

## Form OR-TFR Instructions

### Transfer Notice for Certain Credits

## General information

### Form OR-TFR is used to:

- Transfer agriculture workforce housing and short line railroad rehabilitation credits (Sections A and B);
- Pass the forest conservation credit from a deceased owner to the owner's estate, heirs, or devisees; or
- Report the distributive share of a credit for each partner or owner of a pass-through entity (PTE) that has received a certified credit or a Notice of Acknowledgment for the Agricultural employer overtime tax credit (AEOTC) from the Oregon Department of Revenue (Section C).

## Credit transfers

Use Section A to transfer the following credits from one taxpayer to another:

- **Agriculture workforce housing credit (code 835)** [Oregon Revised Statute (ORS) 315.164; ORS 315.169];
- **Short line railroad rehabilitation credit (code 872)** (ORS 315.593).

Refer to Publication OR-17 for more information on these credits.

For each credit transfer, the transferor and transferee must complete and sign Section A. Complete a separate form for each credit transfer. The completed form must be submitted by the transferee at the time of transfer. **Don't submit the form with transferor's or transferee's return—send it separately within 30 days of completing the transfer or when the transferee files their return, whichever is earlier.**

Important notes for all transfers:

- A credit may be transferred only once by the original credit recipient.
- A credit may only be transferred to an individual, C corporation, or S corporation.
- A credit earned by a PTE must be transferred by the PTE.
- Carryforward amounts can't be transferred.
- The short line railroad rehabilitation credit is issued for one tax year (excluding carryforward provisions). You aren't required to transfer the entire credit. You're able to transfer a portion of the credit and claim the remaining amount for yourself.
- The agriculture workforce housing credit is claimed over multiple tax years. Therefore, when transferring this credit, you must transfer the full amount of the credit for each tax year without claiming a portion of the credit attributed to that tax year for yourself.

**Example 1:** Maggie received a short line railroad rehabilitation credit for tax year 2023 in the amount of \$60,000. Mag-

gie transferred \$35,000 to Alicia, \$15,000 to Mark, and kept \$10,000 to claim on her tax return.

Alicia and Mark can't transfer the credit again and must claim the credit on their respective tax returns for tax year 2023.

If Maggie is unable to use the entire \$10,000 credit on her tax return, she can carry the unused portion forward for up to four years, but can't transfer the carryforward amount.

### Deadlines for transfer

Unless the exception applies, a transfer must be completed by the earliest of the following dates for the tax year when it must be claimed:

- The due date, including extensions, of the transferor's return;
- The date the transferor's return is filed;
- The due date, including extensions, of the transferee's return; or
- The date the transferee's return is filed.

**Example 2:** Jake received a short line railroad rehabilitation credit for tax year 2023 in the amount of \$130,000. Jake is a calendar year filer and submitted his return on extension on September 16, 2024. He can't transfer any portion of the credit after filing his return. He must claim the credit on his 2023 return and carry forward any unused amount.

**Exception:** A government agency or tax-exempt entity under IRC Section 501(c)(3) has one year from the close of the tax year for which the credit is certified to transfer the credit.

**Example 3:** GHI, Inc., a not-for-profit tax exempt entity, received a short line railroad rehabilitation credit for tax year 2024 in the amount of \$240,000. GHI has until December 31, 2025 to transfer a portion or all of the credit.

## Forest conservation credit

Use Sections A and B to pass the **Forest conservation credit** and any unused carryforward amount from a deceased credit owner to the owner's estate, heirs, or devisees (**code 873**) (Or Laws 2022, ch 34, § 2). Refer to Publication OR-17 for more information about this credit.

An authorized representative of the decedent and each recipient or their authorized representative must complete and sign Section A. Use as many forms as needed. Complete Section B if there will be more than one recipient. A completed form must be submitted by each recipient at the time the credit is passed to them. The form must be submitted separately from any return filed by the recipient.

Follow the instructions for completing Sections A and B, with these substitutions:

- “Transfer” refers to the passage of the unused credit to the owner’s estate, heirs, or devisees.
- The “transferor” is the deceased owner, or the decedent’s authorized representative when a signature is needed.
- A “transferee” is the owner’s estate, heir, or devisee.
- If the credit is passed to the estate, the executor or other authorized representative of the estate must sign on behalf of the estate.
- The amount paid for the credit is 0.

If you have general questions about Oregon estate tax, contact us at [estate.help.dor@dor.oregon.gov](mailto:estate.help.dor@dor.oregon.gov).

## Section A instructions

Complete all applicable fields in Section A for the transferor and transferee. If transferring the credit to multiple transferees, use a separate Form OR-TFR for each transfer and complete Section B. Don’t use this section for reporting the distributive share of a credit (or flow-through amounts) available to PTE owners (see Section C).

**Tax year.** Provide the tax year for which the credit was certified and is first available to be claimed.

**Credit code.** Use code 835, 872, or 873 only. Don’t use this section of the form for any other credit.

**Certification date and number.** From the credit certificate, provide the certification date and certification number as assigned by the certifying agency.

If the transferor is a government agency or tax-exempt agency under IRC 501(c)(3), check the “yes” box.

**Original credit amount.** Enter the **total** credit amount awarded from the credit certificate.

**Amount being transferred.** Enter the credit amount being transferred to the transferee. Don’t include multiple transfer amounts.

**Amount paid for the credit.** Enter the amount the transferee paid for the credit, if applicable.

**Credit remaining.** Report the amount remaining with the transferor after subtracting the credit amount being transferred from the original credit amount. If you made multiple transfers of this credit, complete Section B.

## Section B instructions

Use Section B to calculate the remaining credit amount if the credit has been transferred to more than one transferee. Report all prior transfers, including the transfer reported in Section A.

If there is only one transfer to report, with no prior transfers, leave Section B blank.

Use additional forms as necessary.

**Example 4:** Liam received an agriculture workforce housing credit for tax year 2023 in the amount of \$100,000. Liam can

claim 20 percent (\$20,000) of the total credit in five of the next ten tax years or he can transfer the credits in 20 percent increments (one increment for each year that he can claim the credit).

Liam is submitting Form OR-TFR to transfer \$20,000 to another individual. Prior to this transfer, Liam made two other transfers, totaling \$40,000 (\$20,000 + \$20,000).

In Section A, Liam will report the original credit amount as \$100,000, the credit amount being transferred as \$20,000, and the credit amount remaining with the transferor as \$40,000 [ $\$100,000 - (\$20,000 + \$20,000 + \$20,000)$ ].

In Section B, Liam will report the date of each transfer with \$20,000, \$20,000, and \$20,000 as the amounts transferred.

## Distributive share of tax credit

Use Section C to report partners or owners that will receive a distributive share of an Oregon credit awarded or sold to a PTE such as a partnership or S corporation.

**AEOTC.** If the PTE applied for the AEOTC and received a Notice of Acknowledgment from the Department of Revenue, and the PTE has owners other than those listed in the application, use Section C to report those other owners. Substitute “notice” for “certificate” in these instructions.

This information will be used to assign the distributive share of each credit directly to a partner’s or owner’s account.

**Submit this form as soon as you know each owner’s distributive share of the credit, but no later than two months following the close of the PTE’s tax year.**

**Exception:** A PTE whose owners will be claiming a share of the AEOTC must submit the form within two months after the date the PTE received the Notice of Acknowledgment or the close of the PTE’s tax year that began during the calendar year for which the credit was awarded, whichever is later.

## Section C instructions

Complete all applicable fields.

Use additional forms as necessary.

**PTE information.** Provide the name, address, contact phone number, and federal employer identification number (FEIN) of the PTE that was awarded the credit. **This should match the information on the credit certificate.**

**Certificate information.** Provide the date of certification, certification number as provided by the certifying agency, credit code, and original credit amount from the credit certificate.

Credit codes can be found in Publication OR-CODES available at [www.oregon.gov/dor](http://www.oregon.gov/dor). Use a separate form for each credit. **Don’t** include multiple credits on one form.

**Partner/owner information.** Provide the full name, Social Security number (SSN) or FEIN, and address for each owner that will be claiming the credit. Even if two owners

are married individuals who will be filing jointly, list them separately. Don't use the address for the PTE.

**Example 5:** ABC partnership received an agriculture work-force housing credit of \$120,000 for tax year 2023. The partnership has four partners, each with a 25 percent interest in the partnership. Two of the partners will be filing jointly. Using Section C, ABC partnership will list all four owners, even though two will be filing jointly, and the distributive share of \$30,000 ( $\$120,000 \times 0.25$ ) for each partner.

**Example 6:** DEF Industries, Inc. (an S corporation) received a short line railroad rehabilitation credit of \$80,000 for tax year 2023. The S corporation transferred \$35,000 on behalf of the owners and completed Section A. The remaining \$45,000 credit ( $\$80,000 - \$35,000$ ) will flow through to the owners to be claimed on the owners' tax returns. DEF Industries, Inc. will also complete Section C to report the distributive share of the credit that will flow through to each owner.

**Example 7:** Rocky Top Farms, Inc. (an S corporation) uses a fiscal year that begins on August 1. In January, Rocky Top submitted an application to the Oregon Department of Revenue for the AEOTC, for overtime wages paid during the prior calendar year. In April, two of Rocky Top's shareholders sold their shares to new owners. In June, Rocky Top received a Notice of Acknowledgment from the department showing that they were eligible for the credit. In September, Rocky Top completes Section C to report the new owners' distributive shares of the credit and submits the form to the department.

## Do you have questions or need help?

[www.oregon.gov/dor](http://www.oregon.gov/dor)  
503-378-4988 or 800-356-4222  
[questions.dor@dor.oregon.gov](mailto:questions.dor@dor.oregon.gov)

Contact us for ADA accommodations or assistance in other languages.