

2019 Schedule OR-FCG-20

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Oregon Department of Revenue



Office use only

Farm Liquidation Long-Term Capital Gain Tax Adjustment (ORS 317.063)

Submit original form—do not submit photocopy.

Legal name of taxpayer (as shown on return) Federal employer identification number (FEIN)

Calculation of tax adjustment from sale of qualified farm assets

- 1. Oregon taxable income from Form OR-20, line 9, or Form OR-20-S, line 7 (if zero or less, don't continue) ..... 1. .00
2. Farm net long-term capital gain (NLTCG) (from line 11 below) ..... 2. .00
3. Modified taxable income (subtract line 2 from line 1, but not less than zero)..... 3. .00
4. Oregon tax on the amount on line 3 (see instructions) ..... 4. .00
5. Enter the smaller of line 1 or line 2 above ..... 5. .00
6. Multiply line 5 by 5 percent (0.05) ..... 6. .00
7. Add line 4 and line 6..... 7. .00
8. Oregon tax on the amount on line 1 (see instructions) ..... 8. .00
9. If line 7 is greater than line 8, don't continue. If line 7 is less than line 8, then subtract line 7 from line 8. Enter this amount on Form OR-20, line 11, or Form OR-20-S, line 9 ..... 9. .00

Calculation of qualified farm gain

- 1. Total NLTCG from business activity included on federal Form 1120 or 1120-S, Schedule D, line 15 (reduced by any NLTCG from non-unitary affiliates included in the federal consolidated return) ..... 1. .00
2. If all business is done in Oregon, enter 100 percent. If Oregon income is apportioned, enter the Oregon apportionment percentage from Schedule OR-AP, part 1, line 22 (round to four decimal places)..... 2. %
3. Oregon NLTCG from business activity (line 1 multiplied by line 2) ..... 3. .00
4. NLTCG from non-business activity included in Schedule OR-AP, part 2, line 7 ..... 4. .00
5. Total Oregon NLTCG (line 3 plus line 4)..... 5. .00
6. Total farm NLTCG from business activity included on federal Form 1120 or 1120-S, Schedule D, line 15 (reduced by any farm NLTCG from non-unitary affiliates included in the federal consolidated return) ..... 6. .00
7. If all business is done in Oregon, enter 100 percent. If Oregon income is apportioned, enter the Oregon apportionment percentage from Schedule OR-AP, part 1, line 22 (round to four decimal places)..... 7. %

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8. Oregon farm NLTCG from business activity (line 6 multiplied by line 7) .....	8.	<input type="text" value=".00"/>
9. Farm NLTCG from non-business activity included in Schedule OR-AP, part 2, line 7 .....	9.	<input type="text" value=".00"/>
10. Total Oregon farm NLTCG (line 8 plus line 9) .....	10.	<input type="text" value=".00"/>
11. Farm NLTCG (lesser of line 5 or line 10).....	11.	<input type="text" value=".00"/>

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**Mark the "OR-FCG-20" box on the front of your return and include this schedule with your return.**

**Lines 4 and 8 (Oregon Tax Computation)**

Corporations compute tax using a rate as shown in the instructions for Form OR-20 and OR-20-S.

Use with Forms OR-20, OR-20-S, and OR-65 to reduce your tax on the qualified gain. Complete the worksheet, check the box on the front of Form OR-20 or OR-20-S, and include it with your return. You do **not** need to complete the form if your net long-term capital gain is zero or you have a net long-term capital loss, or if you don't have taxable Oregon income.

A reduced tax rate is available if you sold or exchanged capital assets used in farming. The sale or exchange must represent a substantially complete termination of your farming business or a termination of all your ownership interest in property that's used in a farming business.

You may not claim the special tax rate on a sale or exchange to a subsidiary/affiliate in the unitary group, as defined under Internal Revenue Code section 267(b). Ownership of a farm dwelling or farm homesite isn't considered to be ownership of property employed in the trade or business of farming.

**Partnerships or S corporations.** The sale of ownership interest in a farming corporation, partnership, or other entity qualifies for the special tax rate. The taxpayer must have had at least a 10 percent ownership interest in the entity before the sale or exchange. If the income is taxed at the personal level, use Worksheet OR-FCG to calculate the special tax rate.

**Farming activities include:**

- Raising, harvesting, and selling crops.
- Feeding, breeding, managing, or selling livestock, poultry, fur-bearing animals, or honeybees, or the produce thereof.
- Dairying and selling dairy products.
- Stabling or training of horses, including providing riding lessons, training clinics, and schooling shows.
- Propagating, cultivating, maintaining, or harvesting aquatic species, birds, and other animals.
- Any other agricultural, horticultural, or animal husbandry activity.
- On-site construction and maintenance of equipment and facilities used in farming activities.
- Preparation, storage, or disposal of products or by-products raised for human or animal use on land employed in farming activities.
- Growing and harvesting cultured Christmas trees or certain hardwood timber.

Farming activities **don't** include growing and harvesting trees of a marketable species other than growing and harvesting cultured Christmas trees or certain hardwood timber. [ORS 317.063(a)(H)].

**Taxpayer assistance**

**Do you have questions or need help?**

[www.oregon.gov/dor](http://www.oregon.gov/dor)  
(503) 378-4988 or 1 (800) 356-4222  
[questions.dor@oregon.gov](mailto:questions.dor@oregon.gov)

Contact us for ADA accommodations or assistance in other languages.