

2017 Schedule OR-REZT



Office use only

Reservation Enterprise Zone Tax Credit

Submit original form—do not submit photocopy.

Legal name of taxpayer (as shown on return)

Federal employer identification number (FEIN)

Social Security number (SSN)

This publication is a guide, not a complete statement, of Oregon Revised Statutes (ORS) or Oregon Administrative Rules (OAR). Visit www.oregonlegislature.gov and sos.oregon.gov.

Oregon law allows a credit for tribal taxes paid or incurred against the taxes that are otherwise due under ORS Chapter 316, or, if the taxpayer is a corporation, under ORS Chapter 317 or 318, to an eligible business that owns or occupies a new business facility in a reservation enterprise zone or reservation partnership zone (ORS 285C.300–285C.320). To compute the allowable credit, complete this schedule.

A. Check the box if this is a new business facility acquired (bought or leased), or for which new construction or installation of property was completed, on or after January 1, 2002 (and you're not leasing the facility to someone else).....

If you don't check the box on line A, you aren't eligible for the credit.

B. Name of the reservation enterprise/partnership zone, in which the business uses the new business facility in the operation of a revenue-producing enterprise: _____ Zone.

C. If located on reservation, what was the revenue-producing activity (if any), for which the new business facility was used, directly before you acquired it? _____

D. What's the current business activity in which you're engaged at the new business facility? _____

1. Enter amount of 1a or 1b..... 1. \$

a. Amount of tribal property tax imposed on the qualified new business facility and paid or incurred by eligible business during the income or corporate excise tax year, or

b. Amount of all tribal taxes paid or incurred by eligible business during the income or corporate excise tax year if the eligible business hasn't previously conducted business within the reservation enterprise/partnership zone, that is, the first tax year of operations in the zone.

2. Enter the Oregon tax liability for the year..... 2. \$

3. Allowable credit (lesser of line 1 or line 2). Enter this amount as a standard credit on your Oregon individual, fiduciary, or corporation tax return..... 3. \$

A tax credit is available to offset certain tribal taxes paid or incurred by an eligible business in operating a qualified new business facility, to conduct revenue producing activities within a reservation enterprise zone or reservation partnership zone.

An "eligible business" is one that owns or occupies the new business facility and engages in virtually any type of business activity, other than leasing the facility to another person.

"Tribal tax" includes, but isn't limited to, an income or excise tax, an ad valorem property tax, a gross receipts tax, or a sales and use tax.

What qualifies a business to claim this credit?

A qualified, new business facility is an asset acquired, or for which construction or installation is completed, on or after January 1, 2002, located within a reservation/partnership enterprise zone, and used in operating a revenue producing enterprise. Tribal designation of a reservation enterprise zone is approved by the Oregon Business Development Department (dba Business Oregon). A reservation partnership zone is based on an intergovernmental agreement between the tribal government and one or more city, port or county governments.

The following don't qualify as a new business facility:

- A facility used in substantially the same enterprise as it was previously used immediately before being acquired, if located on reservation.
- Property that merely replaces existing property and doesn't expand the capacity of the enterprise to produce revenue.
- Activities as a lessor of the property.

Who may claim the credit?

Eligible businesses located in Oregon reservation enterprise zones may claim the credit. The credit is available to individuals, partnerships, fiduciaries, and corporations.

How is the credit computed?

The amount of the credit is:

- The amount of tribal property tax imposed on a new business facility of an eligible business; or
- The amount of any tribal tax paid or incurred by the eligible business if the eligible business didn't previously conduct business operations within the reservation enterprise zone prior to that tax year.

The credit is based on the applicable tribal tax paid or incurred during the personal income or corporation excise or income tax year.

The credit may not exceed the tax liability of the taxpayer and may not be carried forward to a succeeding year.

Corporations. The credit is claimed on Schedule OR-ASC-CORP.

Fiduciaries. The credit is claimed on Schedule OR-ASC-FID.

Individuals and partnerships. The credit is claimed on Schedule OR-ASC.

Nonresident and part-year resident personal income taxpayers who meet the eligibility requirements may receive a credit. The credit must be multiplied by the Oregon percentage on Form OR-40-N or OR-40-P (ORS 316.117).

If a change in the taxable year of a taxpayer occurs as described in ORS 314.085, or if the Department of Revenue terminates the taxpayer's taxable year under ORS 314.440, the credit allowed under this section shall be prorated or computed in a manner consistent with ORS 314.085. Keep a schedule of your computations with this schedule.

Is the schedule included with the tax return when filed?

Corporations and fiduciaries. Include a copy of this schedule with your return and also keep a copy for your records.

Individuals and partnerships. Don't include the schedule with your tax return. Keep the completed schedule with your tax records. Upon audit or examination, make the information available to the department to verify any credit claimed.

When may the credit be claimed?

The credit may be claimed for a tax year beginning on or after January 1, 2002, and before January 1, 2028.

For assistance in determining whether you qualify to use this credit, contact the tribal government or local zone sponsor, as well as your tax advisor.

Taxpayer assistance

Do you have questions or need help?

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

Contact us for ADA accommodations or assistance in other languages.

Oregon Business Development Department:

Internet..... www.oregon4biz.com
Telephone..... 503-986-0123
Email..... biz.info@oregon.gov