.gov)

*Photo on cover: Historic Columbia River Highway Trail west of Mosier. Wasco County. Creator Gary Halvorson, Oregon State Archives.*

# Electronic filing

If you haven't yet tried electronic filing, why not try it this year? Join more than 2 million other Oregon taxpayers who file their returns electronically.

E-filing is the fastest way to file your return and receive your refund. Electronic returns are received and processed with more accuracy and speed than paper returns, greatly reducing errors and delays. E-filing uses secure technology to ensure the safety of your personal information when it's sent to the IRS and the Department of Revenue.

Oregon participates in the IRS Federal/State E-file program. This program allows you to electronically file both your federal and Oregon returns at the same time. If you've already filed your federal return, you can still electronically file your Oregon return.

You can take advantage of e-file in one of two ways:

## 1. Ask your tax preparer.

If your tax preparer is an authorized IRS e-file provider, your preparer can electronically file your federal and Oregon returns. Many Tax-Aide and Tax Counseling for the Elderly (TCE) sites set up by the IRS are authorized IRS e-file providers.

## 2. Use online tax preparation software.

You can file your federal and state returns from your home, work, or library computer using Oregon-approved online tax preparation products. Go to our website at [www.oregon.gov/dor/e-filing](http://www.oregon.gov/dor/e-filing) for a list of tax preparation products to use in preparing your federal and Oregon returns.

**You may be eligible for free e-file.** Several tax preparation software providers offer free online electronic tax filing. For more information, go to [www.oregon.gov/dor/e-filing](http://www.oregon.gov/dor/e-filing).

# Federal tax law

**No extension to pay.** Oregon doesn't allow an extension of time to pay your tax, even if the IRS allows an extension. Your 2025 Oregon tax is due **April 15, 2026**.

**Federal law connection.** Oregon has a rolling tie to changes made to the definition of federal taxable income, with the exceptions noted below. For all other purposes, Oregon is tied to federal income tax laws as amended and in effect on December 31, 2023.

**Oregon exceptions to federal law.** Oregon is disconnected from the business income deduction allowed by **Section 199A** of the Internal Revenue Code (IRC). Due to the way Oregon's returns are designed, no addition is required. Oregon is also disconnected from **IRC Section 139A**, the tax exemption for federal subsidies for

employer prescription drug plans. If you have this type of business income, you'll have an addition on your Oregon return.

Oregon is disconnected from **IRC Section 529** tax exemption for earnings on higher education savings plan funds used for K-12 tuition. Funds in Embark (formerly Oregon College Savings Plan) and MFS 529 Savings Plan accounts may be used for higher education expenses only. If you based a previous subtraction or credit on contributions that are withdrawn and used for K-12 tuition, you may need to report an addition or tax recapture on your Oregon return. See "Additions" and "Additions to tax" in Publication OR-17 for more information.

**Delays at the IRS will postpone processing of paper-filed returns for Tax Year 2025.  
We expect refunds for paper-filed returns to be mailed or deposited beginning in April.  
You can get your refund sooner by filing electronically.**

**We recommend using [Direct File Oregon](#) to file your state return.**



# New information

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**New federal deductions.** You may be able to claim the same deductions for tip income, overtime wages, and passenger vehicle loan interest that you're claiming on your federal return. See "Other items" in Publication OR-17 for more information.

**New section on Schedule OR-ASC-NP.** "Modifications not multiplied by Oregon percentage" is a new category of modifications for nonresidents who are claiming a federal deduction for tip income or overtime wages. The new section is also used by nonresidents

who are claiming the deduction for charitable art object donations.

**Oregon surplus (kicker).** Oregon's surplus, known as the "kicker," will be claimed as a credit on your 2025 tax return. See the instructions for line 57, Form OR-40-N, or line 56, Form OR-40-P.

**Federal tax liability subtraction.** The 2025 federal tax subtraction limit is \$8,500 (\$4,250 for married filing separately). It may be limited further based on your adjusted gross income (AGI). See the instructions for line 40.

# Important reminders

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**Federal return.** When you file your Oregon return, you must include a copy of your federal Form 1040, 1040-SR, or 1040-NR with Schedules 1, 1-A, 2, and 3 (if applicable), or Form 1040-X if you're filing an amended return. Items on your Oregon return may be adjusted or denied if your federal return isn't included.

**Schedule OR-ASC-NP.** Are you reporting an Oregon addition or claiming any Oregon subtractions or credits that have a three-digit code? If so, you must include Schedule OR-ASC-NP when you file your Oregon return. Items with a code may be adjusted or denied if Schedule OR-ASC-NP isn't included with your return. A list of current codes can be found in Publication OR-CODES, Publication OR-17, or on our website. You can download these publications along with Schedule OR-ASC and its instructions from our website or contact us to order them.

**Publication OR-17.** Publication OR-17 is your guide to Oregon personal income taxes. It covers the general rules for filing an Oregon income tax return and expands on the information contained in these instructions. Publication OR-17 also explains Oregon's tax laws to make sure you pay only the tax you owe and no more. You can download Publication OR-17 from our website or contact us to order it.

**Voluntary self-identification.** Every year, we will ask if you would like to identify your race or ethnicity when you file Form OR-40-N or Form OR-40-P. You can select up to three race or ethnicity categories using Form OR-VSI. The information gathered from Form OR-VSI each

year will be used only for research purposes to help make Oregon's tax laws more equitable. For more information, see Form OR-VSI Instructions or our website.

**Transit self-employment tax.** If you're self-employed and doing business within the Lane Transit District (LTD) or the TriMet District (Clackamas, Multnomah, and Washington counties), you may need to pay transit self-employment tax. See the instructions for Form OR-LTD or Form OR-TM on our website or contact us for more information.

**Statewide transit tax - individuals.** If you were a part-year Oregon resident working for an employer outside the state who didn't withhold Oregon taxes from your pay while you were a resident, you may need to report and pay Oregon's statewide transit tax. See the instructions for Form OR-STI on our website or contact us for more information.

**Wildfire settlement or judgment subtractions.** You may be able to subtract income from a settlement or judgment related to a wildfire that hasn't been deducted elsewhere on your federal or Oregon return. Legal expenses related to the settlement or judgment may also be subtracted. Returns for tax years 2018 through 2021 needed to be amended by May 14, 2025 to claim the subtractions. See our website or Publication OR-17 for more information.

**Data security breaches.** Tax professionals suffering a data breach associated with tax return preparation must report the breach promptly to us. See our website for additional information.

# General information

## Do I need to file an Oregon return?

You need to file an Oregon income tax return if your Oregon-source income while you're a nonresident and any income received while you're a resident is more than your standard deduction. See Table 1.

If your Oregon income is less than your standard deduction, you're not required to file a return for Oregon.

However, you must file an Oregon return if you had \$1 or more of Oregon income tax withheld from your wages and you want to claim a refund, or if you qualify to claim a refundable credit.

**Full-year residents.** Oregon taxes your income from all sources.

**Part-year residents.** Oregon taxes your income from all sources earned or received while you were an Oregon resident. Oregon also taxes your income from Oregon sources while you were a nonresident.

**Nonresidents.** Oregon taxes only your income from Oregon sources.

**Nonresident trusts.** If you file federal Form 1040-NR for a trust, you must file Oregon's fiduciary return, Form OR-41. Don't file an Oregon Form OR-40-N.

**Table 1. Filing thresholds**

<b>You must file an Oregon income tax return if:</b>	
<b>Your filing status is—</b>	<b>And your Oregon gross income is more than—</b>
Can be claimed on another's return	\$1,350*
Single	\$2,835
Married filing jointly	\$5,670
Married filing separately	
• If spouse claims standard deduction	\$2,835
• If spouse itemizes deductions	0
Head of household	\$4,560
Qualifying surviving spouse	\$5,670

*\*The larger of \$1,350, or your earned income plus \$450, up to the standard deduction amount for your filing status, not including any additional amount if you're age 65 or older or blind.*

## How long will it take to get my refund?

Return processing times vary due to many factors, including the complexity of your return.

Electronically filed returns are generally received and processed faster.

Paper returns must have all required Oregon schedules, proof of tax withheld, and a copy of your federal return included to ensure smooth processing. If you don't have a federal filing requirement, create a substitute federal return and check the "calculated using 'as-if' federal return" box on your Oregon return.

Returns mailed closer to April 15, when we receive the most returns, can take longer to process.

Also, returns that require additional review can take more time to process. Typical reasons for additional review include: incomplete documentation, identity verification needed, claiming a refundable credit, proof of tax withheld needed, etc.

To check the status of your refund, click on "Where's my refund?" at [www.oregon.gov/dor/personal](http://www.oregon.gov/dor/personal).

## What does income from Oregon sources include?

Oregon income includes income shown on your federal return for services performed in Oregon.

Compute your Oregon-source income using the formula for line 7S if:

- You have wages from an Oregon employer;
- While you were a nonresident, you performed services for your employer in Oregon and another state; and
- Your Oregon wages aren't stated separately on your Form W-2 from this employer.

Other Oregon sources of income (and losses) include:

- Businesses, partnerships, limited liability companies taxed as partnerships, and S corporations located or doing business in Oregon or providing services to Oregonians.
- Unemployment insurance benefits received because of an Oregon job.

- Severance pay received because of an Oregon job.
- Farms located in Oregon.
- Sick pay and vacation pay earned from an Oregon job.
- Estates and trusts in Oregon or that have Oregon property or businesses.
- Oregon State Lottery.
- Sale of Oregon property.
- Rents and royalties for use of Oregon property.
- Community property. If you're a resident of Oregon and your spouse is a resident of a state with community property laws, you may be taxed on part of your spouse's income. Community property laws in the state where your spouse lives determine if you're taxed on any of your spouse's income.

**Income not considered from Oregon sources includes:**

- Interest and dividends. However, you must include them in Oregon income if they were:
  - From an Oregon business you own.
  - Received during the part of the year you were a resident.
  - Passed through from an S corporation or partnership doing business in Oregon.
- Oregon retirement income received while you were a nonresident unless you were domiciled in Oregon. See "Retirement income" in Publication OR-17.
- Interstate transportation wages from an interstate railroad company, interstate motor carrier, air carrier, or interstate motor private carrier. You must be a nonresident and have regularly assigned duties in more than one state. See "Interstate transportation wages" in Publication OR-17.
- Waterway, air carrier, or hydroelectric dam compensation, if you're a nonresident:
  - Working as crew or pilot on a vessel in navigable waters between Oregon and another state.
  - Working as crew or pilot on an aircraft in Oregon and at least one other state.
  - Working on a dam that spans a river between Oregon and another state.

**Note:** See the "Income" section in Publication OR-17 for more details regarding waterway, air carrier, and dam workers' compensation.
- Military pay of a nonresident.
- Winnings of a nonresident from tribal gaming centers in Oregon.
- Wages earned by a nonresident military spouse who is in Oregon only to be with the service member who is stationed here.

## Residency

As an Oregon taxpayer, you are taxed as a full-year resident, a nonresident, or a part-year resident. Note: If you served in the military during 2025, see "Military personnel" below.

### Full-year resident

You're a full-year Oregon resident if your domicile is in Oregon: that is, if all the following are true for you:

- You think of Oregon as your permanent home.
- The center of your financial, social, and family life is in Oregon.
- You intend to return to Oregon when you're away.

You're still a full-year resident even if you temporarily moved out of Oregon—or if you moved back into Oregon after a temporary absence—during 2025.

You may be taxed as a full-year Oregon resident, even if your domicile is outside Oregon, if you maintained a permanent home in Oregon and spent more than 200 days in this state during 2025, unless you can show that you were in Oregon only for a temporary purpose.

### Nonresident

You're a nonresident if **both** of the following are true for you:

- Your domicile is outside of Oregon: that is, the place that you think of as your permanent home, where the center of your financial, social, and family life is, and where you intend to return when you're away, is **not** Oregon; and
- If you maintain a permanent home in Oregon, you didn't spend more than 200 days in this state during 2025 (or you can show that you were in Oregon only for a temporary purpose).

**Important:** A recreational vehicle (RV) is not considered to be a permanent home outside of Oregon.

**Special-case Oregon resident.** You may be taxed as a nonresident, even if your domicile is in Oregon, if all the following are true for you:

- You don't maintain a permanent home in Oregon.
- You maintain a permanent home outside Oregon.
- You spent a total of 30 days or less in Oregon during 2025.

**Oregon residents living abroad.** You may be taxed as a nonresident if you qualify for the federal foreign earned income or housing exclusions for U.S. residents living abroad.

### Part-year resident

You were a part-year resident if you were an Oregon resident for part of the year and a nonresident for the rest of the year.

See Publication OR-17 for examples and more information about residency.

## What form do I use?

Use Form OR-40-P if any ONE of the following is true:

- You're a part-year resident and you're not filing a joint return.
- Both you and your spouse are part-year residents, or one of you is a full-year Oregon resident and the other is a part-year resident, if you're filing a joint return.
- You (or your spouse, if filing a joint return) qualified as an Oregon resident living abroad for part of the year.

Use Form OR-40-N if any ONE of the following is true:

- You're a nonresident.
- You're a special-case Oregon resident.
- You (or your spouse, if you're filing a joint return) are in the military, and you're treated as a nonresident for state income tax purposes.
- You (or your spouse, if you're filing a joint return) qualified as an Oregon resident living abroad for the entire year.

Use Form OR-40 if any ONE of the following is true:

- You're a full-year resident and you're not filing a joint return.
- You're filing a joint return and both you and your spouse are full-year residents.

## Military personnel

If you were in the military during 2025, you are taxed as a full-year resident only if all the following were true for you:

- Your domicile was in Oregon (or you elect to be treated as an Oregon resident for state income tax purposes);
- You were unmarried, or you were married and filing a joint return and your spouse was also domiciled in Oregon (or you both elect to be treated as Oregon residents for state income tax purposes); and
- Your address in the Defense Finance and Accounting System (DFAS) payroll records was in Oregon.

If you're taxed as a resident, you may be able to subtract some or all of your military pay. For more information about the military pay subtraction, see "Military pay subtractions" in Publication OR-17.

If any of the above are not true for you, you may be treated as a nonresident for state income tax purposes.

**Nonresidents stationed in Oregon.** Oregon does **not** tax your military pay unless you elect to be treated as an Oregon resident for state income tax purposes. File a

nonresident return and check the "Military" box if you have other income from Oregon sources or to request a refund of withheld Oregon tax.

**Military spouses.** Unless you elect to be treated as an Oregon resident for state income tax purposes, Oregon does **not** tax your wages if your domicile is outside the state and you're in Oregon only to be with your spouse who is stationed here. File a nonresident return and check the "Military" box if you have income from Oregon sources other than wages or to request a refund of withheld Oregon tax.

For more information, see "Military personnel filing information" in Publication OR-17.

## Filing for a deceased person

A personal income tax return must be filed for a person who died if the person would have been required to file. See "Do I need to file?". Check the "Deceased" box next to the person's name on the return. If you have been appointed personal representative or you have filed a small estate affidavit, sign the return as "personal representative." A surviving spouse must sign if it's a joint return. If there's no personal representative, only the surviving spouse needs to sign a joint return.

**Note:** Oregon has an estate transfer tax on estates valued at \$1 million or more. The tax is paid by the estate using Form OR-706, not by the individuals receiving the inheritance. For more information, see the instructions for Form OR-706.

## When should I file my return?

The filing deadline for calendar year 2025 is **April 15, 2026**. If you can't pay your tax by the due date, it's important to file your return anyway to avoid a late-filing penalty.

Returns for fiscal filers are due by the 15th day of the fourth month after the close of their tax year.

## What if I need more time to file?

If you requested a federal extension to file, Oregon will allow the same extension. Don't include a copy of your federal extension with your Oregon return; keep it with your records. If you need an extension of time to file only your Oregon return, see Publication OR-40-EXT. The due date for filing your return on extension is October 15, 2026.

**An extension doesn't mean more time to pay.**

To avoid interest charges, you must pay all of the tax you expect to owe by April 15, 2026. If you can't pay all of the tax you expect to owe, pay what you can. You'll owe interest on any unpaid tax starting

April 16, 2026, until the date of your payment. You may also be charged a penalty for failing to pay your tax on time. See “Penalties” and the instructions for Form OR-40-N, line 68 or Form OR-40-P, line 67.

**Don’t forget to check the “Extension filed” box on your return when you file. File your return by October 15, 2026.**

## Penalties

If you don’t pay all of your tax by April 15, 2026, you may be charged a 5 percent penalty on the unpaid amount, even if you requested an extension to file your return. Oregon doesn’t allow an extension of time to pay tax, even if the IRS does.

You’ll be charged a 20 percent penalty for failure to file your return if you file it more than three months after the due date, including extensions. If both penalties apply, the total penalty will be 25 percent of the unpaid tax.

**Note:** If you fail to file returns for three consecutive years by the due date for the third year’s return, including extensions, you’ll be charged a penalty of 100 percent of each year’s unpaid tax.

For more information about these and other penalties, see the instructions for Form OR-40-N, line 68 or Form OR-40-P, line 67, and “Interest and penalties” in Publication OR-17.

## Interest on underpayment of estimated tax

You may owe interest for underpaying your estimated tax if:

- The tax on your return after credits and withholding is \$1,000 or more; and
- You underpaid one or more of your required estimated tax installments.

See the instructions for Form OR-40-N, line 69, or Form OR-40-P, line 68, and Form OR-10 Instructions for more information.

## What if I need to change my Oregon return after filing?

It depends on what you need to change. Follow these instructions for amending (changing) your return if:

- You discover that your income, deductions, or other item(s) were wrong.
- You used a form that didn’t match your residency status.
- Your filing status wasn’t correct.

- The IRS or another state adjusted or audited your return and it affects your Oregon tax.
- You have a net operating loss (NOL) carryback.
- Changes in federal or state income tax laws affect a return you’ve already filed.

**Don’t** amend your Oregon return if:

- We made changes to your return and you object to those changes. You must follow the appeal process in the notice we sent you.
- You’re filing a protective claim for a refund. Use Form OR-PCR, which is available on our website, or you can contact us to order it.

Refer to the instructions for the return you need to amend. Visit our website or contact us if you need forms and instructions. It may take six months or longer to process your amended return.

There’s a time limit for filing an amended return to claim a refund. See the instructions for Form OR-40-N, lines 72 to 75 or Form OR-40-P, lines 71 to 74. For more information, see “Amended returns” in Publication OR-17.

## How do I amend my 2025 return?

### General instructions

- Complete the return as it should’ve been filed, including adjustments we made.
- Check the “Amended return” box on the first page.
- In the “Amended statement” space on the last page, provide the return line number and reason for each change.
- Use the **Amended worksheet** to figure your amended tax due or refund.
- If you’re amending your federal return or a return you filed with another state, include a copy of those amended returns with your amended Oregon return. If you’re only amending your Oregon return, include a copy of your original federal return. **Don’t** include a copy of your original Oregon return.

**Residency.** Use the form that matches your residency status for the year you’re amending, even if your original return was filed on a different form.

**Mailing address.** Use your current address.

**Adjustment made by the IRS or another state.** Include a copy of the **corrected** federal or other state return or audit report.

**Electronically file your amended return.** You can now electronically file your Oregon amended return using e-file software. Contact your software provider to find out if they support filing an amended federal return.

**NOL carryback.** Enter the loss year in the NOL tax year box on the first page of the return. If you're carrying back an NOL from more than one year, file a separate amended return for each NOL year. In the "Amended statement" space on the last page of the return, tell us the section number of the IRC or Oregon Revised Statute (ORS) that allows you to carry the NOL(s) back to the 2025 tax year. See "Net operating losses (NOLs)" in Publication OR-17 for more information.

### Amended worksheet

Use this worksheet to figure your amended refund or tax to pay. Keep the completed worksheet with your records. **Note:** If we adjusted any of the amounts on your original 2025 return, use the **adjusted** amounts.

1. Amended tax after standard and carryforward credits (amended Form OR-40-N, line 56; Form OR-40-P, line 55). 1. \_\_\_\_\_
2. Amended total payments and refundable credits (amended Form OR-40-N, line 65; Form OR-40-P, line 64). 2. \_\_\_\_\_
3. Line 1 minus line 2. If less than 0, use a minus sign. 3. \_\_\_\_\_
4. Refund you already had for 2025 (original Form OR-40-N, line 72; Form OR-40-P, line 71; Form OR-40, line 47). If you didn't have a refund, enter 0. 4. \_\_\_\_\_
5. **Amended tax to pay or refund.** Line 3 plus line 4. If less than 0, you have a refund; go to line 6. If 0 or more, you owe tax; skip to line 8. 5. \_\_\_\_\_
6. Refund applications that weren't on your original return (amended Form OR-40-N, lines 73 through 75; Form OR-40-P, lines 72 through 74), up to the refund amount on line 5. Don't use a minus sign.  
**Example:** If line 5 is -\$500, you may apply up to \$500 on your amended Form OR-40-N, lines 73 through 75, or Form OR-40-P, lines 72 through 74. 6. \_\_\_\_\_
7. **Net amended refund.** Line 5 plus line 6. This can't be more than 0. 7. \_\_\_\_\_

8. Penalty and interest on amended tax to pay (amended Form OR-40-N, line 68; Form OR-40-P, line 67). 8. \_\_\_\_\_
9. Total amended amount you owe. Line 5 plus line 8. 9. \_\_\_\_\_
10. Payments made on or after April 15, 2026. 10. \_\_\_\_\_
11. Total amount to pay with your amended return. Line 9 minus line 10. 11. \_\_\_\_\_

### 2026 estimated tax

Estimated tax is the amount of tax (after credits and withholding) you expect will be shown on your return when you file.

#### Do I need to make estimated payments?

In most cases, if you expect your return to show that **your tax will be at least \$1,000 after credits and withholding**, you **must** make estimated payments. You may need to make estimated payments if:

- You're self-employed and don't have Oregon tax withheld from your income.
- You have Oregon Lottery single-ticket winnings of less than \$1,500.
- Oregon tax isn't withheld from other types of income (such as pensions, interest, or dividends) and you expect to owe tax of \$1,000 or more on this income.
- You're a wage earner, but after credits and withholding, the tax on your return will still be \$1,000 or more. In that case, you may want to increase the amount your employer withholds from your Oregon wages. For withholding information, go to the *Individuals* page on our website and look for *Do a paycheck checkup*.

Oregon and federal estimated tax laws are not the same. See Publication OR-ESTIMATE for more information, including:

- Detailed instructions for calculating installment payments.
- Installment periods and due dates.
- Helpful worksheets and examples.
- Payment instructions.

You can find Publication OR-ESTIMATE and the payment voucher, Form OR-40-V, on our website or you can contact us to order them.

# General instructions for Forms OR-40-N & OR-40-P

## Step 1: Complete your federal return

Your Oregon tax is determined using the ratio of your Oregon-source income to your entire federal income. Complete your federal return first. Do this even if you aren't required to file a federal return. You must use the information from your federal return to complete your Oregon return. You must include a copy (front and back) of your federal Form 1040, 1040-SR, or 1040-NR with Schedules 1, 1-A, 2, and 3 (if applicable) with your Oregon return. If you're amending your Oregon return and your federal return, include a copy of Form 1040-X and an amended Form 1040, 1040-SR, or 1040-NR with Schedules 1, 1-A, 2, and 3 (if applicable).

If you don't provide a copy of your federal return, we may adjust or deny your Oregon subtractions, deductions, and credits. **Include** federal Schedules 1, 1-A, 2, and 3 (if applicable); **don't include any other** federal schedules. We may ask you for copies of other schedules or additional information later.

**Oregon registered domestic partners (RDPs):** To correctly determine your Oregon tax liability, you must complete a federal income tax return as if you were filing as married filing jointly or married filing separately. Check the "Calculated using 'as if' federal return" box on your Oregon return.

For more information on how to file as an RDP, see Publication OR-17 or our website.

## Step 2: Select the appropriate Oregon return

To decide which form to use, see "What form do I use?" in the "General information" section.

## Step 3: Fill out the Oregon return

Use **blue or black ink only** for easier reading and faster processing. The equipment used to scan documents and checks can't read gel ink or certain colors, and using them will delay the processing of your return.

### Fiscal-year filers

Write the ending date of your fiscal year in the "Fiscal year ending" box on the return.

### Oregon resident—Form OR-40-P only

Enter the dates you were an Oregon resident during 2025. For example, "from 01/01/2025 to 04/15/2025," or "from 03/01/2025 to 12/31/2025"

## Check the boxes

### Amended return

If you're amending your 2025 return, check this box. See "What if I need to change my return after filing?" in the "General information" section for instructions.

### Calculated using "as if" federal return

Check this box if:

- You're filing as an Oregon RDP.
- Your filing status is married filing separately for Oregon only because you and your spouse don't have the same residency status.
- You didn't file a federal return.

### Short-year tax election

If you're filing a short-year return due to a **bankruptcy**, check this box and write the ending date in the "Fiscal year ending" box.

### Extension filed

Check this box if you requested an extension to file your return. See "What if I need more time to file?" in the "General information" section and Publication OR-40-EXT for more information.

### Form OR-24

Check this box if you're deferring gain on like-kind property that was exchanged or converted. You'll report the gain to Oregon when it's reported on your federal return (federal Form 8824). You must include Form OR-24 with your Oregon return or provide it electronically through your Revenue Online account.

### Form OR-243

Check this box if you are attaching Form OR-243, *Claim to Refund Due a Deceased Person*.

### Federal Form 8379

Check this box if you're requesting your joint refund be apportioned and you are attaching federal Form 8379. For additional information, see "Injured spouse refund claims" in Publication OR-17.

## Federal Form 8886

Check this box if you filed federal Form 8886, *Reportable Transaction Disclosure Statement*.

## Disaster relief

If you were affected by a declared natural disaster in 2025, check this box.

## Military

Check this box if you're a nonresident with military pay. See "Military personnel."

## Employment exception

Check this box if you have interstate transportation wages or you're a waterway, air carrier, or hydroelectric dam worker. See the exceptions in the instructions for line 7S and the "Income" section in Publication OR-17 for more information.

## Name and address

Type or clearly print your own and, if married, your spouse's name, date of birth, and Social Security number (SSN). **Enter your spouse's information even if you're filing as married filing separately.**

**SSN.** You must provide your SSN per Section 405, Title 42, of the United States Code. We will only use it to establish your identity for tax purposes.

Follow these instructions if you've filed previous tax returns using an individual taxpayer identification number (ITIN) and this is your first year filing using your new SSN:

- Check the "First time using this SSN" box.
- Write your previous identification number on the first line of the "Amended statement" space on the last page of your return.

**ITIN.** If the IRS assigned you an ITIN because you don't qualify for an SSN, enter your ITIN wherever an SSN is requested. **Refunds will not be issued without a valid SSN or ITIN.**

If you don't have an ITIN, you must request one from the IRS. To get an ITIN application (federal Form W-7), go to [www.irs.gov](http://www.irs.gov) or call 800-829-1040.

If you've applied for an ITIN but you haven't received it yet:

- Check the "Applied for ITIN" box.
- File your return by April 15, 2026.
- Don't include Form W-7 with your return. Keep it with your records.

- Once the IRS issues your ITIN, mail a copy of your ITIN letter to us at PO Box 14999, Salem OR 97309-0990.

**Deceased taxpayer.** Mark the "Deceased" box for a taxpayer who died during 2025 or 2026.

**Mailing address.** Enter your **current** mailing address. This is where we'll send any refund or correspondence, if needed. Enter your current daytime phone number.

## Filing status

**1** – **5** Check the box next to your filing status. Generally, you must use the same filing status for your Oregon and federal returns. Choose only **one** filing status.

**Exception for Oregon RDPs.** As an Oregon RDP, you're not eligible to use the single filing status on your Oregon return. For Oregon, you're generally **required** to use the married filing jointly or married filing separately filing status. For more information, go to our website, see "Filing an Oregon return" in Publication OR-17, or contact us.

**Exceptions for married persons who filed a joint federal return when each person had a different residency status.** Use Table 2 to determine which return form to use if you file a joint return or separate returns for Oregon.

**Table 2. Spouses with different residency status**

Spouses' residency status:	If you file a joint return, use:	If you file separate returns:
Part-year and nonresident	OR-40-N	Each spouse uses the form that matches their individual residency status
Nonresident and full-year resident	OR-40-N	
Part-year and full-year resident	OR-40-P	

## How to file separate returns for Oregon

If you're filing a joint federal return but separate Oregon returns, enter your spouse's name, date of birth, and SSN on your return. Report your own share of federal AGI and deductions. Also, report your share of any Oregon additions or subtractions using this formula to determine your percentage:

$$\frac{\text{Your share of federal AGI}}{\text{Joint federal AGI}} = \text{Your percentage (not to exceed 100\%)}$$

**Check the "Calculated using 'as if' federal return" box on your return.** You must include the following forms with **both** Oregon returns:

- A federal Form 1040, 1040-SR, or 1040-NR with Schedules 1, 1-A, 2, and 3 (if applicable) prepared as if you had filed separate federal returns.
- A copy of the joint Form 1040, 1040-SR, or 1040-NR with Schedules 1, 1-A, 2, and 3 (if applicable) that you actually filed with the IRS.

If the federal form you filed is an amendment, include Form 1040-X and federal returns as amended for your actual and “as if” returns.

If possible, mail both Oregon returns in the **same** envelope. **Don’t** staple the returns together.

For more information, see “Filing status” in Publication OR-17.

## Exemptions

**6a & 6b Yourself and spouse.** If you can’t be claimed as a dependent on someone else’s return, check the “Regular” exemption box below line 6a; otherwise, check the “Someone else can claim you as a dependent” box even if the other person doesn’t actually claim you as a dependent.

If you’re married and filing a joint return (or filing separately but your spouse has no income) and your spouse can’t be claimed as a dependent on someone else’s return, check the “Regular” exemption box below line 6b; otherwise, check the “Someone else can claim your spouse as a dependent” box, even if the other person doesn’t actually claim your spouse as a dependent.

**Severe disability exemption.** You or your spouse may qualify for the additional “severe disability” exemption, even if someone else can claim you or your spouse as a dependent, if **any** of the following apply to you or your spouse:

- You permanently lost the use of one or both legs or feet.
- You permanently lost the use of both hands.
- You’re permanently blind.
- You have a permanent condition that, without special equipment or outside help, limits your ability to earn a living, maintain a household, or transport yourself.
- You’re unable to earn a living due to a permanent condition or an impairment of indefinite duration.

To confirm that you or your spouse qualify for the additional exemption, a licensed physician must write a letter describing the nature and extent of the disability. Keep the letter with your records in case we request a copy.

If you qualify for this additional exemption, check the “Severe disability” box below line 6a. If your spouse qualifies, check the box below line 6b.

**Total exemptions for yourself and your spouse.** Enter the total number of boxes you checked for yourself on line 6a and for your spouse on line 6b.

**6c Dependents.** List your dependents in order from youngest to oldest. For each dependent, enter their full name, date of birth, SSN, and relationship code (see Table 3).

**Schedule OR-ADD-DEP.** You can list up to three dependents on Form OR-40-N or Form OR-40-P. If you have more than three, use Schedule OR-ADD-DEP to list your other dependents.

You can download the schedule from our website or contact us to order it. Use as many additional schedules as needed. Don’t list dependents on Schedule OR-ADD-DEP who are already listed on Form OR-40-N or OR-40-P. Include Schedule OR-ADD-DEP when you file your return.

**Total number of dependents.** On line 6c, enter your total number of dependents, including the total(s) from Schedule OR-ADD-DEP, line 6.

**Table 3. Relationship codes**

Title	Code	Relationships included
Child	SD	Biological or adopted child.
Stepchild	SC	Stepchild.
Foster child	FC	Foster child.
Sibling	SB	Sibling, half sibling, stepsibling, or sibling-in-law.
Parent	PT	Parent, stepparent, or parent-in-law.
Spouse	SP	Spouse or RDP.
Grandparent	GP	Grandparent or great-grandparent.
Grandchild	GC	Grandchild or great-grandchild.
Aunt/Uncle	AU	Parent's sibling or the sibling's spouse or RDP.
Niece/Nephew	NN	Sibling's child, grandchild, or other descendant.
Other relative	OR	Child's spouse or RDP, cousin, or other related individual.
No relation	NR	Unrelated qualifying individual.

**6d Child with a disability.** The additional “Child with a disability” exemption is for a dependent child, age 21 or younger, who was eligible for early intervention or special education services, as defined by the State Board of Education of the state where the child attended school, as of the end of the tax year.

The child must have had an eligible disability under the federal Individuals with Disabilities Education Act. Eligible disabilities include:

- Autism spectrum disorder.
- Communication disorder.
- Deafblindness.
- Developmental delay.
- Emotional disturbance.
- Hearing impairment (including deafness).
- Intellectual disability.
- Orthopedic impairment.
- Other health impairment.
- Specific learning disability.
- Traumatic brain injury.
- Visual impairment (including blindness).

Each year, you must be able to provide an eligibility statement **and** a cover sheet from the child's IEP

(Individualized Education Program) or IFSP (Individualized Family Service Plan). Keep these with your tax records.

Check the "Child with a disability" exemption box for each qualifying child listed on Form OR-40-N or OR-40-P and Schedule OR-ADD-DEP.

**Total number of children with a disability.** On line 6d, enter the total number of boxes checked for this additional exemption, including the total(s) from Schedule OR-ADD-DEP, line 7.

**6e Total exemptions.** Add lines 6a through 6d and enter the total on line 6e. This is your total number of exemptions.

# Forms OR-40-N and OR-40-P line instructions

**Don't enter cents.** You **must** round off cents to the nearest whole dollar. For example, \$99.49 becomes \$99 and \$99.50 becomes \$100. If you don't round entries to the nearest dollar, there may be small variations in the totals we use.

The forms have two columns for figures. These are to show your federal adjusted gross income (AGI), additions, and subtractions. The columns compare your total (column F) to the portion that Oregon taxes (column S).

**You must include a copy (front and back) of your federal return, including Schedules 1, 1-A, 2, and 3 (if applicable), with your Oregon return.** This helps us verify your income and process your return faster. **If you don't include your federal return with your Oregon return, items claimed on your Oregon return may be adjusted or denied.**

## Federal column (F) instructions, lines 7F–29F

The first column is called "Federal column (F)." For lines 7F–29F of the federal column, transfer the amounts you reported on your federal return. If you used Form 1040 or 1040-SR, these will be the amounts on lines 1a through 11a and Schedule 1, lines 1 through 26.

**Line 29F, "Income after adjustments," must match your 2025 federal AGI** from Form 1040, 1040-SR, or 1040-NR, line 11a; or Form 1040-X, line 1C. If it doesn't match, check that you transferred the figures from your federal return correctly.

## Oregon column (S) instructions, lines 7S–29S

The second column is called "Oregon column (S)." Use this column to list the amounts from the federal column that are taxed by Oregon.

**Nonresidents.** Oregon taxes only your income from **Oregon sources.** To determine your Oregon-source income, see "What does income from Oregon sources include?" in the "General information" section.

**Part-year residents.** Oregon taxes your income from **all sources** earned or received while you were an Oregon resident. Oregon also taxes your income from **Oregon sources** while you were a nonresident. To determine your Oregon-source income, see "What does income from Oregon sources include?" in the "General information" section.

**Full-year residents.** Oregon taxes your income from **all sources.** If you're a full-year resident filing jointly on Form OR-40-N or OR-40-P, all of your income in the federal column must be included in the Oregon column.

**7S Wages, salaries, and other pay for work. Part-year residents**—enter amounts you earned while an Oregon resident and any amounts you earned working in Oregon while you were a nonresident.

**Full-year residents**—enter all of your income included in the federal column.

**Nonresidents**—enter the amount you earned while working in Oregon for each job. If that amount differs from the Oregon wages on your Form W-2, request a signed statement from your employer verifying the number of days worked in Oregon and the total number of days worked everywhere. Keep this document and a statement explaining your calculations with your records. If your Oregon wages aren't stated separately on your Form W-2, compute your Oregon-source income using the following formula:

$$\frac{\text{Days actually worked in Oregon}}{\text{Days actually worked everywhere}} \times \begin{array}{l} \text{Total} \\ \text{wages} \\ \text{(line 7F)} \end{array} = \begin{array}{l} \text{Oregon} \\ \text{wages} \\ \text{(line 7S)} \end{array}$$

**Don't** include holidays, vacation days, and sick days as days actually worked. **However, you must** include sick pay, holiday pay, and vacation pay in total wages. See the example below. If Oregon is the only state you worked in, don't use this formula; all your earnings are taxable and should be reported in the Oregon column.

**Example:** Savannah lives in Idaho but works in Oregon. Of her 260 total days paid, she worked 138 days in Oregon and 92 days from her home in Idaho. She received 14 days vacation pay, eight days sick pay, and eight days holiday pay. She earned \$50,000 in wages. She figured the amount subject to Oregon tax as follows:

Total days paid	260
Less: Vacation days	-14
Sick days	-8
Holidays	-8
Total days worked everywhere	<u>230</u>

$$\frac{\begin{array}{l} \text{Days actually worked in Oregon} \\ (138) \end{array}}{\begin{array}{l} \text{Days actually worked everywhere} \\ (230) \end{array}} \times \begin{array}{l} \$50,000 \\ \text{(Total} \\ \text{wages)} \end{array} = \$30,000$$

Savannah's compensation reported in the federal column, line 7F is \$50,000 and in the Oregon column, line 7S is \$30,000.

## Exceptions

**Interstate employment.** Check the "Employment exception" box on page 1 and don't include the following types of compensation in the Oregon column of the return if you're a nonresident who works:

- For an interstate transportation provider and whose wages qualify for special treatment under the federal laws formerly known as the "Amtrak Act."
- On the Bonneville, The Dalles, John Day, or McNary hydroelectric dams.
- As a crewmember or pilot on a vessel in interstate navigable waters.

If you're a nonresident who works as a crewmember or pilot on aircraft in Oregon and at least one other state, you may be able to exclude your compensation from the Oregon column.

See the "Income" section of Publication OR-17 for details about these exceptions.

**Military.** Check the "Military" box on page 1 of the return if you're a:

- Nonresident member of the U.S. Armed Forces stationed in Oregon. Don't report your military pay in the Oregon column on line 7S. If you have another job, those wages are taxable to Oregon and must be included on line 7S. Only your military pay is exempt.
- Nonresident military spouse. Your wages are exempt from state tax if you're only in Oregon because your spouse is stationed here. Don't report your wages in the Oregon column on line 7S.

If Oregon taxes were withheld from your exempt wages, you should file a new withholding form with your employer. Use Form OR-W-4 and follow the instructions to declare that you're exempt using the appropriate code and give the form to your employer. You can download Form OR-W-4 and instructions from our website or you can contact us to order them.

**8S Taxable interest income.** Determine the amount of interest income on line 8F that you received from an Oregon business activity while you were a nonresident. Add any interest included on line 8F that you received during the part of the year you were an Oregon resident.

**9S Dividend income.** Determine the amount of dividends on line 9F that you received from an Oregon business activity source while you were a nonresident. This includes dividends passed through to you from an S corporation or partnership doing business in

Oregon or providing services for Oregonians. These are dividends your S corporation or partnership received on the stock of another corporation. Add any dividend income included on line 9F that you received during the part of the year you were an Oregon resident.

**10S State and local income tax refunds.** If you received an income tax refund from another state or local government that is included in your federal income, and you deducted those taxes on a prior year's Oregon return, include the refund in your Oregon income. This refund is not taxable to Oregon if you did not deduct the taxes on an Oregon return.

Oregon doesn't tax Oregon state income tax refunds you received, so don't include amounts received from Oregon on line 10S.

**11S Alimony received.** Enter alimony you received for the part of the year you were an Oregon resident.

**12S Business income or loss.** Determine the amount of income or loss from an Oregon business activity for the part of the year you were a nonresident. Add all business income or losses incurred during the part of the year you were an Oregon resident.

**13S Capital gain or loss.** Determine the amount of gain or loss and capital gain distributions from Oregon sources for the part of the year you were a nonresident. Add the amount of your capital gains received and losses incurred during the part of the year you were an Oregon resident. Limit losses to \$3,000 (\$1,500 if married filing separately).

**14S Other gains or losses.** Determine the amount of gain or loss from Oregon sources for the part of the year you were a nonresident. Add the gain received or loss incurred during the part of the year you were an Oregon resident.

**15S IRA distributions.** Determine the amount of any taxable individual retirement arrangement (IRA) distributions you received while an Oregon resident. Include any amounts you converted from a regular IRA into a Roth IRA while you lived in Oregon. If you lived in another state when you made contributions to your IRA, you may need more information. If so, contact us.

**16S Pension and annuities.** Enter the amount of taxable pensions and annuities (including federal pensions), you received while an Oregon resident. Don't include any Railroad Retirement Benefits (RRB-1099-R). If you're domiciled in Oregon, you must also include any Oregon-source pensions you received. This is true even though you may qualify to file as a nonresident under the tests for special-case Oregon residents or Oregon residents living abroad.

For example, if you lived in Oregon before you retired **and have not changed your permanent home to another state**, you must report the pension you earned while you worked in Oregon. If you have a federal pension, you may qualify for a subtraction on Schedule OR-ASC-NP. If you need help, contact us.

**17S Schedule E income.** Determine the income received and losses incurred from rents, royalties, partnerships, S corporations, real estate investment trusts (REITs), estates, trusts, etc. reported on federal Schedule E from Oregon sources during the part of the year you were a nonresident. Add the amount received or incurred during the part of the year you were an Oregon resident.

**18S Farm income or loss.** Determine the amount of income received or loss incurred from an Oregon farm while you were a nonresident. Add the amount of farm income received or loss incurred during the part of the year you were an Oregon resident.

**19S Unemployment insurance (UI) benefits and all other taxable income.** Include on line 19S:

- UI benefits received from an Oregon job or while an Oregon resident,
- Oregon Lottery winnings (see additional information below),
- Other winnings received while an Oregon resident,
- Severance pay received from an Oregon job or while an Oregon resident, and
- Any other taxable income on line 19F from Oregon sources or received while an Oregon resident.

**Don't include** Social Security, Railroad Retirement Board benefits, or Railroad Retirement Board unemployment benefits, as Oregon doesn't tax this income.

Include all payments received from the Oregon Lottery in the Oregon column. Oregon Lottery means all games offered by the Oregon State Lottery Commission and purchased in Oregon. For more information, see Publication OR-17.

## Adjustments

**21S IRA or self-employed SEP and SIMPLE contributions.** Oregon follows the federal definition of earned income and compensation used to calculate your IRA and other retirement plan deductions. Determine the amount you paid during the part of the year you were an Oregon resident. Add the amount calculated for the time you were a nonresident.

- **IRA.** Use the following formula to determine your deduction for the part of the year you were a nonresident:

$$\frac{\text{Oregon earned income while a nonresident}}{\text{Total earned income while a nonresident}} \times \frac{\text{IRA contributions made while a nonresident}}{\text{Total earned income while a nonresident}} = \text{Nonresident deduction}$$

- **Self-employed SEP, SIMPLE, and qualified plans.** Use the following formula to determine your allowable deduction for the part of the year you were a nonresident:

$$\frac{\text{Oregon compensation while a nonresident}}{\text{Total compensation while a nonresident}} \times \frac{\text{Contributions made while a nonresident}}{\text{Total compensation while a nonresident}} = \text{Nonresident deduction}$$

This deduction can't be more than the amount of compensation included in the Oregon column.

- **22S Education deductions.** The following instructions will help you figure the amount you can claim on your Oregon return.

- **Educator expenses deduction** from federal Form 1040 or 1040-SR, Schedule 1, line 11. For the part of the year you were a nonresident, determine the amount of qualified educator expenses you paid while working in or providing educator services to students in Oregon elementary or secondary schools. Add the qualified educator expenses you paid during the part of the year you were an Oregon resident. Enter the smaller of the result or the amount deducted on your federal return.

- **Student loan interest deduction** from federal Form 1040 or 1040-SR, Schedule 1, line 21.

Use the following formula to calculate your deductions for the part of the year you were a nonresident:

$$\frac{\text{Oregon-source income while a nonresident}}{\text{Total income from all sources while a nonresident}} \times \frac{\text{Student loan interest paid while a nonresident}}{\text{Total income from all sources while a nonresident}} = \text{Nonresident deduction}$$

Add all interest paid during the part of the year you were an Oregon resident. Enter the result or the amount of federal student loan interest from your federal return, whichever is less.

Add the Oregon amounts for your educator expenses deduction and student loan interest deduction. Enter the total on line 22S.

- **23S Moving expenses.** Enter moving expenses in the Oregon column only if **all** of the following are true for you (or your spouse, if filing jointly):

- You are on active duty in the United States Army, Navy, Air Force, Marines, or Coast Guard.
- Your expenses are deductible on your federal return because they are related to a permanent change of station (known as a PCS move).
- Your new duty station is in Oregon.
- You have taxable income from employment (military, civilian, or self-employment) performed in Oregon.

**24S Deductions for self-employment tax.** Use the following formula to determine the amount of your self-employment tax on earnings taxed by Oregon:

$$\frac{\text{Self-employment earnings taxed by Oregon}}{\text{Total taxable self-employment earnings}} \times \frac{\text{Federal deduction for self-employment tax}}{\text{Federal deduction for self-employment tax}} = \text{Oregon deduction}$$

The Oregon deduction can't be more than the federal deduction.

**25S Self-employed health insurance deduction.** Oregon allows a deduction of 100 percent of your health insurance premiums related to your self-employment for the part of the year you were an Oregon resident. Add the health insurance premiums paid by your Oregon business while a nonresident. Your total Oregon deduction can't be more than your federal deduction.

**26S Alimony paid.** Determine if the alimony you paid to your former spouse is deductible for federal purposes. If so, use the following formula to calculate your Oregon deduction for the part of the year you were a nonresident:

$$\frac{\text{Oregon-source income while a nonresident}}{\text{Total income while a nonresident}} \times \frac{\text{Alimony paid while a nonresident}}{\text{Alimony paid while a nonresident}} = \text{Nonresident deduction}$$

Add to that amount the alimony you paid while you were a resident.

**27F/S Total adjustments from Schedule OR-ASC-NP.** Other adjustments not explained here are claimed on Schedule OR-ASC-NP. From Schedule OR-ASC-NP, enter the total on line A7 in the federal column and the total on line A8 in the Oregon column. If you're reporting an adjustment, **you must include Schedule OR-ASC-NP with your return.**

For more information about adjustments, see Schedule OR-ASC and OR-ASC-NP Instructions or "Adjustments" in Publication OR-17.

## Additions

**30F/S Total additions from Schedule OR-ASC-NP.** Additions are reported on Schedule OR-ASC-NP. From Schedule OR-ASC-NP, enter the total from line B7 in the federal column and the total from line B8 in the Oregon column. **Include the schedule with your return.**

For more information about additions, see "Additions" in Publication OR-17.

## Subtractions

**32F Social Security and tier 1 Railroad Retirement Board benefits.** Enter Social Security and tier 1 Railroad Retirement Board benefits you included on line 7F or 19F.

If you have tier 2, windfall/vested dual, or supplemental Railroad Retirement Board benefits, these are subtracted on Schedule OR-ASC-NP. For more information, see this topic under "Income" or "Subtractions" in Publication OR-17.

**33F/S Total subtractions from Schedule OR-ASC-NP.** Other subtractions not explained here are claimed on Schedule OR-ASC-NP. Enter the total from line C7 in the federal column and the total from line C8 in the Oregon column. **Include the schedule with your return.**

For more information about subtractions, see Schedule OR-ASC and OR-ASC-NP Instructions or "Subtractions" in Publication OR-17.

**35 Oregon percentage.** In most cases, to find your Oregon percentage, divide the amount on line 34S by the amount on line 34F. If the amount on line 34S is **more than** the amount on line 34F or if the amount on line 34S is positive but the amount on line 34F is zero or negative, your Oregon percentage is 100 percent. If both amounts are negative, treat both as if they're positive, and then:

- If the Oregon number is smaller than the federal number, your Oregon percentage is 100 percent.
- If the federal number is smaller than the Oregon number, divide the federal number by the Oregon number.

Round the decimal to three places and enter the result as a percentage as shown in Table 4. **Don't enter more than 100 percent or less than 0.**

**Table 4. Oregon percentage examples**

Line 34S	Line 34F	Oregon percentage line 35
\$8,000 ÷	\$30,000 =	0.266666 Round to 0.267 ( <u>  26.7</u> %)
\$20,000 ÷	\$15,000 =	1.333 Limited to 1.000 ( <u> 100.0</u> %)
-\$1,000 ÷	\$15,000 =	0 (0%) ( <u>   0.0</u> %)
\$1,000 ÷	-\$5,000 =	(100%) ( <u> 100.0</u> %)
-\$2,000 ÷ 2,000	-\$8,000 = 8,000	Oregon number smaller than federal number ( <u> 100.0</u> %)
-\$10,000 ÷ 10,000	-\$6,000 = 6,000	Federal number smaller than Oregon number 6,000 / 10,000 = 0.6 ( <u>  60.0</u> %)

## Deductions and modifications

Deductions and other modifications further adjust your Oregon taxable income. Modifications not explained here are reported on Schedule OR-ASC-NP. For more information about deductions and modifications, see Schedule OR-ASC and OR-ASC-NP Instructions, or Publication OR-17.

In general, you can claim Oregon itemized deductions or the standard deduction, whichever is larger, **but not both**. See the exceptions below for:

- Dependents who can be claimed on another taxpayer's return.
- Non-U.S. citizens without permanent resident status.
- Spouses filing separate returns.

**37** **Itemized deductions.** If you're itemizing your deductions for Oregon, enter the amount from Schedule OR-A, line 23. **Note: Don't** enter your federal itemized deductions; the amount allowed for Oregon may be different. You can download Schedule OR-A and the instructions from our website or you can contact us to order them.

If you're not itemizing, enter 0.

**38** **Standard deduction.** Generally, your standard deduction is based on your filing status, as shown in Table 5.

**Table 5. Standard deduction**

<b>Single</b>	\$2,835
<b>Married filing jointly</b>	\$5,670
<b>Married filing separately</b>	
• If spouse claims standard deduction	\$2,835
• If spouse claims itemized deductions	0
<b>Head of household</b>	\$4,560
<b>Qualifying surviving spouse</b>	\$5,670

**Standard deduction—Age 65 or older, or blind.** If you or your spouse turned age 65 by January 1, 2026, or were blind at the end of the tax year, you're entitled to a larger standard deduction. If you or your spouse are permanently blind, you may also qualify for the severe disability exemption claimed on lines 6a and 6b.

Check the applicable boxes below line 38, then multiply the number of boxes checked by:

- \$1,200 if single or head of household filing status; or
- \$1,000 for all other filers.

Add this amount to the standard deduction for your filing status from Table 5. Enter the total on line 38.

**Example:** Joni and Mike are married. By January 1, 2026, Joni had turned 61 and Mike had turned 67. Joni files the return as the primary taxpayer. She checks the box for spouse age 65 or older and adds \$1,000 to their standard deduction. Joni enters \$6,670 (\$5,670 + \$1,000) on line 38.

**Standard deduction—Dependents who can be claimed on another taxpayer's return.** If someone else can claim you as a dependent, your standard deduction is limited to the **larger** of:

- Your earned income plus \$450, up to the maximum allowed for your filing status (see Table 5); or
- \$1,350.

This limit applies even if the other person doesn't actually claim you as a dependent on their return.

If you're a dependent and not married, use the following worksheet to figure your standard deduction. If you're a dependent and married, see "Deductions and modifications" in Publication OR-17.

### Standard deduction worksheet for single dependents

1. Enter your earned income (see definition below). 1. \_\_\_\_\_
2. Additional \$450. 2.   \$450
3. Add lines 1 and 2. 3. \_\_\_\_\_
4. Minimum standard deduction. 4.  \$1,350
5. Enter the larger of line 3 or line 4. 5. \_\_\_\_\_
6. Basic standard deduction for single. 6.  \$2,835
7. Enter the smaller of line 5 or line 6. 7. \_\_\_\_\_
8. If you turned 65 by 1/1/2026, enter \$1,200. Otherwise, enter 0. 8. \_\_\_\_\_
9. If you're blind, enter \$1,200. Otherwise, enter 0. 9. \_\_\_\_\_
10. Add lines 7, 8, and 9. This is your standard deduction. 10.

**Earned income** includes salaries, wages, tips, professional fees, or other amounts received as pay for work

you actually performed, and any part of a scholarship or fellowship grant you received that is included in your federal gross income.

**Standard deduction—Non-U.S. citizen without permanent resident status.** Your standard deduction is \$0, but you may claim itemized deductions.

**Standard deduction—Married filing separately.** The standard deduction for married individuals filing separately is \$0 if one spouse itemizes. This applies even if the standard deduction is more than your itemized deductions.

**40 2025 federal tax liability subtraction.** Your federal tax liability subtraction amount is your federal income tax after all credits other than the earned income tax credit (EITC). For 2025, the amount you may subtract is limited to \$8,500 (\$4,250 if married filing separately) and is further limited by your AGI (see Table 6).

Follow the instructions for the **Federal tax liability worksheet** carefully. **Note:** Use the amounts from your actual federal return(s), not your “as if” return(s), if you are:

- Spouses filing a joint federal return but separate Oregon returns due to a difference in residency.
- RDPs filing separate federal returns and a joint Oregon return.

**Note:** Use the worksheet(s) in the “Federal income tax liability” section of Publication OR-17 if any of these situations apply:

- You’re amending your 2025 federal return or we corrected the federal tax liability subtraction on your original 2025 Oregon return.
- A prior year’s federal return was audited or amended, resulting in additional federal income tax paid or refunded in 2025.
- You paid income tax to a foreign country.
- You filed your federal return on Form 1040-NR.
- You reported recapture taxes or credits on your federal return.

**Caution:** Don’t include any of the following in your calculation:

- Self-employment tax.
- Social Security and Medicare tax on tips.
- Household employment taxes.
- Penalties or interest.

## Federal tax worksheet

**Note:** All references to federal Form 1040 in this worksheet also include references to Forms 1040-SR and 1040-NR, unless otherwise indicated. This also includes versions of these forms in other languages.

### Instructions for Federal tax liability subtraction worksheet

**Line 1:** Enter your federal tax liability after nonrefundable credits but before other taxes. This is found on Form 1040, line 22.

**Line 2:** If you need to repay any advance premium tax credit that you received during the year, enter the repayment amount from Form 1040, Schedule 2, line 1a. If not, enter 0.

**Line 3:** Line 1 minus line 2. If the results are less than 0, enter 0.

**Line 4:** Enter the total of any other taxes, plus any tax recaptures or other additions to tax that include only income tax, from Form 1040, Schedule 2, lines 8, 16, and 17. Include any tax on non-effectively connected income from Form 1040-NR, line 23a. **Don’t** include any additions to tax from Schedule 2, line 17 that are penalties, interest, excise tax, or other amounts that aren’t income tax. If you have no other taxes, enter 0.

**Line 5:** Add lines 3 and 4. This is your federal income tax liability before refundable credits.

**Line 8:** Enter your total premium tax credit amount from federal Form 8962, line 24. This is your allowable premium credit regardless of any excess advance payments you received or credit you’re claiming on your federal return.

**Line 9:** Add lines 6, 7, and 8. These are the total refundable credits that must be subtracted from your federal income tax liability.

**Line 10:** Line 5 minus line 9. If less than 0, enter 0. This is your federal income tax liability after refundable credits (other than EITC).

**Line 11:** Enter your maximum allowable federal tax liability subtraction amount from Table 6. Don’t enter more than your limit or less than zero.

**Line 12:** Enter the smaller of line 10 or line 11. This is your federal tax liability subtraction.

**Federal tax liability subtraction worksheet**

- |   |           |
|---|-----------|
| 1. Federal tax liability (Form 1040 line 22).   | 1. _____  |
| 2. Excess advance premium tax credit (Form 1040, Schedule 2, line 1a).                | 2. _____  |
| 3. Line 1 minus line 2. (If less than 0, enter 0).                                    | 3. _____  |
| 4. Other taxes (see instructions).  | 4. _____  |
| 5. Line 3 plus line 4.  | 5. _____  |
| 6. American Opportunity credit (form 1040, line 29).                                  | 6. _____  |
| 7. Refundable adoption credit (Form 1040 or 1040-SR, line 30).                        | 7. _____  |
| 8. Premium tax credit (Form 8962, line 24).   | 8. _____  |
| 9. Add lines 6, 7, and 8.   | 9. _____  |
| 10. Line 5 minus line 9. (If less than 0, enter 0).                                   | 10. _____ |
| 11. Maximum subtraction amount from Table 6.  | 11. _____ |
| 12. Smaller of line 10 or line 11.<br>This is your federal tax liability subtraction. | 12. _____ |

**Are you amending your 2025 return?** Usually you can't change your federal tax subtraction on your amended return, but there are some exceptions. See the "Federal income tax liability" section in Publication OR-17 for more information before making changes to this subtraction.

**Table 6. Federal tax liability subtraction AGI phase out**

If your filing status is:	And your federal adjusted gross income is:		Then your maximum allowable tax liability subtraction is:
	At least—	But less than—	
Single	0	\$125,000	\$8,500
	\$125,000	\$130,000	\$6,800
	\$130,000	\$135,000	\$5,100
	\$135,000	\$140,000	\$3,400
	\$140,000	\$145,000	\$1,700
	\$145,000 or more		0
Married filing separately	0	\$125,000	\$4,250
	\$125,000	\$130,000	\$3,400
	\$130,000	\$135,000	\$2,550
	\$135,000	\$140,000	\$1,700
	\$140,000	\$145,000	\$850
	\$145,000 or more		0
Married filing jointly; or Head of household; or Qualifying surviving spouse	0	\$250,000	\$8,500
	\$250,000	\$260,000	\$6,800
	\$260,000	\$270,000	\$5,100
	\$270,000	\$280,000	\$3,400
	\$280,000	\$290,000	\$1,700
	\$290,000 or more		0

**41 Total modifications from Schedule OR-ASC-NP.** Enter the total from Schedule OR-ASC-NP, line D7. **Include the schedule with your return.**

For more information about modifications, see "Deductions and modifications" in Publication OR-17.

**Form OR-40-N 42**

**Deductions and modifications multiplied by Oregon percentage (Form OR-40-N filers only).** Your standard deduction or itemized deductions, federal tax liability subtraction, and certain other deductions and modifications must be prorated using your Oregon percentage. Complete this worksheet to determine the amount to enter on line 42.

1. Amount from Form OR-40-N, line 39. 1. \_\_\_\_\_
2. Amount from Form OR-40-N, line 40. 2. \_\_\_\_\_
3. Amount from Form OR-40-N, line 41. 3. \_\_\_\_\_
4. Add lines 1, 2, and 3 above. 4. \_\_\_\_\_
5. Oregon percentage from Form OR-40-N, line 35. 5. \_\_\_\_\_
6. Line 4 multiplied by line 5. Enter result on Form OR-40-N, line 42. These are your prorated deductions and modifications. 6. \_\_\_\_\_

**Form OR-40-N 43**

**Deductions and modifications not multiplied by Oregon percentage (Form OR-40-N filers only).** Certain deductions and modifications aren't prorated using your Oregon percentage, but they may be limited to your Oregon-source income. See "Deductions and modifications" in Publication OR-17 for more information. Enter the amount from Schedule OR-ASC-NP, line E7.

**Oregon tax**

**Form OR-40-N 46**

**Form OR-40-P 44**

**Tax rate charts.** Calculate your tax using the applicable formula in the tax rate chart for your filing status.

- Use Chart S if your filing status is single or married filing separately.
- Use Chart J if your filing status is married filing jointly, head of household, or qualifying surviving spouse.

**Example:** Daniel and Madison are filing a joint return. Their Oregon taxable income is \$76,200. They use the formula in Chart J for taxable income over \$22,200 but not over \$250,000 to calculate their tax as follows:

Tax on the first \$22,200 (from the chart)	\$1,323
Oregon taxable income	\$76,200
Minus the first \$22,200	– 22,200
Excess over \$22,200	\$54,000
Multiply excess by 8.75%	x 0.0875
Tax on excess over \$22,200	+ \$4,725
<b>Total Oregon tax</b>	<b>\$6,048</b>

**Other tax methods.** If you qualify, you can compute your Oregon tax using any of the following methods:

**Farm income averaging method.** Did you have income from a farm? You may use the federal farm income averaging method to compute your Oregon tax even if you didn't use farm income averaging on your federal return. Only Oregon-source farm income is considered elected farm income. Use Publication OR-FIA and Schedule OR-FIA-40-N or OR-FIA-40-P to compute the Oregon tax using this method. You can download them from our website or contact us to order them.

**2025 Tax rate charts**

**Chart S: For persons filing single or married filing separately—**

If your taxable income is not over \$4,400 .....your tax is 4.75% of taxable income  
 If your taxable income is over \$4,400 but not over \$11,100 .....your tax is \$209 plus 6.75% of excess over \$4,400  
 If your taxable income is over \$11,100 but not over \$125,000 ..... your tax is \$661 plus 8.75% of excess over \$11,100  
 If your taxable income is over \$125,000 .....your tax is \$10,627 plus 9.9% of excess over \$125,000

**Chart J: For persons filing jointly, head of household, or qualifying surviving spouse—**

If your taxable income is not over \$8,800 .....your tax is 4.75% of taxable income  
 If your taxable income is over \$8,800 but not over \$22,200 ..... your tax is \$418 plus 6.75% of excess over \$8,800  
 If your taxable income is over \$22,200 but not over \$250,000 .....your tax is \$1,323 plus 8.75% of excess over \$22,200  
 If your taxable income is over \$250,000 ..... your tax is \$21,256 plus 9.9% of excess over \$250,000

If you use farm income averaging to calculate your tax, enter the tax amount from Schedule OR-FIA-40-N, line 21, on Form OR-40-N, line 46, and check box 46a, or enter the tax amount from Schedule OR-FIA-40-P, line 20, on Form OR-40-P, line 44, and check box 44a.

Don't include Schedule OR-FIA-40-N or Schedule OR-FIA-40-P with your Oregon return. Keep it with your records.

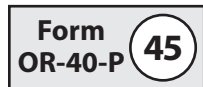
**Farm asset capital gain method.** Did you sell or exchange capital assets primarily used in farming because you were getting out of a farming business? Or, did you sell or exchange a farming business in which you held at least a 10 percent ownership interest? If so, you may be eligible for a reduced tax rate on the net capital gain from the proceeds. Use Worksheet FCG inside Publication OR-FCG to compute the Oregon tax using this method. You can download Publication OR-FCG from our website or you can contact us to order it.

Enter the tax amount from Worksheet FCG, line 9, on Form OR-40-N, line 46 and check box 46b or on Form OR-40-P, line 44 and check box 44b. Don't include the worksheet with your return. Keep it with your records.

**Oregon qualified business income reduced tax rate.** Did you have business income from a sole proprietorship, partnership, or S corporation in which you materially participated? If so, you may qualify to use this reduced tax rate. For details, see Schedule OR-PTE-NR or OR-PTE-PY and Publication OR-PTE on our website or contact us to order them.

**Note:** If you elect to use this reduced tax rate for qualifying income, the election is irrevocable and must be made on your original return. An original return includes an amended return filed on or before the due date, including extensions. **You can't change the election after your original return has been filed.**

If you elect to use the reduced rate to calculate your tax, enter the tax amount from Schedule OR-PTE-NR, line 14a on Form OR-40-N, line 46 and check box 46c or enter the tax amount from Schedule OR-PTE-PY, line 19a on Form OR-40-P, line 44 and check box 44c. Include the schedule with your Oregon return.



**Tax multiplied by Oregon percentage (Form OR-40-P filers only).** Your Oregon tax is found by multiplying the tax on your income after Oregon modifications (your taxable income) by your Oregon percentage.

**Example:** Emily, a single taxpayer, became an Oregon resident in April. Her taxable income on line 43 is \$41,100 and her Oregon percentage is 65 percent. She uses Chart S to figure the amount to enter on line 44 as follows:

Tax on the first \$11,100 (from the chart)	\$661
Oregon taxable income	\$41,100
Minus the first \$11,100	- 11,100
Excess over \$11,100	\$30,000
Multiply excess by 8.75%	x 0.0875
Tax on excess over \$11,100	+ \$2,625
<b>Total Oregon tax</b>	<b>\$3,286</b>

Emily enters \$3,286 on line 44. Next, she multiplies this amount by 65 percent. She enters \$2,136 (\$3,286 x 65%) on line 45.

**Note:** If you calculated your tax using Schedule OR-FIA-40-P or Schedule OR-PTE-PY, do not multiply the amount from line 44 by your Oregon percentage. Enter the amount from line 44 on line 45.



**Interest on certain installment sales.** Did you have installment sales that required you to pay interest on the deferred tax liability for federal purposes? If so, you must also compute interest for Oregon using the same method as for federal. The annual interest rate is 9 percent for 2025 and 8 percent for 2026.

**Nonresidents.** Compute interest only on installment obligations from dispositions of Oregon property.

**Part-year residents.** Compute interest on installment obligations from dispositions of Oregon property while you were a nonresident and from dispositions of all property while you were a resident.



**Total tax recaptures from Schedule OR-ASC-NP.** Tax recaptures are forfeited tax credits that **increase** your tax. For information about tax recaptures, see "Additions to tax" in Publication OR-17. Tax recaptures are reported on Schedule OR-ASC-NP. Enter the total from Schedule OR-ASC-NP, line F5. **Include Schedule OR-ASC-NP with your return.**

## Standard and carryforward credits

Nonrefundable credits can't be more than your Oregon tax liability. **Carryforward credits** allow you to claim unused amounts in a later year. **Standard credits** can't be used in any other year. For more information about nonrefundable credits, see "Credits" in Publication OR-17.

Form OR-40-N 51

Form OR-40-P 50

**Exemption credit.** Depending on your AGI, you may be allowed to claim a credit for the exemptions claimed on line 6 of your return. Your credit must be prorated by your Oregon percentage.

If your federal AGI is more than \$200,000 (\$100,000 if your filing status is single or married filing separately), enter 0; otherwise, use this worksheet to figure your exemption credit:

**Exemption credit worksheet**

- |  |          |
|--|----------|
| 1. If your federal AGI is more than \$100,000 and your filing status is single or married filing separately, or more than \$200,000 for all others, enter 0; otherwise, enter the number of "Regular" boxes checked on lines 6a and 6b plus the number of dependents from line 6c. | 1. _____ |
| 2. If your federal AGI is more than \$100,000, enter 0; otherwise, enter the number of "Severe disability" boxes checked on lines 6a and 6b.   | 2. _____ |
| 3. If your federal AGI is more than \$100,000, enter 0; otherwise, enter the number of exemptions for children with a qualifying disability from line 6d.  | 3. _____ |
| 4. Add lines 1, 2, and 3.  | 4. _____ |
| 5. Line 4 multiplied by \$256.   | 5. _____ |
| 6. Enter your Oregon percentage from Form OR-40-N or OR-40-P, line 35, as a decimal.   | 6. _____ |
| 7. Line 5 multiplied by line 6. Round to the nearest whole dollar. This is your exemption credit.  | 7. _____ |

Form OR-40-N 52

Form OR-40-P 51

**Total standard credits from Schedule OR-ASC-NP.** All other standard credits are claimed on Schedule OR-ASC-NP. Enter the total from Schedule OR-ASC-NP, line G16. **Include Schedule OR-ASC-NP with your return.**

Form OR-40-N 55

Form OR-40-P 54

**Total carryforward credits from Schedule OR-ASC-NP.** All carryforward credits are claimed on Schedule OR-ASC-NP. Enter the total from Schedule OR-ASC-NP, line H9. **Include Schedule OR-ASC-NP with your return.**

**Oregon surplus (kicker)**

Form OR-40-N 57

Form OR-40-P 56

**Oregon surplus (kicker).** The Oregon surplus, known as the "kicker," is a way for state government to return some of your taxes to you when revenues are more than predicted. The Oregon Department of Administrative Services determines whether there is a surplus and the amount to be returned to taxpayers as a kicker. If there's a surplus, the kicker may be claimed on the return in the same way as a payment. If there's no surplus, there's no kicker.

**Eligibility.** To be eligible for a kicker, you must:

1. File your 2024 Oregon return before you file your 2025 return.
2. Have an Oregon personal income tax liability for 2024.
3. File a 2025 Oregon return, even if you don't otherwise have a filing requirement.

**Kicker amount.** In general, your kicker is a percentage of your total Oregon personal income tax liability for the prior year, as adjusted or amended. Your total personal income tax liability is your Oregon income tax before all payments or credits other than the credit for income taxes paid to another state on mutually-taxed income. For 2025, your kicker is 9.863 percent of your 2024 total Oregon personal income tax liability.

**Amended 2024 returns.** If your 2024 return is amended or adjusted after you file your 2025 return, we may automatically adjust your kicker amount. If the changes to your 2024 return reduce your tax liability, your kicker amount may be reduced as well. If so, we may send you a bill for the amount of the reduction along with any interest or penalty.

**Kicker donation.** You may elect to donate your kicker to the Oregon State School Fund for public K-12 education instead of claiming it on your return. **This election is irrevocable after the due date of your original return, including extensions.** When you file your return, you must choose to do one of the following:

- Claim all of your kicker; or
- Donate all of your kicker to the State School Fund.

If you want to donate only a part of your kicker, you first have to claim all of your kicker on your return. Then, once you receive it, use it to make your donation. Write "State School Fund" on the memo line of your payment. The Oregon State School Fund's address is:

Oregon Department of Education  
 Attn: Accounting  
 255 Capitol St NE  
 Salem OR 97301

### How to calculate your kicker amount

**Online assistance.** Our "What's My Kicker" tool can calculate your kicker amount if:

- Your filing status was the same for 2024 and 2025, and
- You filed with the same spouse (if married) for both years.

Look for "What's my Kicker" on Revenue Online at [www.oregon.gov/dor](http://www.oregon.gov/dor) when a kicker is available.

**Kicker worksheet.** This worksheet can help you calculate your kicker amount. It's divided into three parts:

- Part A — Calculate your 2024 total personal income tax liability and kicker amount.
- Part B — Prorate your total personal income tax liability if you filed a joint return for 2024 but you and your spouse aren't filing together for 2025.
- Part C — Add individual kicker amounts together for a joint 2025 return if you and your spouse didn't file together for 2024.

If you're completing Part B or Part C, you may need to use Part A or Part B more than once.

**Same filing and marital status.** If your filing or marital status hasn't changed, all you need to do is multiply your 2024 total Oregon personal income tax liability by 0.09863. You can also use Part A of the worksheet.

**Change in filing or marital status.** If you filed a joint return for 2024, but your filing or marital status has changed for 2025, you must prorate your kicker based on your share of 2024 Oregon AGI. Your Oregon AGI is your federal AGI with additions and subtractions related to AGI, such as the subtractions for Social Security or tier 1 Railroad Retirement Board benefits. See Table 7 and use the **Oregon AGI Worksheet** if you must prorate your kicker.

If you're filing a joint return for 2025, but you and your spouse didn't file together for 2024, you will combine your individual kickers on a joint 2025 return.

**Table 7: Prorated and/or combined kickers.**

Complete Parts A, B, and C if:		
Your filing status in		And:
2024 was:	2025 is:	
Joint	Joint	You were married in 2025 and you (or your spouse, or both) had a different spouse in 2024.
Non-joint	Joint	You were married in 2025 and your spouse had a different spouse in 2024.
Non-joint	Joint	You were married in 2025 and neither of you were married in 2024. (You may skip Part B)

Complete Parts A and B if:		
Your filing status in		And:
2024 was:	2025 is:	
Joint	Non-joint	You were divorced in 2025 or you're married but filing separate returns.
Joint	Non-joint	Your spouse died in 2024 and their personal representative or estate is filing a separate 2025 return on their behalf.

Optional: Complete Part A if:		
Your filing status in		And:
2024 was:	2025 is:	
Joint	Joint	You had the same spouse in both 2024 and 2025.
Non-joint	Non-joint	
Joint	Joint or non-joint	Your spouse died in 2024 and no separate 2025 return is being filed on their behalf, or your spouse died in 2025.

**Oregon AGI.** Table 8 shows additions and subtractions that do not relate to AGI. Use your 2024 return with Schedule OR-ASC or OR-ASC-NP, Table 8, and the 2024 Oregon AGI worksheet if you need to prorate your kicker.

**Table 8. Additions and subtractions not related to AGI**

<b>Addition codes</b>	134, 136, 138, 144, 146, 148, 157, 160, 163
<b>Subtraction codes</b>	301, 309, 311, 313, 314, 320, 340*, 351, 388
<b>Other</b>	Federal tax liability subtraction All modification codes (600-654)** Artist’s charitable contribution deduction**

**2024 Oregon AGI worksheet**

1. 2024 income after subtractions (Form OR-40, line 15; Form OR-40-N or OR-40-P, line 34S) 1. \_\_\_\_\_
2. Federal tax liability subtraction (2024 Form OR-40 only, line 10) 2. \_\_\_\_\_
3. Line 1 plus line 2. 3. \_\_\_\_\_
4. Total 2024 addition amount using codes listed in Table 8. 4. \_\_\_\_\_
5. Line 3 minus line 4. 5. \_\_\_\_\_
6. Total 2024 subtraction amount using codes listed in Table 8. 6. \_\_\_\_\_
7. Line 5 plus line 6. This is your 2024 Oregon AGI. 7. \_\_\_\_\_

Use a reasonable method to find each spouse’s share of the amount on line 7.

\*Code 340 doesn’t relate to AGI only if the subtraction is claimed for an itemized deduction that isn’t allowed on the federal return because of a credit for that item.

\*\*These items aren’t needed for the worksheet.

For more information about Oregon additions and subtractions, see Publication OR-17.

If you’re filing a joint return for 2025, but you and your spouse didn’t file together for 2024, you may need to combine your individual kickers on a joint 2025 return.

**Deceased taxpayer.** The surviving spouse of a deceased taxpayer may claim the full amount of the kicker if a joint return was filed for 2024. A deceased taxpayer’s personal representative may file a 2025 return on the taxpayer’s behalf to claim their kicker.

**How do I find my 2024 total Oregon personal income tax liability?** Use Table 9 and your 2024 Oregon return to find your tax before credits and any credit(s) you claimed for income taxes you paid to another state (using code 802 or 815) on Schedules OR-ASC or OR-ASC-NP.

**Table 9: Where to find 2024 tax liability.**

<b>If you filed:</b>	<b>Tax before credits:</b>	<b>Credits using code 802 or 815 from:</b>
Form OR-40	Line 24	Schedule OR-ASC, Section C
Form OR-40-N	Line 50	Schedule OR-ASC-NP, Section E
Form OR-40-P	Line 49	

**Kicker worksheet**

**Part A—Total personal income tax liability and kicker.**

1. Tax before credits (see Table 9). 1. \_\_\_\_\_
2. Credit for income taxes paid to another state using code 802 or 815 (see Table 9). 2. \_\_\_\_\_
3. Line 1 minus line 2. This is your total personal income tax liability for 2024. 3. \_\_\_\_\_
4. Line 3 multiplied by 0.09863. Round to the nearest dollar. This is your kicker. 4. \_\_\_\_\_

**Part B – Prorated kicker.**

Complete Part B **only if** you must prorate your kicker. See Table 7. Complete the **2024 Oregon AGI worksheet** and determine your share of Oregon AGI before you begin this part.

5. 2024 Oregon AGI worksheet, line 7. 5. \_\_\_\_\_
6. Your share of 2024 Oregon AGI. 6. \_\_\_\_\_
7. Line 6 divided by line 5. Round to two decimal places. 7. \_\_\_\_\_
8. Line 4 multiplied by line 7. This is your prorated kicker. 8. \_\_\_\_\_

**Part C – Combined kicker.**

Complete Part C **only if** you’re filing a joint return for 2025 **and** you and your spouse didn’t file a joint return together for 2024.

9. Kicker amount from your worksheet, line 4 (or line 8 if you completed Part B). 9. \_\_\_\_\_
10. Your spouse’s kicker from their worksheet, line 4 (or line 8, if they completed Part B). 10. \_\_\_\_\_
11. Line 9 plus line 10. This is your combined kicker. 11. \_\_\_\_\_

**Example 1:** George and Robin filed a joint 2024 Oregon return. They were divorced in 2025 and are filing separate returns. On their 2024 return, their tax before

credits was \$6,500, and they claimed a \$300 credit using code 802 on Schedule OR-ASC. Their 2024 Oregon AGI was \$90,000; George's share was \$40,000 and Robin's share was \$50,000. Each completes the 2024 Oregon AGI worksheet and Parts A and B of the Kicker worksheet to find their prorated kickers.

**George's worksheet:**

Part A:

1. Tax before credits	\$ 6,500
2. Credit using code 802 or 815	<u>– 300</u>
3. Total personal tax liability	\$ 6,200
4. Line 3 multiplied by 0.09863	\$ 612

Part B:

5. 2024 Oregon AGI	\$ 90,000
6. George's share	\$ 40,000
7. Line 6 divided by line 5	0.44
8. Line 4 multiplied by line 7	\$ 269

**Robin's worksheet:**

Part A:

1. Tax before credits	\$ 6,500
2. Credit using code 802 or 815	<u>– 300</u>
3. Total personal tax liability	\$ 6,200
4. Line 3 multiplied by 0.09863	\$ 612

Part B:

5. 2024 Oregon AGI	\$ 90,000
6. Robin's share	\$ 50,000
7. Line 6 divided by line 5	0.56
8. Line 4 multiplied by line 7	\$ 343

George's prorated kicker is \$269 and Robin's prorated kicker is \$343.

**Example 3:** Duane and Fern filed a joint Oregon return in 2024. Their Oregon tax before credits was \$7,500, and they didn't claim any credit using code 802 or 815. Their Oregon AGI was \$80,000; Fern's share was \$48,000 and Duane's share was \$32,000. They were divorced in early 2025, and Duane married Leslie later that year. Leslie had filed a non-joint Oregon return for 2024. Her Oregon tax before credits was \$2,000 and she claimed a \$200 credit using code 815 on Schedule OR-ASC. Duane didn't remarry in 2025. Duane, Fern, and Leslie figure their kickers as follows:

**Duane's worksheet:**

Part A:

1. Tax before credits	\$ 7,500
2. Credit using code 802 or 815	<u>– 0</u>
3. Total personal tax liability	\$ 7,500
4. Line 3 multiplied by 0.09863	\$ 740

Part B:

5. 2024 Oregon AGI	\$ 80,000
6. Duane's share	\$ 32,000
7. Line 6 divided by line 5	0.40
8. Line 4 multiplied by line 7	\$ 296

**Fern's worksheet:**

Part A:

1. Tax before credits	\$ 7,500
2. Credit using code 802 or 815	<u>– 0</u>
3. Total personal tax liability	\$ 7,500
4. Line 3 multiplied by 0.09863	\$ 740

Part B:

5. 2024 Oregon AGI	\$80,000
6. Fern's share	\$48,000
7. Line 6 divided by line 5	0.60
8. Line 4 multiplied by line 7	\$ 444

**Leslie's worksheet:**

Part A:

1. Tax before credits	\$ 2,000
2. Credit using code 802 or 815	<u>– 200</u>
3. Total personal tax liability	\$ 1,800
4. Line 3 multiplied by 0.09863	\$ 178

Leslie skips Part B because she filed a non-joint return for 2024. She and Duane complete Part C:

9. Duane's kicker from his worksheet, line 8	\$ 296
10. Leslie's kicker from her worksheet, line 4	<u>\$ 178</u>
11. Line 9 plus line 10	\$ 474

Duane and Leslie's combined kicker is \$474. Fern's kicker is \$444.

**Claim your kicker.** If you're claiming your kicker, enter the amount from line 4, line 8, or line 11 of the worksheet, as applicable, on Form OR-40-N, line 57, or Form OR-40-P, line 56.

**Donate your kicker.** If you elect to donate your kicker to the Oregon State School Fund, **enter 0 on Form OR-40-N, line 57 or Form OR-40-P, line 56** and see the instructions for Form OR-40-N, line 79 or Form OR-40-P, line 78. **Reminder: This election is irrevocable after the due date of the original return, including extensions.**

**Note about offsets:** If you claim the kicker and it reduces your 2025 tax liability to zero, any excess will be treated like a refund of overpaid tax. This means that it may be offset (applied as a payment) against any

tax or other liabilities you owe before the balance is refunded to you or applied (see Refund applications, below). If you donate your kicker, it may be used first to offset tax or other liabilities you owe, with any remaining amount donated to the Oregon State School Fund. If this happens, we'll send you a notice to let you know.

## Tax payments

Form  
OR-40-N 58

Form  
OR-40-P 57

**Oregon income tax withheld.** Enter the total Oregon tax withheld from your wages and other income. State tax withheld from wages is shown in box 17 of Form W-2 and in the State area of various 1099 forms. **Don't** include the FICA (Social Security) tax withheld or tax withheld from your wages by other states. **You must include a legible, unaltered copy** of your Form W-2 from each job and any Form 1099 showing Oregon income tax withheld with your Oregon return.

If you don't have a Form W-2 or 1099, you must provide other proof of Oregon tax withheld. Proof may include a copy of a final paycheck stub or a letter from your employer. If you file before February 1, 2026, we can accept only a Form W-2 or 1099 as proof.

If you have tax to pay, you may want to increase the amount your employer or other payer withholds from your wages or other income. You can find withholding information and do a "paycheck checkup" on our website.

Form  
OR-40-N 59

Form  
OR-40-P 58

**Prior-year refund applied as estimated tax payment.** Enter the amount of any prior-year refund you applied as a payment of 2025 estimated tax. If we adjusted your applied refund, be sure to use the adjusted amount. If you need to verify your applied refund amount, log into or create your Revenue Online account on our website or contact us.

Form  
OR-40-N 60

Form  
OR-40-P 59

**Estimated tax payments for 2025.** Enter the total estimated tax payments you made before April 15, 2026. For calendar-year filers, these payments were due April 15, 2025; June 16, 2025; September 15, 2025; and January 15, 2026. If you're filing on extension, **include** any extension payment made on or before the due date (without extension), but

**don't include** any payments made after April 15, 2026. Include any payments from real estate transactions. **Don't include** the amount reported on Form OR-40-N, line 59 or Form OR-40-P, line 58. If you need to verify your estimated payments, log into or create your Revenue Online account on our website or contact us.

Form  
OR-40-N 61

Form  
OR-40-P 60

**Withheld tax or estimated tax payments from Schedule OR-K-1, line 20.** An Oregon pass-through entity (PTE) or an out-of-state PTE with Oregon-source income may be required to withhold Oregon tax or may choose to make estimated Oregon tax payments on its owners' behalf. PTEs report these payments to us on Form OR-19 and to owners on Schedule OR-K-1.

Enter the amount from Schedule OR-K-1, line 20. If the PTE didn't provide Schedule OR-K-1 to you, enter the amount of withheld tax or estimated tax paid on your behalf that the PTE reported to us on Form OR-19. **Don't** include any composite return (Form OR-OC) payments from Schedule OR-K-1, line 21, or any PTE elective tax payments or credit from Schedule OR-21-K-1. See Publication OR-17 for information about nonresident withholding requirements, composite returns, and the PTE elective tax and related credit.

## Refundable credits

Refundable credits reduce the amount of tax that you owe. Any amount that is more than your tax liability is treated the same way as an overpayment. Refundable credits not explained here are claimed on Schedule OR-ASC-NP.

For more information about refundable credits, see "Credits" in Publication OR-17.

Form  
OR-40-N 62

Form  
OR-40-P 61

**Earned income credit.** Oregon's earned income credit is a percentage of the earned income tax credit (EITC) claimed on your federal return. The percentage is based on the age of your **youngest** dependent at the end of the tax year. **Note to RDPs:** You may claim this credit if you would otherwise qualify for the EITC using your "as if" federal return.

**Schedule OR-EIC-ITIN.** If you can't claim any or all of the federal EITC because you, your spouse, or your child(ren) do not have an SSN that is valid for work or are using an ITIN, you may qualify for Oregon's earned income credit for ITIN filers. See Schedule

OR-EIC-ITIN Instructions for more information. The schedule and instructions are available in English and Spanish. Download them from our website or contact us to order them.

**Credit amount.** Use Table 10 and the following worksheet to figure your credit. Your credit must be prorated using your Oregon percentage.

**Table 10. EITC percentage**

Age of youngest dependent at end of tax year	Percentage of federal EITC
At least 3 years old, or no dependents	9 percent (0.09)
Younger than 3	12 percent (0.12)

**Earned income credit worksheet**

- |   |          |
|---|----------|
| 1. Enter your federal EITC from Form 1040 or 1040-SR, line 27a.           | 1. _____ |
| 2. Enter the percentage from the table as a decimal.                      | 2. _____ |
| 3. Line 1 multiplied by line 2.   | 3. _____ |
| 4. Enter your Oregon percentage from line 35, as a decimal.               | 4. _____ |
| 5. Line 3 multiplied by line 4. This is your Oregon earned income credit. | 5. _____ |



**Oregon Kids Credit.** The Oregon Kids Credit is available for certain taxpayers with dependents who were under the age of six at the end of the tax year.

**Eligibility.** To be eligible for the Oregon Kids Credit, you must:

1. Use a filing status other than married filing separately. If you're married and filing separate returns, you do not qualify for this credit.
2. Have one or more dependents age five or under at the end of 2025 listed on your Oregon return.\*
3. Have qualifying income under \$31,550, including Oregon additions and subtractions and with excluded foreign earned income and total losses greater than \$20,000 added back. Use the **Oregon Kids Credit worksheet** to figure your credit.

**Credit amount.** For 2025, the maximum amount of the Oregon Kids Credit is \$1,050 per qualifying dependent, for up to five dependents. Your credit amount may be

limited by your income, and must be multiplied by your Oregon percentage.

\* **Note for divorced, separated, or unmarried parents:**

If a child is listed as a dependent on your Oregon return only because the custodial parent released the child's dependent exemption to you, the child doesn't qualify for purposes of this credit.

If you're the custodial parent of an otherwise qualifying child, you may be able to claim this credit even if the child's dependent exemption has been released to the other parent.

**Instructions for Oregon Kids Credit worksheet**

**Part A: Credit amount**

**Line 1. Nonresidents.** If you show an amount other than 0 on line 40, 41, or 43 of Form OR-40-N, subtract those amounts from Form OR-40-N, line 34F. Enter the total on line 1 of the worksheet.

**Part-year residents.** If you show an amount other than 0 on line 40 or 41 of Form OR-40-P, subtract those amounts from Form OR-40-P, line 34F. Enter the total on line 1 of the worksheet.

**Line 2.** If you're claiming a loss on your federal return, the foreign earned income exclusion, or a subtraction on Schedule OR-ASC-NP, see the instructions for Part B. Otherwise, enter 0 on line 2.

**Line 3. Qualifying income.** If the amount on this line is:

- \$26,550 or less, your Oregon Kids Credit is \$1,050 multiplied by the number of your qualifying dependents (up to a maximum of \$5,250), multiplied by your Oregon percentage.
- More than \$26,550 but less than \$31,550, your credit will be reduced using the steps on lines 5 through 9, then multiplied by your Oregon percentage.
- \$31,550 or more, you can't claim the Oregon Kids Credit.

**Part B: Loss and exclusion add back**

Your qualifying income may include up to \$20,000 in losses deducted from your federal AGI or subtracted on your Oregon return. Loss amounts above \$20,000 and excluded foreign earned income must be added back to your income after Oregon additions and subtractions.

**Line 14.** Enter losses claimed on Form 1040 and Schedule OR-ASC-NP (using subtraction codes 321, 355, 356, or 357 only), as indicated on lines 14a through 14g. If the amount shown on the indicated line is not a loss, do not enter it on the worksheet. Enter all losses as positive numbers.

- **Line 14b.** If you claimed a subtraction using code 359 or 385, compare your subtraction amount to the income reported on Form 1040, Schedule 1, line 3. If the subtraction is less than your income, you don't have a loss; skip line 14b. Otherwise, subtract the income amount from the subtraction amount and enter the result on line 14b.

**Example 1.** Colten reported \$8,000 in additional income from rental real estate on Form 1040, Schedule 1, line 5. He also reported a farm loss of (\$6,000) on Form 1040, Schedule 1, line 6. Colten enters 0 on line 14d of the worksheet for rental real estate, as he did not have a loss reported on Form 1040, Schedule 1, line 5. He enters 6,000 on line 14e, as he did report a farm loss on Form 1040, Schedule 1, line 6. Colten enters his total losses of \$6,000 on line 14h. He enters 0 on line 14, because his total losses minus 20,000 are less than 0.

**Example 2.** Michaela reported a business loss of (\$15,500) on Form 1040, Schedule 1, line 4. She enters 15,500 on line 14b of the worksheet. She had a rental real estate loss of (\$8,000) reported on Form 1040, Schedule 1, line 5. She enters 8,000 on line 14d. She has no other losses. Michaela enters her total losses of \$23,500 on line 14h. She enters \$3,500 (23,500 - 20,000) on line 14.

**Oregon Kids Credit Worksheet**

**Part A: Income**

1. Enter your income after subtractions from Form OR-40-N or Form OR-40-P, line 34F (see instructions). 1. \_\_\_\_\_
  2. **Loss and exclusion add back.** If you are claiming any losses on Form 1040, claiming the foreign earned income exclusion, or have an amount greater than 0 on Form OR-40-N or OR-40-P, line 33, **complete Part B** and enter the amount from line 16 here. Otherwise, enter 0 here and go to line 3. 2. \_\_\_\_\_
  3. Line 1 plus line 2. 3. \_\_\_\_\_
  4. Enter the amount from Form 1040, line 11a. 4. \_\_\_\_\_
  5. If line 4 is more than line 3, enter the amount from line 4 here. Otherwise, enter the amount from line 3. 5. \_\_\_\_\_
- Is line 5 \$31,550 or more?**
- If **yes, STOP.** You can't claim the Oregon Kids Credit.
  - If **no,** continue to line 6.
6. Phaseout amount 6. \$26,550
  7. Line 5 minus line 6. If less than zero, enter 0. 7. \_\_\_\_\_
  8. Line 7 divided by \$5,000. Round to two decimal places. 8. \_\_\_\_\_
  9. Credit amount before phaseout:

- 9a. Number of dependent children age five or younger at the end of 2025. Don't enter more than 5. 9a. \_\_\_\_\_
- 9b. Maximum credit amount per child. 9b. \$1,050
- Line 9a multiplied by line 9b. 9. \_\_\_\_\_
10. Credit reduction. Line 8 multiplied by line 9. 10. \_\_\_\_\_
11. Line 9 minus line 10. 11. \_\_\_\_\_
12. Enter your Oregon percentage from Form OR-40-N or OR-40-P, line 35. 12. \_\_\_\_\_
13. Line 11 multiplied by line 12. 13. \_\_\_\_\_

**This is your Oregon Kids Credit.**

Enter the amount from line 13 on Form OR-40-N, line 63 or Form OR-40-P, line 62.

**Part B: Loss and exclusion add back**

14. Enter your losses, as positive amounts, from:
    - 14a. Capital (loss) from Form 1040, line 7a. 14a. \_\_\_\_\_
    - 14b. Business (loss) from Form 1040, Schedule 1, line 3. If you claimed Oregon subtraction code 359 or 385, see instructions. 14b. \_\_\_\_\_
    - 14c. Other (loss) from Form 1040, Schedule 1, line 4. 14c. \_\_\_\_\_
    - 14d. Rental real estate, etc. (loss) from Form 1040, Schedule 1, line 5. 14d. \_\_\_\_\_
    - 14e. Farm (loss) from Form 1040, Schedule 1, line 6. 14e. \_\_\_\_\_
    - 14f. Net operating loss from Form 1040, Schedule 1, line 8a. 14f. \_\_\_\_\_
    - 14g. Losses from Schedule OR-ASC-NP, Section C (codes 321, 355, 356, and 357 only). 14g. \_\_\_\_\_
    - 14h. Add lines 14a through 14g. 14h. \_\_\_\_\_

Line 14h minus 20,000. If less than zero, enter 0. 14. \_\_\_\_\_
  15. Enter the amount from Form 1040, Schedule 1, line 8d. 15. \_\_\_\_\_
  16. Line 14 plus line 15. 16. \_\_\_\_\_
- Enter the amount from line 16 on Part A, line 2.

Form  
OR-40-N 64

Form  
OR-40-P 63

**Total refundable credits from Schedule OR-ASC-NP.** Enter your total refundable credits from Schedule OR-ASC-NP, line I7. **Include Schedule OR-ASC-NP with your return.**

## Penalties and interest

Form  
OR-40-N 68

Form  
OR-40-P 67

Your 2025 tax must be paid by **April 15, 2026**, even if you requested an extension of time to file your return. Your 2025 return must be filed by April 15, 2026. If you requested an extension, your return must be filed by October 15, 2026.

Round the total of penalties and interest to the nearest whole dollar. For more information and examples showing how penalties and interest are calculated, see “Interest and penalties” in Publication OR-17.

### Penalties

Penalty amounts are based on the tax after all credits shown on your return minus payments that you made by the due date of the return. To find your tax after all credits, start with your tax after standard and carry-forward credits (Form OR-40-N, line 56; Form OR-40-P, line 55), then subtract the refundable credit amounts (Form OR-40-N, lines 57 and 61 through 64; Form OR-40-P, lines 56 and 61 through 63).

**Failure-to-file penalty.** Include a penalty for failure to file a return if:

- Your return is filed more than three months after the due date (or extension due date); and
- You didn't pay all of your tax by April 15, 2026.

The penalty for failure to file is 20 percent of your tax after all credits that wasn't paid by April 15, 2026.

**Failure-to-pay penalty.** Include a penalty for failure to pay if:

- Less than 90 percent of your tax after all credits was paid by April 15, 2026, or
- You paid at least 90 percent of your tax after credits by April 15, 2026, but you aren't paying the balance of unpaid tax in full when you file.

The penalty for failure to pay is 5 percent of your tax after all credits that wasn't paid by April 15, 2026.

**Failure to file and pay.** If both penalties apply, your total penalty will be 25 percent of your tax after all credits that wasn't paid by April 15, 2026.

**First-time home buyer savings account (FTHBSA) penalty for nonqualified withdrawal.** Include a penalty of 5 percent of the funds withdrawn from your FTHBSA if you withdrew funds from your account for a purpose other than purchasing a home.

No penalty will be imposed if:

- The account holder:
  - Dies.
  - Files bankruptcy.
  - Becomes permanently unable to regularly perform work at a gainful and suitable occupation due to loss of any bodily function.
- The funds are withdrawn more than 10 years after the account was opened.

This penalty is in addition to all other penalties provided by law. Withdrawn funds that are subject to this penalty also must be added back to Oregon income. See this topic in “Additions” in Publication OR-17.

### Interest on unpaid tax

You'll owe interest on the amount of tax that wasn't paid by April 15, 2026. Interest starts accruing on April 16, 2026 and continues to accrue every day, including the date of your payment.

Interest is figured daily, based on a 365-day year. The annual interest rate for 2026 is 8 percent, or 0.0219 percent per day.

To figure your interest, count the number of days starting with April 16, 2026, and ending with the date of your payment. Multiply your unpaid tax by the number of days, then multiply that amount by 0.000219 (the daily rate converted to a decimal).

**Interest rate increase.** If we bill you for unpaid tax, and the tax isn't paid in full within 60 days from the date of our billing notice, the annual interest rate increases by 4 percentage points, to 12 percent.

**Amended return.** If you're amending your return, calculate the interest based on the additional amount of tax you must pay (line 5 of the **Amended worksheet**).

Form  
OR-40-N 69

Form  
OR-40-P 68

**Interest on underpayment of estimated tax.** Underpayment interest is charged if:

- Your tax after all credits and withholding is \$1,000 or more;
- You were required to make estimated tax payments;
- One or more of your required installments was underpaid; **and**
- You don't qualify for an exception.

**Note:** You could be charged interest on underpayment of estimated tax even if Form OR-40-N, line 66 or Form OR-40-P, line 65 shows an overpayment.

See Form OR-10 Instructions to determine if you owe underpayment interest or qualify for an exception. Download Form OR-10 and the instructions from our website or contact us to order them.

If you owe underpayment interest, enter the amount from line 4 of Form OR-10. If you qualify for an exception, enter the exception number from line 1 of the form inside box 69a on Form OR-40-N or box 68a on Form OR-40-P. If you used the *Annualized Income Worksheet* (located in Form OR-10 Instructions) to figure your interest, check box 69b on Form OR-40-N or box 68b on Form OR-40-P. **Include Form OR-10 with your return.** Keep your underpayment interest worksheets and any required statements with your records.

## Amount due

Form  
OR-40-N **71**

Form  
OR-40-P **70**

**Amount you owe.** Enter your total unpaid tax plus penalties and interest. **Note:** If you have an overpayment on Form OR-40-N, line 66 or Form OR-40-P, line 65 and the overpayment is less than the total penalties and interest you entered on Form OR-40-N, line 70 or Form OR-40-P, line 69:

- On Form OR-40-N, enter the amount from line 70 minus the amount on line 66.
- On Form OR-40-P, enter the amount from line 69 minus the amount on line 65.

**Amount to pay.** If you're filing your return on or before the due date (without extensions), pay the amount shown on this line. If you're filing your original return after the due date, subtract any payments you made after the due date of the return (without extensions) from the amount on this line before you make your payment. For amended returns, pay the amount shown on the **Amended Worksheet**, line 11.

## Payment options

You may pay electronically with your checking or savings account, credit card, check, cashier's check, or money order. Cash payments can be made only at our main office in Salem. If the amount due is less than \$2, no payment is required.

### Electronic payment from your checking or savings account

You can pay your current year income taxes, 2026 estimated income taxes, any prior year taxes due, and

amended return taxes directly from your checking or savings account. There is no fee to use this service.

This option is available only through Revenue Online.

Direct debit may be available with e-filed returns at the time of filing.

### Credit card payments

You can pay with your Discover, MasterCard, or Visa credit card. The service provider **will charge** you a convenience fee. The service provider will tell you what the fee is during the transaction; you will have the option to continue or cancel the transaction before entering your credit card information. If you complete the credit card transaction, you will receive a confirmation number. **Keep this confirmation number as proof of payment—don't send it with your return.**

To pay by credit card, go to Revenue Online on our website or contact us by phone.

### Check or money order

- Make your check or money order payable to "**Oregon Department of Revenue.**"
- Write **all** of the following on your payment:
  - The tax year (2025).
  - The form you're filing (Oregon Form OR-40-N or OR-40-P).
  - The last four digits of your SSN or ITIN.
- Use blue or black ballpoint ink. Don't use red or purple ink or gel pens.
- Don't send cash or a postdated check.

**Form OR-40-V.** Use the voucher **only** if you're making a separate payment by check, cashier's check, or money order. **Don't** use the voucher if you're including a payment with your return or making an electronic payment. See Form OR-40-V Instructions for additional information.

**Payment plan.** If you can't pay in full now, pay what you can. Contact us and we will help you set up a payment plan for the remaining amount.

## Refund

Form  
OR-40-N **72**

Form  
OR-40-P **71**

**Refund.** Enter your overpayment minus any penalty or interest (Form OR-40-N, line 66 minus line 70; Form OR-40-P, line 65 minus line 69). **Note:** If the total penalty and interest is more than your overpayment, see the instructions for Form OR-40-N, line 71 or Form OR-40-P, line 70.

You have three years from the due date of the return to file a claim for your refund. By law, we can't issue

a refund if you file your return more than three years after the return's due date (excluding extensions) or if the refund is less than \$1. For more information about the time limit for claiming a refund, see "Payments and refunds" in Publication OR-17.

**Interest on refunds.** See "Interest and penalties" in Publication OR-17 for information about interest paid on refunds.

## Refund applications

If Form OR-40-N, line 72 or Form OR-40-P, line 71 shows a refund, you may use some or all of it to:

- Make an estimated tax payment for a later year.
- Donate to one or more of the charitable organizations listed on Schedule OR-DONATE.
- Make a deposit to an Oregon higher education savings account.

Each of these applications will reduce your refund. The combined total of all applications can't be more than the amount of your refund.

**Note:** A refund of overpaid tax will be offset against outstanding debt before any amount is applied or refunded to you.

**Instructions for amended returns.** If line 5 of the **Amended worksheet** shows a refund, you can use some or all of it for the refund applications listed above. However, you **can't reduce** any amounts you've already applied from a refund on your original return. See the instructions for each application for details.



**Apply refund as estimated tax payment.** Enter the amount of your refund you want to apply as an estimated tax payment for a later year. The payment will be applied to the 2026 tax year unless you're filing this return after January 15, 2027. For more information see "Payments and refunds" in Publication OR-17.

**Instructions for amended returns.** Enter the amount, if any, from a refund on your original return that you've already applied as an estimated tax payment for a later year. If line 5 of the **Amended worksheet** shows a refund and you want to apply some or all of it as an estimated tax payment, include the amount you want to apply.



**Charitable checkoff donations.** Enter the amount from line 30 of Schedule OR-DONATE. For more information, see the instructions on the schedule. You can download Schedule OR-DONATE from our website or contact us to order it.

**Note:** If your refund—after any application as a payment of estimated tax—is less than your total donation amount, your donations will be prorated.

To make direct donations instead, you can find each charity's address listed on our website. Don't mail your donations to us.

**Instructions for amended returns.** Enter the amount, if any, from a refund on your original return that you applied as charitable donations using Schedule OR-DONATE. If line 5 of the **Amended worksheet** shows a refund, you can donate some or all of it to one or more of the listed charities. Include this amount and an amended Schedule OR-DONATE with your amended return. **Note:** The refund from your amended return will be applied as a donation for the calendar year in which you're filing it.



**Oregon higher education savings plan deposits.** Enter the amount from line 5 of Schedule OR-529. For minimum deposit amounts and other information, see the schedule instructions. You can download Schedule OR-529 and instructions from our website or contact us to order them.

You can also use Schedule OR-529 to provide your information to Upward Oregon (formerly Oregon Treasury Savings Network) if you'd like them to set up an Embark (formerly Oregon College Savings Plan) account for you. However, you can make contributions from a refund on your return only **after** the account has been created. See Schedule OR-529 Instructions for details.

**Note:** If the amount of your refund—after any application as a payment of estimated tax or charitable check-off donation—is less than the total amount you want to deposit, no deposit will be made.

**Instructions for amended returns.** Enter the amount, if any, from a refund on your original return that you applied as an Oregon higher education savings plan deposit. If line 5 of the **Amended worksheet** shows a refund, add the amount you want to apply as a deposit and include an amended Schedule OR-529 with your amended return. The refund will be applied for the year in which you're filing the amended return.



**Net refund.** You must **reduce your refund** by any amounts applied as a payment of estimated tax, charitable checkoff donations, and Oregon higher education savings plan deposits. **By law, we can't issue or apply a refund if you file your return more than three years after the return's due date (excluding extensions).**

## Direct deposit

Form  
OR-40-N 78

Form  
OR-40-P 77

In most cases, we can deposit your refund directly into your checking or savings account instead of mailing you a check. However, federal banking regulations prevent us from making a refund by direct deposit if the final destination is an account outside the United States. In that case, we must issue a paper check instead.

Before you enter your information, verify that your deposit will be accepted and confirm your correct routing and account numbers. You can find a diagram of a personal check showing where these numbers are located in the “Payments and refunds” section of Publication OR-17.

Follow these steps to make sure your refund will be deposited into the correct account:

1. **Check the box** if the final destination for your refund would be an account outside the United States. **Note:** If you check this box, you will be issued a paper check.
2. **Check the appropriate box, either checking or savings, but not both.**
3. **Enter your nine-digit routing number.** Routing numbers begin with the digits 01 through 12, 21 through 32, or 61 through 72.
4. **Enter your account number.** Account numbers can be up to 17 characters (both numbers and letters). Don't include hyphens, spaces, or special symbols.
5. **Double-check** the account and routing numbers. **These numbers can't be changed after the return is filed.**

Form  
OR-40-N 79

Form  
OR-40-P 78

**Kicker donation.** You may choose to donate all of your kicker to the Oregon State School Fund. The election to donate your kicker cannot be changed after the due date of the original return. No partial donations are allowed. If any amount other than 0 is entered on Form OR-40-N, line 57 or Form OR-40-P, line 56, your donation won't be made.

To make the donation:

1. See the instructions for Form OR-40-N, line 57 or Form OR-40-P, line 56 to calculate your kicker amount.
2. Make sure that you've entered 0 on Form OR-40-N, line 57 or Form OR-40-P, line 56.
3. Check box 79a on Form OR-40-N or box 78a on Form OR-40-P.

4. Enter your entire kicker amount on Form OR-40-N, line 79b or Form OR-40-P, line 78b.

**Reminder: This election is irrevocable.** The election to donate your kicker can't be changed or revoked after the due date of the original return. To make a change or correction to your election, your amended return must be received by the due date of the original return.

See the instructions for calculating your kicker for more information.

## Signature block

**Signature(s).** Be sure to sign and date your return. If you're filing a joint return, both taxpayers must sign. By signing the return, you acknowledge, under penalty of false swearing, that the information on the return and any attachments is true, correct, and complete.

**Minor child's return.** If your child can't sign their tax return, you may sign the child's name as their legal agent. Sign the child's name, then write “By [your signature], parent (or other legal guardian) of minor child.”

**Preparer signature.** Anyone who prepares, advises, or assists in preparing personal income tax returns in exchange for compensation of any kind **must** be licensed to prepare Oregon returns and **must** sign the return.

Signing the return doesn't grant your preparer the right to represent you or make decisions on your behalf. For more information about representation and authorization, download Form OR-AUTH-REP and instructions from our website or contact us to order them.

Contact the following agencies to check the status of your Oregon tax practitioner:

- Oregon Board of Tax Practitioners at 971-701-1544 (Salem) for licensed tax consultants or preparers, or go to [www.oregon.gov/obtp](http://www.oregon.gov/obtp).
- Oregon Board of Accountancy at 503-378-4181 (Salem) for public accountants and certified public accountants, or go to [www.oregon.gov/boa](http://www.oregon.gov/boa).

**Preparer license number.** Licensed tax consultants and tax preparers: enter your license number. CPAs: enter your certificate number. Tax-Aide volunteers: enter your TCE site number. All others: leave blank. **Don't** enter your driver license number.

## Form OR-VSI

The Oregon legislature's goal is to make Oregon's tax policies equitable for everyone. To help in this effort, you may voluntarily provide information about your race or ethnicity when you file your Oregon return each year, using Form OR-VSI.

On Form OR-VSI, you may identify your primary race or ethnicity (or indicate that you don't have one) and up to two additional races or ethnicities. There's also a way to indicate that you aren't sure about your race or ethnicity. If you're married and filing a joint return, you and your spouse complete separate forms.

The information you provide each year will be used for research purposes only. For more information, see Form OR-VSI Instructions or go to our website and look for "Voluntary Self-Identification." You can download the form and instructions from our website or contact us to order them.

## Before you file

**Copy of federal return.** Before you assemble your Oregon return, make a copy of both sides of your federal Form 1040, 1040-SR, or 1040-NR along with Schedules 1, 1-A, 2, and 3 (as applicable), or Form 1040-X.

Don't include any other federal schedules. Keep these with your records; we may ask for them later.

If you created an "as if" federal return, use blue or black ink to label it "as if" on the top left corner. Include it along with the copy of your actual federal return (and any amendments).

**Failure to include your federal return will delay processing, and items claimed on your Oregon return may be adjusted or denied.**

**Amended Oregon return.** If you're amending your Oregon return due to changes to your federal return or a return you filed with another state, include a copy of your amended or corrected federal or other state return or audit report. If you're amending only your Oregon return, include a copy of your original federal or other state return.

**Assemble your Oregon return.** Assemble your return in the order shown below. If a form has more than one page, be sure that you've included all pages and that they're all from the same 2025 form. For example, if you're filing Schedule OR-WFHDC, Schedule OR-A, or Schedule OR-ASC-NP, be sure that "2025 Schedule OR-WFHDC", "2025 Schedule OR-A" or "2025 Schedule OR-ASC-NP" is printed at the top of each page and that you've included all pages associated with each schedule.

**Important: Don't use staples, paperclips, tape, or other fasteners.** Don't submit photocopies. Doing so will delay processing.

1. Payment by check or money order, if any. **Don't use a voucher.**
2. Form(s) W-2 and 1099 showing Oregon tax withheld.

3. Form OR-40-N or Form OR-40-P.
4. Schedule OR-A.
5. Schedule OR-ASC-NP.
6. Schedule OR-ADD-DEP.
7. Schedule OR-DONATE.
8. Schedule OR-529.
9. Schedule OR-PTE-NR or OR-PTE-PY.
10. Form OR-10.
11. Schedule OR-EIC-ITIN.
12. Schedule OR-WFHDC.
13. Form OR-VSI.
14. Other Oregon schedules required to be included with your return.
15. If you're an RDP filing separately for Oregon, your partner's Oregon return.
16. Your federal return(s) and schedules.

**Note:** If you're making an estimated tax payment for 2026 by check or money order, send the payment in a **separate envelope** with a completed Form OR-40-V. **Don't** include your 2026 payment or voucher with your 2025 return.

## Avoid processing delays

**Type or clearly print** your name, date of birth, SSN, complete mailing address, and daytime phone number on your return.

**Include all pages of your Oregon return.**

**Double-check your figures and other numbers, including your SSN.** Errors will delay processing. Common mistakes are:

- Math errors.
- A wrong amount claimed for the federal tax liability subtraction.
- Using the wrong tax chart.

**If you have tax to pay,** review the instructions for Form OR-40-N, line 71 or Form OR-40-P, line 70.

**Verify your account information** if you're requesting a refund by direct deposit.

**Sign your return.** Both spouses must sign a joint return.

**Include legible copies** of all W-2 and 1099 forms showing Oregon income tax withheld. Place them on top of your return along with any payment by check, cashier's check, or money order.

**Include a copy** of your federal return (front and back) with your Oregon return. **Include** federal Schedules 1, 1-A, 2, and 3 (if applicable), but **don't include** other federal schedules unless otherwise instructed. Place it behind all Oregon forms and schedules.

**Payment by check, cashier's check, or money order** should be placed on top of your return. Don't mail cash. **Don't use a voucher.**

**Don't use staples, paper clips, tape, or other fasteners.**

**Mail your return in a stamped envelope.** Use a business-size (4 × 9½ inches) or larger envelope with adequate postage. Don't use a smaller envelope—it delays processing.

## Tax return mailing addresses

**Mail refund returns or  
no-tax-due returns to:**

REFUND  
PO Box 14700  
Salem OR 97309-0930

**Mail tax-to-pay  
returns to:**

Oregon Department of Revenue  
PO Box 14555  
Salem OR 97309-0940