



Worksheet FCG-20

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

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|---------------------------------------|--------------------------------------|---|----------|
| Name of taxpayer (as shown on return) | Business identification number (BIN) | Federal employer identification number (FEIN) | Tax year |
|---------------------------------------|--------------------------------------|---|----------|

Calculation of tax adjustment from sale of qualified farm assets

1. Oregon taxable income from Form 20, line 15, or Form 20-S, line 6
(if zero or less, do not continue)..... 1. _____
2. Farm net long-term capital gain (NLTCG) (from line 11 below)..... 2. _____
3. Modified taxable income (subtract line 2 from line 1, but not less than zero)..... 3. _____
4. Oregon tax on the amount on line 3 (see instructions) 4. _____
5. Enter the smaller of line 1 or line 2 above. 5. _____
6. Multiply line 5 by 5 percent. 6. _____
7. Add line 4 and line 6..... 7. _____
8. Oregon tax on the amount on line 1 (see instructions) 8. _____
9. Subtract line 7 from line 8, if line 7 is less than line 8 (if line 7 is greater than line 8, do not continue).
Enter this amount on Form 20, line 17, or Form 20-S, line 8 9. _____

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. _____
2. 100 percent if all business is done in Oregon or Oregon apportionment percentage from
Schedule AP-1, line 22..... 2. _____
3. Oregon NLTCG from business activity (line 1 multiplied by line 2) 3. _____
4. NLTCG from non-business activity included in Schedule AP-2, line 7 4. _____
5. Total Oregon NLTCG (line 3 plus line 4)..... 5. _____
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. _____
7. 100 percent if all business is done in Oregon or Oregon apportionment percentage from
Schedule AP-1, line 22..... 7. _____
8. Oregon farm NLTCG from business activity (line 6 multiplied by line 7) 8. _____
9. Farm NLTCG from non-business activity included in Schedule AP-2, line 7 9. _____
10. Total Oregon farm NLTCG (line 8 plus line 9) 10. _____
11. Farm NLTCG (lesser of line 5 or line 10)..... 11. _____

Please mark the "FCG-20" box on the front of your return and attach the worksheet to your return

Instructions for Worksheet FCG-20

Lines 4 and 8 (Oregon Tax Computation)

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

Use with Forms 20, 20-S, and 65 to reduce your tax on the qualified gain. Complete the worksheet, check the box on the front of Form 20 or 20-S, and include with your return. You do **not** need to complete the form if your net long-term capital gain is zero or a loss, or if you do not 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 is 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 is not 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, please use Form FCG (150-101-167) 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 **do not** 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

General tax information www.oregon.gov/dor
Salem 503-378-4988
Toll-free from Oregon prefix 1-800-356-4222
Email corp.help.dor@oregon.gov

This email address is not secure and confidentiality cannot be ensured. General tax and policy questions only.

Asistencia en español:

Salem 503-378-4988
Gratis de prefijo de Oregon 1-800-356-4222

TTY (hearing or speech impaired; machine only):

Salem 503-945-8617
Toll-free from Oregon prefix 1-800-886-7204

Americans with Disabilities Act (ADA): Call one of the help numbers for information in alternative formats.