

Congress retroactively extended several tax provisions by passing Public Law 116-94.
As a result, these instructions were updated on January 21, 2020.

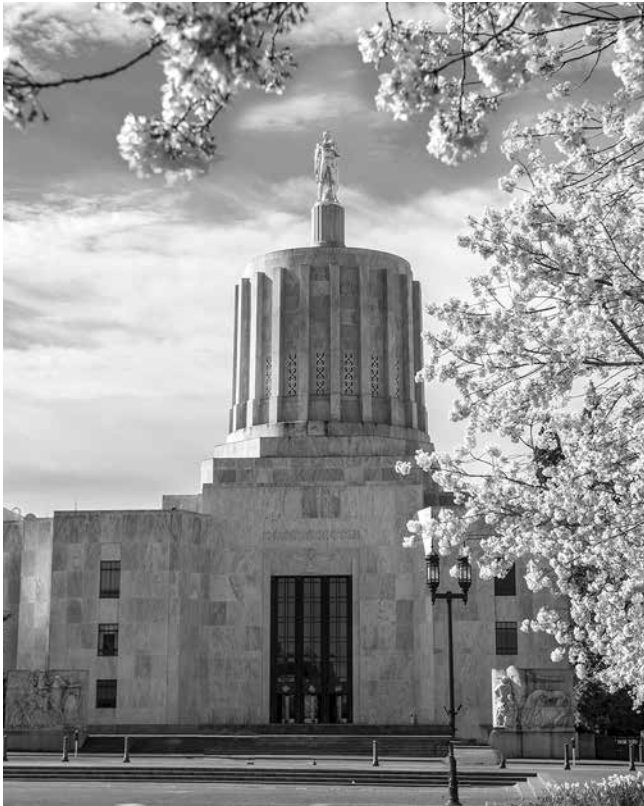
2018 Oregon Income Tax

Full-year Resident

Publication OR-40-FY



Forms and instructions: Form OR-40 Schedule OR-ASC
Form OR-40-V Schedule OR-ADD-DEP
Schedule OR-529
Schedule OR-DONATE



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 letters from us.
- Make payments or schedule future payments.
- Securely communicate with us.
- Update your information.
- Check balances and view your account history.
- File an appeal.

Visit www.oregon.gov/dor and click on "Revenue Online" to sign up.

- **April 15, 2019** is the due date for filing your return and paying your tax due.
- **File electronically—it's fast, easy, and secure.** See "Electronic filing."
- **Find out if you qualify for the earned income credit.** See the instructions for line 33.
- **Find out if you qualify for the working family household and dependent care credit.** See Schedule OR-WFHDC for details.
- Veterans' benefits. Find out more at 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

Contents

Electronic filing	3	Subtractions.....	14
New information	3	Deductions	15
Federal tax law	4	Oregon tax.....	16
Important reminders	5	Credits—nonrefundable	17
General information	6	Tax payments and refundable credits.....	18
Do I need to file?.....	6	Penalties and interest.....	18
Residency.....	6	Amount due and payment options.....	19
What form do I use?.....	7	Refund.....	19
Military personnel	7	Direct deposit.....	21
What if I need more time to file?.....	7	Before you file	21
Penalties.....	8	Avoid processing delays.....	22
2019 estimated tax	8	Tax return mailing addresses.....	22
What if I need to change my return after filing?....	9	Tax tables	24
General instructions for Form OR-40	10	Tax rate charts	26
Check the boxes	10	Form OR-40	27
Name and address	10	Form OR-40-V, payment voucher	31
Filing status.....	11	Schedule OR-ASC and instructions	33
Exemptions.....	11	Schedule OR-ADD-DEP	45
Form OR-40 line instructions	14	Schedule OR-529	47
Additions	14	Schedule OR-DONATE	49

Do you have questions or need help?

Internet

www.oregon.gov/dor

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

Revenue Online

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.

Phone

(503) 378-4988 or (800) 356-4222

Monday–Friday, 7:30 a.m.–5 p.m.

Closed Thursdays from 9–11 a.m. Closed 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

Email or write

questions.dor@oregon.gov

preguntas.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.

Printed forms or publications:

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

Electronic filing

E-filing is the fastest way to file your return and receive your refund. The speed and accuracy of computers allow electronic returns to be received and processed faster 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.

If you haven't tried e-file yet, why not this year? Join more than 1.7 million other Oregon taxpayers who electronically file their Oregon returns.

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 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 free online tax preparation programs, go to www.oregon.gov/dor/e-filing.

New information

Oregon Schedule OR-A. Oregon now has its own form to report itemized deductions that aren't reported elsewhere on the return. Oregon's form is similar to the federal Schedule A, but was designed to meet the needs of Oregon taxpayers.

Oregon qualified business income reduced tax rate. Sole proprietorships may now qualify for this special tax rate for pass-through entities doing business in Oregon. See Schedule OR-PTE-FY.

Federal tax liability subtraction. The 2018 federal tax subtraction limit is \$6,650 (\$3,325 for married filing separately). It may be limited further based on your AGI. See the instructions for line 10.

Oregon Form OR-W-4. Due to changes to federal Forms W-4 and W-4P, Oregon will now have a separate withholding allowance certificate, Form OR-W-4, for state personal income tax withholding. Form OR-W-4 will help you more accurately determine how much to withhold for your state taxes from your wages or pension. For withholding information, go to www.oregon.gov/dor/personal.

Statewide Transit Individual (STI) Tax. The new STI tax will help fund public transportation services within Oregon. The tax is equal to one-tenth of one percent (0.001)—\$1 per \$1,000—of taxable wages. Taxable wages are those earned by an employee who is an Oregon resident, regardless of where the work is performed, or an employee who is a nonresident performing services in Oregon. If you work for a business located in Oregon, your employer will automatically

withhold the tax from your wages. If you're an Oregon resident and work for an employer located outside of Oregon, your employer isn't required to withhold the tax on your behalf, but may choose to do so voluntarily. If your out-of-state employer doesn't withhold the tax from your wages, you must file Form OR-STI, *Statewide Transit Individual Tax Return*, and pay the tax due by April 15, 2019. See the instructions for Form OR-STI.

Federal Form 8886. If you filed federal Form 8886, *Reportable Transaction Disclosure Statement*, check the box on the front page of the return.

Federal disaster relief. If you were affected by a presidentially-declared natural disaster, check the "Federal disaster relief" box on the return.

College Opportunity Grant Tax Credit Auction. There was a new tax credit auction in tax year 2018. If you made a contribution to the Oregon Opportunity Grant Fund through the tax credit auction, refer to Publication OR-17 for information on claiming this credit. If you claim this credit, you can't include the amount you paid as an itemized deduction on your Oregon return. See the instructions for Schedule OR-A.

Market-based sourcing. For tax years beginning on or after January 1, 2018, taxpayers doing business in Oregon or providing services to Oregonians must apportion their income from sales of services and intangible property according to market-based sourcing principles rather than cost of performance. See ORS 314.665, 314.666, and OAR 150-314-0435.

Updated December 2019—The federal deduction for qualified tuition and fees has been extended retroactively for tax year 2018. See the instructions for Schedule OR-ASC.

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 2018 Oregon tax is due **April 15, 2019**.

Federal law connection. Oregon has a rolling tie to changes made to the definition of federal taxable income, with some exceptions noted below. For all other purposes, Oregon is tied to federal income tax laws as amended and in effect on December 31, 2017.

Oregon exception to federal law. Oregon is 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.

Federal tax reform

Congress made changes to federal tax laws in the tax reform bill known as the "Tax Cuts and Jobs Act" in December 2017. Most of the changes for personal income taxpayers impact tax years 2018 through 2025. The **federal** changes listed below may also impact your Oregon return. See "New information" for additional changes that may impact your 2018 Oregon return.

Standard deduction. The federal standard deduction amount has increased for all filers. Because of this change:

- Some Oregon filers won't have a federal filing requirement, but they may still have an Oregon filing requirement. See "Do I need to file?" in the "General information" section.
- Some Oregon filers will claim itemized deductions for Oregon only. See the instructions for Schedule OR-A to itemize for Oregon.

Personal exemption deduction. This federal deduction from adjusted gross income (AGI) was suspended for tax years 2018 through 2025. Follow the instructions for line 6 to make sure you claim the correct number of exemptions for your Oregon return.

Section 529 college savings plan funds used for K-12 expenses. The federal tax exemption for earnings on 529 accounts expanded to include funds used for K-12 tuition. **Oregon is disconnected from this change.** If you withdrew funds from Oregon 529 accounts and you used these funds for K-12 tuition, you may have an addition on your Oregon return. See Publication OR-17.

Achieving a Better Life Experience (ABLE) account contributions. The beneficiary of an ABLE account may contribute their own wages to the account without regard to the federal limit on annual contributions.

Rollovers from 529 savings plan accounts to ABLE accounts. These rollovers are considered qualified withdrawals and don't require an Oregon addition. However, they don't qualify for the subtraction for contributions to an ABLE account if the funds were previously subtracted as a contribution to a 529 account. See Publication OR-17.

Medical expense itemized deduction 7.5 percent AGI floor. The AGI floor for the medical expense deduction was changed to 7.5 percent for the 2017 and 2018 tax years for all taxpayers.

State and local tax itemized deduction. There is now a \$10,000 limit on the combined total of state and local income and property taxes you can deduct on federal Schedule A. The limit is \$5,000 if your filing status is married filing separately. See the Schedule OR-A instructions.

Casualty and theft loss itemized deduction. This deduction is only allowed for casualty losses related to presidentially-declared disasters. Oregon follows all federal treatment for these disasters, including extensions of time to file returns and make estimated payments.

Miscellaneous itemized deductions subject to 2 percent of the AGI limit. These deductions are not allowed for tax years 2018 through 2025 and include:

- Employee business expenses.
- Tax preparation fees.
- Claim of right income repayments of \$3,000 or less.
- Certain investment expenses.

Overall limit on itemized deductions. The reduction of itemized deductions for taxpayers with an AGI above the limit has been suspended for tax years 2018 through 2025.

Qualified business income deduction (QBI). QBI is a federal deduction for certain sole proprietors and owners of pass-through entities. **Oregon is disconnected from this deduction.** However, Oregon has a reduced tax rate for qualifying businesses. See Publication OR-17.

Net operating losses (NOLs). NOLs, other than from farming, may no longer be carried back from loss years after 2017. NOLs from tax year 2018 or later may be carried forward indefinitely, but are limited to 80 percent of federal taxable income for the carryforward year. Farming NOLs may be carried back two years from loss years after 2017. See Publication OR-17.

Alimony received or paid. The change to how alimony is treated will impact tax years after 2018 and will be the same for your Oregon return. See Publication OR-17.

Business expenses. Changes to depreciation and other business expenses are the same for both your federal and Oregon returns. See the 2018 IRS Publication 535, *Business Expenses*.

Moving expense deduction. This deduction is only allowed for active-duty military personnel and their spouses who relocated due to a permanent change in duty station. See Publication OR-17.

Like-kind (1031) exchanges. This method of deferring gain on the exchange of business or investment property only applies to real property exchanges made in 2018 and later. Oregon Form OR-24 is only required when Oregon property is exchanged for out-of-state property. Beginning in 2018, you will only need to file Form OR-24 to report deferred gain from:

- Personal or real property exchanges for 2017 and earlier.
- Real property exchanges for 2018 and later.

Repatriation of deferred foreign income. This type of foreign income is taxed at a special federal rate. Oregon taxpayers with this type of income will have an addition on their 2018 return. See Publication OR-17.

Global intangible low-taxed income (GILTI). This is a type of foreign income received by shareholders of certain foreign corporations. See Publication OR-17.

Repeal of the qualified production activities income (QPAI) deduction. Oregon wasn't tied to this deduction, which required an addition. The addition on the Oregon return is no longer required.

Partnership technical terminations. Partnerships with a majority change in ownership will no longer need to report a technical termination or file an additional Oregon partnership return. See the instructions for Form OR-65.

Important reminders

Revenue Online. Revenue Online provides convenient, secure access to tools for managing your Oregon tax account. With Revenue Online, you can:

- Check the status of your refund.
- View and print letters from us.
- Make payments or schedule future payments.
- Securely communicate with us.
- Submit your requests (such as penalty waivers or appeals) or information we've requested from you.
- Check balances and view your account history.
- View your Form 1099-G, if applicable.

For more information and how to set up your Revenue Online account go to www.oregon.gov/dor, and click on "Revenue Online."

Federal return. You must include a copy of your federal Form 1040 and Schedules 1 through 5 (if applicable), 1040X, 1040NR, or 1040NR-EZ with your Oregon return. Without this information, we may disallow or adjust items claimed on your Oregon return.

Schedule OR-ASC. If you're claiming an addition, subtraction, or credit using a code listed in Publication OR-CODES, you must include Schedule OR-ASC. Without this information, we may disallow or adjust your claim.

Publication OR-17. See Publication OR-17 for more information about filing and personal income tax laws. It is available at www.oregon.gov/dor/forms.

General information

Do I need to file?

You need to file if your gross income is more than the amount shown below for your filing status.

Amounts apply to full-year residents only.

Your filing status is:	Number of boxes checked on line 17 of return:	And your gross income is more than:
Dependent	Any	\$1,050*
	0	\$6,075
Single	1	\$7,275
	2	\$8,475
	0	\$12,150
Married filing jointly	1	\$13,150
	2	\$14,150
	3	\$15,150
	4	\$16,150
Married filing separately	0	\$6,075
	1	\$7,075
	2	\$8,075
Head of household	0	\$7,590
	1	\$8,790
	2	\$9,990
Qualifying widow(er)	0	\$8,455
	1	\$9,455
	2	\$10,455

In addition, file a return if:

- You're required to file a federal return.
- You had \$1 or more of Oregon income tax withheld from your wages.

*The larger of \$1,050, or your earned income plus \$350, up to the standard deduction amount for your filing status.

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 return and check the "calculated using 'as-if' federal return" box on your 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 the working family household and dependent care credit, proof of tax withheld, etc.

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

What income does Oregon tax?

An Oregon resident is taxed on **all** income, including income from outside the state. A nonresident of Oregon is taxed only on income from Oregon sources.

Residency

Am I a resident, a nonresident, or a part-year resident?

- You're a full-year Oregon resident**, even if you live outside Oregon, if **all** of the following are true:
 - You think of Oregon as your permanent home.
 - Oregon is the center of your financial, social, and family life.
 - Oregon is the place you intend to return.
- You're still a full-year resident** if:
 - You temporarily moved out of Oregon or
 - You moved back to Oregon after a temporary absence.

You may also be considered a full-year resident if you spent more than 200 days in Oregon during 2018 or you're a nonresident alien, as defined by federal law.

- You're a nonresident** if your permanent home was outside Oregon all year.
- You're a part-year resident** if you moved into or out of Oregon during 2018. You're **not** considered a part-year resident if:
 - You temporarily moved out of Oregon, or
 - You moved back to Oregon after a temporary absence.

Special-case Oregon residents. If you're an Oregon resident and you meet **all** of the following conditions, you're considered a nonresident for tax purposes:

- You maintained a permanent home outside Oregon for the entire year.
- You didn't keep a home in Oregon during any part of the year.
- You spent less than 31 days in Oregon during the year.

Important. A recreational vehicle (RV) isn't considered a permanent home outside of Oregon.

Oregon residents living abroad. You're considered a nonresident if you're a qualified individual for purposes of the federal earned income exclusion or housing exclusion for United States residents living abroad.

What form do I use?

Use Form OR-40 if you're a full-year Oregon resident.

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

- You're a part-year resident.
- You're filing jointly and one of you is a full-year Oregon resident and the other is a part-year resident.
- You're filing jointly and both of you are part-year Oregon residents.
- You 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're filing jointly and one, or both, of you is a nonresident.
- You meet the military personnel nonresident requirements.
- You qualified as an Oregon resident living abroad for the entire year.

Forms OR-40-P and OR-40-N are included in Publication OR-40-NP. Download the publication from our website, www.oregon.gov/dor/forms or contact us to order it.

Military personnel

Nonresidents stationed in Oregon. Oregon doesn't tax your military pay while you're stationed in Oregon. File Form OR-40-N if you had other income from Oregon sources or to claim a refund of Oregon tax withheld from your military pay.

Nonresident military spouses. Federal law does not allow Oregon to tax your wages if you're in Oregon only to be with your spouse because your spouse is

stationed in Oregon. File Form OR-40-N if you had other income from Oregon sources or are claiming a refund of Oregon tax withheld.

Residents (or Oregon-domiciled service members) stationed outside of Oregon. If you meet the requirements for special-case Oregon residents or Oregon residents living abroad, file Form OR-40-N. File Form OR-40 if you don't meet those requirements.

Residents (or Oregon-domiciled service members) stationed in Oregon. Your pay is subject to tax, although the pay could qualify for certain subtractions. For more information on subtractions available to military personnel, see Publication OR-17.

Military personnel on active service in Oregon are treated as nonresidents for tax purposes if their address in the payroll records of the Defense Finance and Accounting System (DFAS) is outside Oregon, regardless of where they are domiciled (ORS 316.027).

Filing for a deceased person

You must file a personal income tax return for a person who died if the person would have been required to file. See "Do I need to file?" on the previous page. Check the "deceased" box next to that individual'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." Also have their spouse 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 2018 is **April 15, 2019**. 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 received a federal extension to file, Oregon will allow the same extension. Be sure to check the "Extension filed" box on your Oregon return. **Don't** include a copy of your federal extension with your Oregon return. Keep it with your records.

An extension doesn't mean more time to pay.

You must pay all of the tax you expect to owe by April 15, 2019 or you may owe a late-payment penalty. If you can't pay all of the tax you expect to owe, pay what you can. If you don't pay all of the tax due, you will owe interest on any unpaid tax starting after April 15, 2019 until the date of your payment plus penalty. The 2019 interest rate is 6 percent per year. If the tax isn't paid within 60 days of the date of our billing notice, the interest rate increases to 10 percent per year.

If you have a federal extension or need an extension for Oregon only, send your payment by April 15, 2019 using Form OR-40-V. Check the "Extension payment" box on the voucher if you're mailing your payment or paying in person. Select the "Estimated payment" option if making your payment online. Also check the "Extension filed" box **on your return**.

Penalties

You will owe a 5 percent late-payment penalty on any 2018 tax not paid by April 15, 2019, even if you filed an extension. See the instructions for line 39.

Oregon doesn't allow an extension of time to pay even if the IRS does.

If you file your return more than three months after the due date (including extensions), an additional 20 percent penalty for late-filing will be added. You will then owe a total penalty of 25 percent of any tax not paid. A 100 percent penalty is charged if you don't file a return **for three consecutive years** by the due date of the third year, including extensions.

2019 estimated tax

Estimated tax is the amount of tax you expect to owe (after credits and Oregon tax withheld) when you file your 2019 Oregon individual income tax return.

Oregon estimated tax laws are not the same as federal estimated tax laws. For more information on how to calculate your estimated payments for Oregon, see Publication OR-ESTIMATE. Vouchers for estimated payments are available at www.oregon.gov/dor/forms.

Do I need to make estimated payments?

In most cases, people who **expect to owe \$1,000 or more** on their 2019 Oregon income tax return after credits and withholding 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 receive Oregon Lottery single ticket winnings of less than \$1,500.
- Oregon tax wasn't withheld from other types of income (such as pensions, interest, or dividends) and you expect to owe tax of \$1,000 or more.
- You're a wage earner and expect to owe tax of \$1,000 or more on your 2019 return. You may want to increase the amount your employer withholds from your Oregon wages. For withholding information, go to www.oregon.gov/dor/personal.

When do I pay?

Estimated tax due dates for 2019 taxes are:

- April 15, 2019*.
- June 17, 2019.
- September 16, 2019.
- January 15, 2020.

If paying with a check or money order, send your payment with Form OR-40-V and **check the "Estimated payment" box**. You can find Form OR-40-V in this booklet or on our website. If you're paying by credit card or electronic payment from your checking or savings account, see "Payment options" with the instructions for line 42.

* *Send your 2019 estimated tax payment and Form OR-40-V in a separate envelope from your 2018 Oregon income tax return. This will help us apply your payment appropriately.*

Interest on underpayment of estimated tax

You may owe interest for underpaying your estimated tax if:

- You owe \$1,000 or more on your return after credits and withholding; or
- You paid less than 90 percent of the tax due on each estimated tax payment due date.

See the instructions for line 40.

What if I'm self-employed?

If you're self-employed and do business in **Multnomah, Clackamas, or Washington counties**, you may need to file Form OR-TM. If you're self-employed and do business in **Lane County**, you may need to file Form OR-LTD. Go to our website to download the forms, contact us to order either form, or file electronically through Revenue Online at www.oregon.gov/dor.

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

File an amended return. Use Form OR-40 to change (amend) your return if you were a full-year resident, even if you originally filed using Form OR-40-N or Form OR-40-P. Check the "Amended return" box on page 1 of the return. Complete the return as it should have been filed. In the "Amended statement" on page 4 of the return, include the return line numbers and reason for each change. If your filing status has changed (for example, from single to head of household), explain why.

Be sure to include a copy of the federal or other state's **corrected** return or audit report. If you're amending your Oregon return only, attach your original federal return.

Use the worksheet below to calculate your amended tax due or refund.

If you're objecting to adjustments that we made to your return, don't respond by filing an amended return. You must follow the appeal process explained in the notice you received. File an amended return only if the changes you're making are unrelated to our adjustments.

If you're amending because of a net operating loss (NOL), write the tax year the NOL was generated in the "If amending for an NOL, tax year the NOL was generated" box on page 1 of the return. Include an explanation and federal code cite on the "Amended statement" for the NOL exception which allows you to carry back the NOL to a prior tax year. See Publication OR-17 for additional instructions.

If you're amending one tax year for NOLs that occurred over two or more years, file a separate amended return for each NOL year so the correct NOL year is listed in the "tax year the NOL was generated" box. If you're amending for an NOL and another issue not related to the NOL, file a separate amended return for the NOL.

If you're filing a protective claim, use Form OR-PCR.

To amend a prior year's return, visit our website or contact us for the prior year's forms and instructions.

For information about refunds from amended returns, see the instructions for line 43.

How long will it take to process my amended return?

Processing time for amended returns varies. It may take six months or longer to process your amended return.

Amended worksheet

Use the following worksheet to determine your additional refund or tax to pay on your amended 2018 Form OR-40. Use this worksheet even if you originally filed on Form OR-40-N or Form OR-40-P. Keep this worksheet with your records.

If any of the amounts on your original 2018 return were adjusted, use the adjusted amounts.

1. Tax after standard and carryforward credits as amended (amended Form OR-40, line 29). 1. _____
 2. Total payments and refundable credits as amended (amended Form OR-40, line 36). 2. _____
 3. Line 1 minus line 2. If the result is negative, use a negative number. 3. _____
 4. Amounts already refunded to you for this period (original Form OR-40, line 43; Form OR-40-N, line 69; or Form OR-40-P, line 68). If you didn't receive a refund, enter -0-. 4. _____
 5. Add lines 3 and 4 and enter the amount here. If line 5 is less than -0-, go to line 6. If line 5 is more than -0-, skip to line 8. 5. _____
 6. Enter the additional applied amounts from lines 44 through 47 of your amended return (the amounts that weren't on your original return). This can't be more than your refund amount listed on line 5. 6. _____
- Example:** If line 5 shows \$-500, you may apply up to \$500 of additional amounts on lines 44 through 47 of your amended return.
7. **Total refund** (line 5 plus line 6). Your refund will be shown as a negative number. 7. _____
 8. Penalty and interest as amended (amended 2018 Form OR-40, line 41). 8. _____
 9. **Total amount to pay** (add lines 5 and 8). 9. _____

General instructions for Form OR-40

Step 1: Fill out your federal return

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 and Schedules 1 through 5 (if applicable), 1040NR, or 1040NR-EZ with your Oregon return. If you're amending your Oregon return and your federal return, include a copy of Form 1040X and an amended Form 1040 with Schedules 1 through 5 (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 through 5 (if applicable); **don't include** any other federal schedules. We may ask you for copies of other schedules or additional information later.

Oregon same-sex 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, go to www.oregon.gov/dor and search for "RDP."

Step 2: Select the appropriate Oregon form

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.

Check the boxes

Amended return

If you're amending your 2018 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.
- You're filing as "married filing separately for Oregon only" with a different residency status than your spouse.
- You didn't file a federal return.

Short-year tax election

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

Extension filed

If you received a federal extension to file, or filed an extension for Oregon only, check this box. See "What if I need more time to file?" in the "General information" section for more information.

Form OR-24—Like-kind property exchange or conversions

Check this box if you're deferring gain on like-kind property that was exchanged or converted. You will 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 Revenue Online at www.oregon.gov/dor. Go to "Submit documents" and select "Supporting documentation" in "Personal Income Tax." One of the options available will be "Form OR-24 Like-Kind Exchanges."

Federal disaster relief

If you're claiming a loss due to a presidentially-declared natural disaster, check this box.

Federal Form 8886

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

Name and address

Type or clearly print names, Social Security numbers (SSN), and dates of birth for you and your spouse. **Enter your spouse's information even if you're filing as married filing separately.** If you're filing for someone who died in 2018 or 2019, check the "Deceased" box next to their name.

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

Date of birth. Enter the month, day, and year that you and your spouse were born. For example, "11/01/1978."

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.

If you've previously filed an Oregon return using a different tax identification number and **this is your first time using this SSN**, check the "First time using this SSN" box. Write your previous identification number in the "Amended statement" section on page 4 of the return. 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.

ITIN. If the IRS issued you an ITIN because you don't qualify for an SSN, enter your ITIN wherever an SSN is requested.

If you don't have an ITIN, you need to request one from the IRS. If you've applied for an ITIN, check the "Applied for ITIN" box and file your return by April 15, 2019. **Don't** include your ITIN application (federal Form W-7) with your Oregon return. Keep it with your records. For Form W-7, go to the IRS website, www.irs.gov, or call the IRS toll-free at (800) 829-1040. When the IRS issues you an ITIN, send a copy of your ITIN letter to us at PO Box 14999, Salem OR 97309-0990. **Refunds will not be issued without a valid SSN or ITIN.**

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 married filing jointly or married filing separately. For more information, go to our website or contact us.

Exceptions for married persons who filed a joint federal return when each person had a different residency status:

- **Full-year resident and part-year resident.** You may file separate Oregon returns. If you file separate returns for Oregon, you **must** use the married filing separately status. The full-year resident will file Form OR-40, and the part-year resident will file Form OR-40-P. If you choose to file a joint return for Oregon, use Form OR-40-N.

- **Full-year resident and nonresident.** You may file separate Oregon returns. If you file separate returns for Oregon, you **must** use the married filing separately status. The full-year resident will file Form OR-40, and the nonresident will file Form OR-40-N. If you choose to file a joint return for Oregon, use Form OR-40-N.

- **Part-year resident and nonresident.** You may file separate Oregon returns. If you file separate returns for Oregon, you **must** use the married filing separately status. The part-year resident will file Form OR-40-P, and the nonresident will file Form OR-40-N. If you choose to file a joint return for Oregon, use Form OR-40-N.

How to file separate returns for Oregon

If you're filing as married filing separately for Oregon only, fill in your spouse's name, SSN, and date of birth. 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 and Schedules 1 through 5 (if applicable), 1040NR, or 1040NR-EZ prepared as if you had filed as married filing separately.
- A copy of the joint Form 1040 and Schedules 1 through 5 (if applicable), 1040NR, or 1040NR-EZ that you actually filed with the IRS.

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

If possible, mail both spouses' 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.** Check the "Regular" exemption box for yourself. If you're filing as married filing jointly, check the "Regular" exemption box on line 6b for your spouse. **If someone else is able to claim you or your spouse as a dependent, don't check the "Regular" exemption box.** Instead, check the corresponding box entitled, "Check box if someone else can claim you as a dependent," for yourself or your spouse. Check this box even if the other person doesn't actually claim you as a dependent.

Severely disabled. Did you or your spouse have a severe disability at the end of 2018? If so, you can claim an additional exemption. This is different from the disabled child exemption. You may qualify for and claim the severely disabled exemption even if someone else can claim you as a dependent. You're considered to have a severe disability if **any** of the following apply:

- You permanently lost the use of one or both 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.

If you have a severe disability, your physician must write a letter describing it. Keep the letter with your records in case we request a copy.

If you qualify, check the "Severely disabled" exemption box on line 6a. If your spouse qualifies, check the "Severely disabled" exemption box on line 6b.

Total exemptions for you and spouse. You will receive one exemption if you checked the "Regular" exemption box and no one else can claim you. If someone else may claim you, you aren't eligible for the "Regular" exemption.

Enter the total number of exemptions claimed for yourself on line 6a and for your spouse on line 6b.

6c All dependents. Enter your dependents' information in order from youngest to oldest. For each dependent, list their first name, last name, relationship code (using the relationship code table), SSN, and date of birth. In most cases, you will list the same dependents you claimed on your federal return. However, if you have qualifying dependents who aren't listed on your federal return, you may claim them for Oregon. Enter the total number of dependents claimed on line 6c.

If you have more than four dependents, check the box and fill out Schedule OR-ADD-DEP with your remaining dependents. Don't list the same dependents on both Form OR-40 and Schedule OR-ADD-DEP. Add the total from Schedule OR-ADD-DEP, line 1 to the total on line 6c of your return. Include Schedule OR-ADD-DEP with your return.

Relationship code table

Title	Code	Relationships included
Son/Daughter	SD	Son, daughter, adopted child.
Stepchild	SC	Stepson, stepdaughter.
Foster child	FC	Foster child.
Sibling	SB	Brother, sister, half-brother, half-sister, stepbrother, stepsister, brother-in-law, sister-in-law.
Parent	PT	Father, mother, stepfather, stepmother, father-in-law, mother-in-law.
Spouse	SP	Husband, wife.
Grandparent	GP	Grandmother, grandfather.
Grandchild	GC	Grandson, granddaughter.
Aunt/Uncle	AU	Aunt, uncle.
Niece/Nephew	NN	Niece, nephew.
Other relative	OR	Son-in-law, daughter-in-law, cousin, and other related individuals not listed above.
No relation	NR	Any other qualifying individual.

6d Children with a disability. You may be entitled to an additional personal exemption for your dependent child who has a qualifying disability. To qualify, **all** of the following must be true:

- Your child (age 21 or younger) qualified as your dependent for 2018.
- Your child was eligible for early intervention services or received special education as defined by the State Board of Education of the state where the child attends school.
- Your child had an eligible disability as of December 31, 2018 under the federal Individuals with Disabilities Education Act. Eligible disabilities include:
 - Autism spectrum disorder.
 - Communication disorder.
 - Deafblindness.
 - Emotional disturbance.
 - Hearing impairment.
 - Intellectual disability.
 - Orthopedic impairment.
 - Other health impairment and developmental delay.
 - Specific learning disability.
 - Traumatic brain injury.
 - Visual impairment.

Each year, you must get a statement confirming that your child has been diagnosed with one of the disabilities listed above **and** a cover sheet from one of the following:

- The child's Individualized Education Program (IEP).
- The child's Individualized Family Service Plan (IFSP).

Keep the statement and cover sheet with your records. Check the "Check if child with qualifying disability" box next to the name of each child with a qualifying disability. Enter the number of dependents with a qualifying disability on line 6d.

If you have more than four dependents, add the total from Schedule OR-ADD-DEP, line 2, to line 6d of your return.

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

Form OR-40 line instructions

Don't fill in cents. You **must** round off cents to the nearest 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.

7 Federal adjusted gross income. Enter your federal adjusted gross income from Form 1040, line 7; Form 1040X, line 1C; Form 1040NR, line 36; or Form 1040NR-EZ, line 10. **You must include a copy (front and back) of your federal return 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 Form OR-40, items claimed on your return may be adjusted or denied.**

Additions

8 Total additions from Schedule OR-ASC. If you're reporting an addition, **you must include Schedule OR-ASC with your return**, with the numeric code and amount of each addition you're reporting. Enter the total from Schedule OR-ASC, section 1, on line 8 of your return.

For more information about additions, refer to the instructions for Schedule OR-ASC or Publication OR-17.

Subtractions

10 2018 federal tax liability subtraction. Complete the following worksheet to determine your **federal tax liability** subtraction for 2018. Carefully follow the instructions. Don't confuse your **federal tax liability** on your federal return with the **federal tax withheld** on a Form W-2. They aren't the same. **RDPs and those filing as "married filing separately for Oregon only,"** use amounts from your actual federal return(s), **not** your "as if" return.

Note: Additional calculations are required if one of these situations applies:

- You need to file a 2018 amended return and you either filed an amended federal return or we corrected the federal tax subtraction on your original return.
- You filed your federal return on Form 1040NR or 1040NR-EZ.
- You claimed recapture taxes on your federal return.
- You claimed a first-time homebuyer credit recapture on Form 1040, Schedule 4, line 60b.

If any of these apply to you, refer to the worksheet in Publication OR-17 to calculate your federal tax subtraction. All others can use this worksheet.

1. Enter your federal tax liability from Form 1040, line 13. 1. _____
2. Enter your excess advance premium tax credit from Form 1040, Schedule 2, line 46. 2. _____
3. **Subtract** line 2 from line 1 (if less than zero, enter -0-). 3. _____
4. Enter your additional tax on retirement plans from Form 1040, Schedule 4, line 59. 4. _____
5. **Add** lines 3 and 4. 5. _____
6. Enter your American Opportunity credit from Form 1040, line 17c. 6. _____
7. Enter your total premium tax credit from Form 8962, line 24. 7. _____
8. **Add** lines 6 and 7. 8. _____
9. **Subtract** line 8 from line 5 (if less than zero, enter -0-). 9. _____
10. Enter your maximum allowable amount from the federal tax liability subtraction table on the next page. Don't fill in less than zero or more than \$6,650 (\$3,325 if married filing separately). 10. _____
11. Enter the **smaller** of line 9 or line 10 here and on Form OR-40, line 10. 11. _____

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.

Are you amending your 2018 return? Usually you can't change your federal tax subtraction on your amended return. See Publication OR-17 for more information before making changes to this subtraction.

Federal tax from a prior year and foreign tax. Did you pay additional federal tax in 2018 because you were audited or filed an amended return? Did you pay taxes to a foreign country? If so, you may be able to

claim a subtraction for the additional tax. See Publication OR-17 for more information before calculating this subtraction.

Federal tax liability subtraction

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	\$6,650
	\$125,000	\$130,000	\$5,300
	\$130,000	\$135,000	\$4,000
	\$135,000	\$140,000	\$2,650
	\$140,000	\$145,000	\$1,300
	\$145,000 or more		-0-
Married filing separately	-0-	\$125,000	\$3,325
	\$125,000	\$130,000	\$2,650
	\$130,000	\$135,000	\$2,000
	\$135,000	\$140,000	\$1,325
	\$140,000	\$145,000	\$650
	\$145,000 or more		-0-
Married filing jointly; or	-0-	\$250,000	\$6,650
	\$250,000	\$260,000	\$5,300
Head of household; or	\$260,000	\$270,000	\$4,000
	\$270,000	\$280,000	\$2,650
Qualifying widow(er)	\$280,000	\$290,000	\$1,300
	\$290,000 or more		-0-

11 Social Security and tier 1 Railroad Retirement Board benefits income. Enter the amount from federal Form 1040, line 5b. If you have tier 2, wind-fall/vested dual, or supplemental Railroad Retirement Board benefits, these are subtracted in section 2 of the Schedule OR-ASC, using code 330. For more information, refer to Publication OR-17.

12 Oregon income tax refund included in federal income. Fill in your Oregon state income tax refund from federal Form 1040, Schedule 1, line 10. **Don't include local, county, or other states' tax refunds.**

13 Total subtractions from Schedule OR-ASC. Other subtractions not explained here are claimed on Schedule OR-ASC. **If you qualify for a subtraction claimed on Schedule OR-ASC, you must include the schedule with your return.** Enter the total from Schedule OR-ASC, section 2, on line 13.

For more information about subtractions, refer to the instructions for Schedule OR-ASC or Publication OR-17.

Deductions

You can claim Oregon itemized deductions or the standard deduction, whichever is larger, but not both.

Note: If you're filing as married filing separately and one spouse itemizes, both spouses must use itemized deductions. If your spouse itemizes and you don't, your standard deduction is -0-.

16 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.

If you're not itemizing, enter zero.

17 Standard deduction. Your standard deduction is based on your filing status:

Single	\$2,215
Married filing jointly	\$4,435
Married filing separately	
• If spouse claims standard deduction	\$2,215
• If spouse claims itemized deductions	-0-
Head of household	\$3,570
Qualifying widow(er)	\$4,435

Standard deduction—Age 65 or older, or blind. Check the applicable boxes on line 17 if you or your spouse were age 65 or older or were blind on December 31, 2018, because you're entitled to a larger standard deduction. If you or your spouse are permanently blind, you may also qualify for the severely disabled exemption credit; see the instructions for lines 6a and 6b.

If you checked one or more of the boxes on line 17, 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 above. Fill in the total on line 17.

Example. Joni and Mike are married. Joni is age 61 and Mike is age 67. Joni files the return as the primary taxpayer. She will check the box stating that her spouse was 65 or older and will add an additional \$1,000 to her standard deduction. She will enter \$5,435 (\$4,435 + \$1,000) on line 17.

Standard deduction—Dependents. If someone else can claim you as a dependent, your standard deduction is limited to the **larger** of:

- Your earned income plus \$350, up to the maximum allowed for your filing status (see the standard deduction table above); or
- \$1,050.

This limit applies if you can be claimed as a dependent on another person's return, even if the other person doesn't actually claim you.

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 Publication OR-17.

Standard deduction worksheet for single dependents

- 1. Enter your earned income (see definition below). 1. _____
- 2. Additional \$350. 2. \$350
- 3. Add lines 1 and 2. 3. _____
- 4. Minimum standard deduction. 4. \$1,050
- 5. Enter the larger of line 3 or line 4. 5. _____
- 6. Basic standard deduction for single. 6. \$2,215
- 7. Enter the smaller of line 5 or line 6. 7. _____
- 8. If you're age 65 or older, 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. Enter the total here and on Form OR-40, line 17. 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 gross income.

Standard deduction—Nonresident aliens. The standard deduction for nonresident aliens (as defined by federal law) is -0-.

Standard deduction—Married filing separately. The standard deduction for married individuals filing separately is -0- if the other spouse itemizes. This applies even if your itemized deductions are less than the usual standard deduction amount.

Oregon tax

20 Tax from tax tables or tax rate charts. Figure the tax on your Oregon taxable income, line 19. Use the tax tables or rate charts and enter your tax amount on line 20. Double-check that the tax you entered is correct.

Example 1: A single Oregon taxpayer has taxable income of \$19,500. The taxpayer will use column S on page 25. The tax is \$1,517.

Example 2: A married couple has Oregon taxable income of \$75,500. They are filing jointly. They will use the married filing jointly rate chart J on page 26. They figure their tax like this:

Oregon taxable income		\$75,500	
Subtract	-	<u>\$50,000</u>	
		\$25,500	
Multiply by 9%	x	<u>0.09</u>	
		\$2,295	
Then add	+	<u>\$4,014</u>	
Their Oregon tax is		<u>\$6,309</u>	

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

Farm income averaging method. Do 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. Download Schedule OR-FIA-40 from our website or contact us to order it.

If you use Schedule OR-FIA-40 to calculate your tax, enter the tax amount from Schedule OR-FIA-40, line 24, on Form OR-40, line 20. Check box 20a labeled "Schedule OR-FIA-40." Don't include a copy of Schedule OR-FIA-40 with your 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. Download Worksheet OR-FCG from our website or contact us to order it.

If you use Worksheet OR-FCG to calculate your tax, enter the tax amount from Worksheet OR-FCG, line 7, on Form OR-40, line 20. Check box 20b labeled "Worksheet OR-FCG." Don't include a copy of Worksheet OR-FCG with your return. Keep it with your records.

Oregon qualified business income reduced tax rate. Did you have income from a sole proprietorship (which can now qualify), partnership, or S corporation in which you materially participated? If so, you may qualify to use this reduced tax rate. For the income to qualify, it must be nonpassive income from a sole proprietorship, partnership, or S corporation that employed at least one employee in Oregon for a total of at least 1,200 hours. See Schedule OR-PTE-FY on our website or contact us to order it.

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. **You can't change the election after the filing of your original return.**

If you use Schedule OR-PTE-FY to calculate your tax, enter the tax amount from Schedule OR-PTE-FY, line 14a, on Form OR-40, line 20. Check box 20c labeled "Schedule OR-PTE-FY." You must include this form with your Oregon return or submit it at www.oregon.gov/dor; click the link for Revenue Online and log in or create an account.

21 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. The amount due for Oregon is computed using the same method as the federal amount. The interest rate for 2018 is 0.4167 percent (0.004167) per month. For 2019, the interest rate is 0.5 percent (0.005) per month.

Credits—Nonrefundable

23 Exemption credit. Complete the worksheet below to determine the amount of your exemption credit.

Exemption credit worksheet

1. If your federal AGI is \$100,000 or less and you filed as married filing separately or single; or if your federal AGI is \$200,000 or less and you filed as married filing jointly, head of household, or qualifying widow(er); enter the sum of "regular" exemption credits you claimed on lines 6a and 6b and dependents you claimed on line 6c. Don't include the additional "Severely disabled" and "Child with a qualifying disability" exemptions. If your federal AGI exceeds these thresholds, enter -0-. 1. _____

2. If your federal AGI is \$100,000 or less, enter the number of "Severely disabled" exemptions you claimed on lines 6a and 6b. If your federal AGI exceeds \$100,000, enter -0-. 2. _____

3. If your federal AGI is \$100,000 or less, enter the number of "child with a qualifying disability" exemptions you claimed on line 6d. If your federal AGI exceeds \$100,000, enter -0-. 3. _____

4. Add lines 1, 2, and 3. 4. _____

5. Multiply line 4 by \$201. This is your exemption credit. Enter the result here and on Form OR-40, line 23. 5. _____

24 Political contribution credit. Fill in your total political contributions, up to \$100 on a joint return or up to \$50 on all others. Your contribution(s) of money must have been made during 2018 to any of the following:

- A political party.
- A qualified candidate (or the candidate's principal campaign committee) for federal, state, or local office to be voted for in Oregon.
- A political action committee certified in Oregon.

Note: A political contribution credit isn't allowed if your federal AGI on Form OR-40, line 7 exceeds:

- \$200,000 for married filing jointly filers; or
- \$100,000 for all other filers.

25 Total standard credits from Schedule OR-ASC. Other credits not explained here are claimed on Schedule OR-ASC. **If you qualify for a credit claimed on Schedule OR-ASC you must include the schedule with your return.** Enter your standard credits from Schedule OR-ASC, section 3, on Form OR-40, line 25.

For more information about standard credits, refer to the instructions for Schedule OR-ASC or Publication OR-17.

28 Total carryforward credits from Schedule OR-ASC. Carryforward credits are credits that can be claimed over several tax years if not used up in the first year. The credits are claimed on Schedule OR-ASC. **If you qualify for a carryforward credit, you must include Schedule OR-ASC with your return.** Enter your total carryforward credits from Schedule OR-ASC, section 4, on Form OR-40, line 28.

For more information about carryforward credits, refer to the instructions for Schedule OR-ASC or Publication OR-17.

Tax payments and refundable credits

30 Oregon income tax withheld. Fill in the total Oregon tax withheld from your wages and other income shown on all of your Form W-2s, box 17, or Form 1099s. Don't use the FICA (Social Security) tax withheld. Don't use tax withheld from your wages by other states. **You must include a readable and 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, 2019, we can only accept a Form W-2 or 1099 as proof.

If you have tax to pay this year, you may want to increase the amount your employer withholds from your 2019 Oregon wages. For withholding information, go to www.oregon.gov/dor/personal.

31 Amount applied from your prior year's tax refund. Fill in the amount of any prior year refund you applied to your 2018 estimated tax. If we adjusted your applied refund, be sure to use the adjusted amount. If you need to verify your applied refund amount, go to Revenue Online at www.oregon.gov/dor; then log in or create an account. You may also contact us to verify the amounts you applied toward your 2018 tax period

32 Estimated tax payments for 2018. Fill in the total estimated tax payments you made before filing your 2018 Oregon return. These payments were due April 16, 2018; June 15, 2018; September 17, 2018; and January 15, 2019. Also **include all** payments you made up to the date you filed your original or amended return. **Don't include** the amount already reported on line 31. If you need to verify your estimated payments, go to Revenue Online at www.oregon.gov/dor. You can also contact us to verify the amount of payments you made toward your 2018 tax period.

33 Earned income credit. You're allowed an Oregon earned income credit **only** if you qualify for the earned income credit on your federal return. **Note to RDPs:** Use your "as if" federal return to see if you qualify for the Oregon credit.

If your youngest dependent is age three or older on December 31, 2018 or you have no dependents, your Oregon credit is 8 percent of your federal credit. For example, if your federal credit is \$2,500, your Oregon credit is \$200 ($\$2,500 \times 0.08$). If you have a dependent age two or younger as of December 31, 2018, your Oregon credit is 11 percent of your federal credit. For

example, if your federal credit is \$2,500, your Oregon credit is \$275 ($\$2,500 \times 0.11$).

Use the following formula to figure your credit:

1. Enter your federal earned income credit from Form 1040, line 17a. 1. _____
2. If you have a dependent age two or younger as of December 31, 2018, multiply the amount on line 1 by 11 percent (0.11). Otherwise, multiply the amount on line 1 by 8 percent (0.08). Enter the result here and on Form OR-40, line 33. 2. _____

35 Total refundable credits from Schedule OR-ASC. Refundable credits are credits that are refunded if you don't have tax owing. The credits are claimed on Schedule OR-ASC. **If you qualify for a refundable credit, you must include Schedule OR-ASC with your return.** Enter your total refundable credits from Schedule OR-ASC, section 5, on Form OR-40, line 35.

For more information about refundable credits, refer to the instructions for Schedule OR-ASC or Publication OR-17.

Penalties and interest

39 Penalty and interest for filing or paying late. Your tax is due **April 15, 2019**. Your return is also due April 15, 2019, unless you received an extension.

Penalty. Include a penalty if you:

- Submit your payment after April 15 (even if you have an extension to file).
- File your return showing tax to pay after the due date or extension due date.

The late-payment penalty is 5 percent of the tax reported on line 29 that is not paid by the original due date of the return.

If you file more than three months after the due date or after the extension due date, an additional 20 percent penalty for late-filing will be added; that is, you will owe a total penalty of 25 percent of any unpaid tax.

Interest. If you're paying your tax after April 15, 2019, include interest on any unpaid tax. Interest owed on income tax starts the day after the original return's due date and accrues until the date of your payment.

The annual interest rate for 2019 is 6 percent. Interest is charged daily starting the day after the due date. The daily rate is determined by dividing the annual rate by 365 days (0.0164 percent). Convert the daily rate to a decimal (0.000164) and multiply by your unpaid tax and the number of days.

Here's how to figure interest:

Tax x 0.000164 x number of days.

If the tax isn't paid within 60 days from the date of our billing notice, the interest rate increases to 10 percent per year.

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).

Note: Don't calculate interest if you file late and expect a refund.

40 Interest on underpayment of estimated tax. For 2018, you'll have an underpayment if you paid less than 90 percent of the tax due on **each** estimated tax payment due date or if your tax owed is more than \$1,000. **Note:** You may be charged interest on underpayment of estimated tax even if you receive a refund on your return.

Use Form OR-10 to determine if you have an underpayment. Download the form from our website or contact us to order it.

If you have an underpayment, fill in the amount of interest due from Form OR-10, line 34, on Form OR-40, line 40. You must include Form OR-10 with your Oregon return.

If you meet an exception described on Form OR-10, enter the exception number on line 40a and don't include Form OR-10.

If you used Worksheet OR-10-AI, check box 40b, and keep the worksheet with your records.

Amount due

42 Amount you owe. You may pay with a check, money order, electronic payment, or credit card. If you file electronically, you may be able to pay electronically at the time of filing. If the amount due is less than \$2, no payment is required.

Special instructions. Do you owe interest on line 41 and have an overpayment on line 37? If the interest you owe is more than your overpayment, you have an amount due. Subtract line 37 from line 41 and enter the result on line 42.

Payment options

Electronic payment from your checking or savings account

You can pay your current year income taxes, 2019 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 our website. Go to www.oregon.gov/dor and click the link for 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 www.oregon.gov/dor and click the link for Revenue Online.

Don't use Form OR-40-V if using an electronic payment option. Use this voucher only if paying by check or money order.

Check or money order

- Make your check or money order payable to "**Oregon Department of Revenue.**"
- Write "2018 Oregon Form OR-40" and the last four digits of your SSN or ITIN on your payment.
- Use blue or black ballpoint ink. Don't use red or purple ink or gel pens.
- Don't send cash or a postdated check.
- Include your payment and the Form OR-40-V payment voucher.

Payment plan. If you can't pay in full now, pay what you can. Use the payment voucher, Form OR-40-V. Contact us and we will help you set up a payment plan for the amount you don't pay with your return.

Refund

43 Refund. 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).

If you're due interest on a refund, the interest will be refunded to you as long as the total refund amount is more than \$1.

Refund applications

If you have a refund on line 43, you may apply part or all of it to an **open** estimated tax account, a charitable checkoff, a political party checkoff, or an Oregon 529 college savings plan. Doing so will reduce your net refund. The combination of these refund applications (line 48) can't equal more than your total refund on line 43.

Your refund may be applied to outstanding debt prior to being refunded to you or being applied to the elections on lines 44–47.

Instructions for amended returns. Complete the amended worksheet in the “General information” section at the beginning of these instructions. If line 5 of the worksheet results in an additional refund, you can apply the additional amount to an **open** estimated tax account, a charitable checkoff, a political party checkoff, or an Oregon 529 college savings plan. However, you **can't** reduce any of the amounts from the refund on your original return that were previously applied. Follow the special instructions for lines 44–47 regarding amended returns.

44 **Open estimated tax account.** You may apply part or all of your refund to an **open** estimated tax account (to a year where you **will be** filing a tax return). This will become an estimated tax payment for that tax year. Generally, unless you're filing a delinquent or amended return, the payment will be applied to the 2019 tax year. For additional information about the application of a refund as an estimated tax payment when filing a delinquent or amended return, see the “Payments and refunds” section of Publication OR-17. Fill in line 44 with the amount you want to apply as an estimated tax payment.

Instructions for amended returns. Enter the amount, if any, from your original return's refund that was applied to another tax year. If you're receiving an additional refund (listed on line 5 of the amended worksheet) and you want to have all or a portion of it applied toward an open estimated tax account, also include the additional amount you want applied. For additional information, see “Payments and refunds” in Publication OR-17.

45 **Charitable checkoff.** You can donate part or all of your refund to the charities listed on Schedule OR-DONATE. If you choose to donate to these charities, enter the amount you wish to donate to each charity in that charity's corresponding column. Total your charitable contributions on Schedule OR-DONATE and transfer this amount to Form OR-40.

You can also mail your donations directly to the charity's address listed on our website. Don't mail your donations to us.

Instructions for amended returns. Enter the amount, if any, from your original return's refund that was applied toward a charity listed on Schedule OR-DONATE. If you're receiving an additional refund, also include any amount you want applied to a charity.

46 **Political party checkoff.** You may contribute \$3 of your refund to an Oregon political party. To make a contribution, enter **one** code from the following list in box 46a. If filing a joint return, your spouse can contribute by entering one political party code in box 46b. Enter only one code per taxpayer.

- Constitution Party of Oregon [code 500].
- Democratic Party of Oregon [code 501].
- Independent Party of Oregon [code 502].
- Libertarian Party of Oregon [code 503].
- Oregon Republican Party [code 504].
- Pacific Green Party of Oregon [code 505].
- Progressive Party [code 506].
- Working Families Party of Oregon [code 507].

Donating to a political party **reduces** your refund. If you **or** your spouse want to donate, enter \$3 on line 46. If you **and** your spouse want to donate, enter \$6 on line 46. **Note:** This contribution **doesn't** qualify for the political contribution credit.

Instructions for amended returns. Enter the amount, if any, from your original return's refund that was applied toward a political party checkoff. If you're receiving a refund from your amended return and didn't select a political party checkoff on your prior return, you may select it now.

47 **Oregon 529 college savings plan.** You can deposit all or a portion of your refund into an Oregon 529 college savings plan account. To make this choice, there must be an open account and deposits must be a minimum of \$25 per account. For more information, see Schedule OR-529.

Instructions for amended returns. Enter the amount, if any, from your original return's refund that was applied toward an Oregon 529 college savings plan. If you're receiving an additional refund, also include any amount you want applied to an Oregon 529 college savings plan.

49 **Net refund.** You must reduce your refund by any amounts applied to your open estimated tax account (line 44), donations on lines 45 and 46, and deposits made into Oregon 529 college savings plan accounts (line 47). **By law, we can't issue a refund or make applications if you file your return more than three years after the return's due date (excluding extensions).**

Direct deposit

50 **Direct deposit.** Follow these instructions if you want us to deposit your refund directly into your bank account instead of mailing you a check:

1. **Contact your bank** to make sure your deposit will be accepted and to get your routing and account numbers.
2. **Check the box** if your refund will have a final destination to an account outside the United States. **Note:** If you check this box, you will be issued a paper check.
3. **Check the appropriate box, either checking or savings, but not both.**
4. **Enter your nine-digit routing number.** The routing number must begin with 01 through 12, 21 through 32, or 61 through 72.
5. **Enter the account number** into which you want your refund deposited. The account number can be up to 17 characters (both numbers and letters). Don't include hyphens, spaces, or special symbols. Enter the number left to right and leave any unused boxes blank.
6. **Double-check** the account and routing numbers. These numbers can't be changed after the return is filed.

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 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 his or her legal agent. Sign the child's name and 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 and **must** sign the return.

Signing the return doesn't grant your preparer the right to represent you or make decisions on your behalf. See the *Tax Information Authorization and Power of Attorney for Representation* form and instructions on our website for more information.

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

- State Board of Tax Practitioners at (503) 378-4034 (Salem) for licensed tax consultants or preparers, or go to www.oregon.gov/obtp.
- State Board of Accountancy at (503) 378-4181 (Salem) for public accountants and certified public accountants, or go to 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.

Before you file

To speed processing, put your Oregon return together as follows (**important—don't attach these documents together or use staples, paperclips, or tape to assemble your return**):

1. Start with Form OR-40.
2. If applicable, place these items in the following order behind your Form OR-40:
 - Form W-2s and any Form 1099s showing Oregon tax withheld.
 - Schedule OR-A.
 - Schedule OR-ASC.
 - Schedule OR-ADD-DEP.
 - Schedule OR-DONATE.
 - Schedule OR-529.
 - Form OR-10.
 - Schedule OR-WFHDC.
 - Form OR-24.
 - Your RDP's Oregon return, if you're filing separately. Don't staple the returns together.
3. Copy (front and back) of your federal Form 1040 and Schedules 1 through 5 (if applicable), 1040X, 1040NR, or 1040NR-EZ. If you're filing using an "as if" federal return, include the "as if" return. **Write "as if" in blue or black ink on the top left corner of your "as if" federal return.** Also include a copy of the federal return you actually filed.
4. If you're amending your return, include a copy of the federal or other state's **corrected** return or audit report. If you're amending your Oregon return only, attach the federal or other state's original return.
5. Include your check or money order and completed Form OR-40-V payment voucher. If you're paying by credit card or electronic payment, **don't** use Form OR-40-V.

Be sure all pages of your return are from the same form. For example, if you file Form OR-40, be sure that "2018 Oregon Form OR-40" is printed at the top of each page.

Include federal Schedules 1 through 5 (if applicable to your Form 1040), but **don't include** extension requests or any other federal schedules with your Oregon return. Keep these with your records. We receive some federal information from the IRS. We may ask for copies of other schedules or additional information later.

Avoid processing delays

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

Include all pages of your Oregon return.

Double-check your math calculations and other figures, including your SSN. The most common mistakes are math errors and the amount claimed for the federal tax liability subtraction. Double-check your figures. People commonly use the wrong line or column on the tax tables. Errors will delay processing.

If you have tax to pay, read the line 40 instructions.

Verify your bank account information if you're requesting direct deposit.

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

Include readable copies of Form W-2s and 1099s showing Oregon income and tax withheld with your return.

Include a copy of your federal return (front and back) with your Oregon return. **Include** federal Schedules 1 through 5 (if applicable to your Form 1040), but **don't include** other federal schedules.

Include Form OR-40-V, the payment voucher, with your check or money order. If you're paying by credit card or electronic payment, **don't** use Form OR-40-V.

Mail your return in a stamped envelope. Use a business envelope (4 × 9½ inches) or larger and use enough 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

2018 Tax Tables for Form OR-40

S Use column S if you are:

- Single.
- Married filing separately.

J Use column J if you are:

- Married filing jointly.
- Head of household.
- Widow(er) with dependent child.

If income from Form OR-40, line 19 is:		And you use column:		If income from Form OR-40, line 19 is:		And you use column:		If income from Form OR-40, line 19 is:		And you use column:		If income from Form OR-40, line 19 is:		And you use column:												
At least:	But less than:	S	J	At least:	But less than:	S	J	At least:	But less than:	S	J	At least:	But less than:	S	J											
		Your tax is:				Your tax is:				Your tax is:				Your tax is:												
\$ 39,000				\$ 42,000				\$ 45,000				\$ 48,000														
39,000 – 39,100	3,272	3,029	42,000 – 42,100	3,542	3,299	45,000 – 45,100	3,812	3,569	48,000 – 48,100	4,082	3,839	39,100 – 39,200	3,281	3,038	42,100 – 42,200	3,551	3,308	45,100 – 45,200	3,821	3,578	48,100 – 48,200	4,091	3,848			
39,200 – 39,300	3,290	3,047	42,200 – 42,300	3,560	3,317	45,200 – 45,300	3,830	3,587	48,200 – 48,300	4,100	3,857	39,300 – 39,400	3,299	3,056	42,300 – 42,400	3,569	3,326	45,300 – 45,400	3,839	3,596	48,300 – 48,400	4,109	3,866			
39,400 – 39,500	3,308	3,065	42,400 – 42,500	3,578	3,335	45,400 – 45,500	3,848	3,605	48,400 – 48,500	4,118	3,875	39,500 – 39,600	3,317	3,074	42,500 – 42,600	3,587	3,344	45,500 – 45,600	3,857	3,614	48,500 – 48,600	4,127	3,884			
39,600 – 39,700	3,326	3,083	42,600 – 42,700	3,596	3,353	45,600 – 45,700	3,866	3,623	48,600 – 48,700	4,136	3,893	39,700 – 39,800	3,335	3,092	42,700 – 42,800	3,605	3,362	45,700 – 45,800	3,875	3,632	48,700 – 48,800	4,145	3,902			
39,800 – 39,900	3,344	3,101	42,800 – 42,900	3,614	3,371	45,800 – 45,900	3,884	3,641	48,800 – 48,900	4,154	3,911	39,900 – 40,000	3,353	3,110	42,900 – 43,000	3,623	3,380	45,900 – 46,000	3,893	3,650	48,900 – 49,000	4,163	3,920			
\$ 40,000				\$ 43,000				\$ 46,000				\$ 49,000														
40,000 – 40,100	3,362	3,119	43,000 – 43,100	3,632	3,389	46,000 – 46,100	3,902	3,659	49,000 – 49,100	4,172	3,929	40,100 – 40,200	3,371	3,128	43,100 – 43,200	3,641	3,398	46,100 – 46,200	3,911	3,668	49,100 – 49,200	4,181	3,938			
40,200 – 40,300	3,380	3,137	43,200 – 43,300	3,650	3,407	46,200 – 46,300	3,920	3,677	49,200 – 49,300	4,190	3,947	40,300 – 40,400	3,389	3,146	43,300 – 43,400	3,659	3,416	46,300 – 46,400	3,929	3,686	49,300 – 49,400	4,199	3,956			
40,400 – 40,500	3,398	3,155	43,400 – 43,500	3,668	3,425	46,400 – 46,500	3,938	3,695	49,400 – 49,500	4,208	3,965	40,500 – 40,600	3,407	3,164	43,500 – 43,600	3,677	3,434	46,500 – 46,600	3,947	3,704	49,500 – 49,600	4,217	3,974			
40,600 – 40,700	3,416	3,173	43,600 – 43,700	3,686	3,443	46,600 – 46,700	3,956	3,713	49,600 – 49,700	4,226	3,983	40,700 – 40,800	3,425	3,182	43,700 – 43,800	3,695	3,452	46,700 – 46,800	3,965	3,722	49,700 – 49,800	4,235	3,992			
40,800 – 40,900	3,434	3,191	43,800 – 43,900	3,704	3,461	46,800 – 46,900	3,974	3,731	49,800 – 49,900	4,244	4,001	40,900 – 41,000	3,443	3,200	43,900 – 44,000	3,713	3,470	46,900 – 47,000	3,983	3,740	49,900 – 50,000	4,253	4,010			
\$ 41,000				\$ 44,000				\$ 47,000																		
41,000 – 41,100	3,452	3,209	44,000 – 44,100	3,722	3,479	47,000 – 47,100	3,992	3,749	41,100 – 41,200	3,461	3,218	44,100 – 44,200	3,731	3,488	47,100 – 47,200	4,001	3,758	41,200 – 41,300	3,470	3,227	44,200 – 44,300	3,740	3,497	47,200 – 47,300	4,010	3,767
41,300 – 41,400	3,479	3,236	44,300 – 44,400	3,749	3,506	47,300 – 47,400	4,019	3,776	41,400 – 41,500	3,488	3,245	44,400 – 44,500	3,758	3,515	47,400 – 47,500	4,028	3,785	41,500 – 41,600	3,497	3,254	44,500 – 44,600	3,767	3,524	47,500 – 47,600	4,037	3,794
41,600 – 41,700	3,506	3,263	44,600 – 44,700	3,776	3,533	47,600 – 47,700	4,046	3,803	41,700 – 41,800	3,515	3,272	44,700 – 44,800	3,785	3,542	47,700 – 47,800	4,055	3,812	41,800 – 41,900	3,524	3,281	44,800 – 44,900	3,794	3,551	47,800 – 47,900	4,064	3,821
41,900 – 42,000	3,533	3,290	44,900 – 45,000	3,803	3,560	47,900 – 48,000	4,073	3,830																		

2018 Tax rate charts

Chart S: For persons filing single or married/RDP filing separately—

If your taxable income is \$50,000 or more but not over \$125,000 your tax is \$4,257 plus 9% of excess over \$50,000

If your taxable income is over \$125,000 your tax is \$11,007 plus 9.9% of excess over \$125,000

Chart J: For persons filing jointly, head of household, or qualifying widow(er) with dependent child—

If your taxable income is \$50,000 or more but not over \$250,000 your tax is \$4,014 plus 9% of excess over \$50,000

If your taxable income is over \$250,000 your tax is \$22,014 plus 9.9% of excess over \$250,000

2018 Form OR-40



Office use only	

Oregon Individual Income Tax Return for Full-year Residents

Submit original form—do not submit photocopy

Fiscal year ending: <input type="text"/> / <input type="text"/> / <input type="text"/>	Space for 2-D barcode—do not write in box below
<input type="checkbox"/> Amended return. If amending for an NOL, tax year the NOL was generated: <input type="text"/> <input type="checkbox"/> Calculated using "as if" federal return. <input type="checkbox"/> Short-year tax election. <input type="checkbox"/> Federal disaster relief. <input type="checkbox"/> Extension filed. <input type="checkbox"/> Federal Form 8886. <input type="checkbox"/> Form OR-24.	

First name and initial	Last name	<input type="checkbox"/> Deceased	Social Security no. (SSN)	<input type="checkbox"/> First time using this SSN (see instructions)	<input type="checkbox"/> Applied for ITIN
Spouse's first name and initial	Spouse's last name	<input type="checkbox"/> Deceased	Spouse's SSN	<input type="checkbox"/> First time using this SSN (see instructions)	<input type="checkbox"/> Applied for ITIN
Current mailing address			Date of birth (mm/dd/yyyy)	Spouse's date of birth	
City	State	ZIP code	Country	Phone () -	

Filing status (check only **one** box)

- Single.
- Married filing jointly.
- Married filing separately (enter spouse's information **above**).
- Head of household (with qualifying dependent).
- Qualifying widow(er) with dependent child.

Exemptions

6a. Credits for yourself: Regular Severely disabled 6a. Total

Check box if someone else can claim you as a dependent.

6b. Credits for spouse: Regular Severely disabled 6b.

Check box if someone else can claim your spouse as a dependent.

Dependents. List your dependents in order from youngest to oldest. If more than four, check this box and include Schedule OR-ADD-DEP with your return.

First name	Last name	Code*	Dependent's SSN	Dependent's date of birth (mm/dd/yyyy)	Check if child with qualifying disability
			- -	/ /	<input type="checkbox"/>
			- -	/ /	<input type="checkbox"/>
			- -	/ /	<input type="checkbox"/>
			- -	/ /	<input type="checkbox"/>

*Dependent relationship code—Please see instructions to determine the appropriate code.

6c. Total number of dependents 6c.

6d. Total number of dependent children with a qualifying disability (see instructions) 6d.

6e. Total exemptions. Add 6a through 6d. **Total.** 6e.

2018 Form OR-40



Name SSN

Taxable income

Table with 3 columns: Description, Line Number, Amount. Rows include Federal adjusted gross income, Total additions, and Income after additions.

Subtractions

Table with 3 columns: Description, Line Number, Amount. Rows include 2018 federal tax liability, Social Security included, Oregon income tax refund, Total subtractions, and Income after subtractions.

Deductions

Table with 3 columns: Description, Line Number, Amount. Rows include Oregon itemized deductions, Standard deduction, and Oregon taxable income.

Oregon tax

Table with 3 columns: Description, Line Number, Amount. Rows include Tax calculation and Total tax before credits.

Standard and carryforward credits

Table with 3 columns: Description, Line Number, Amount. Rows include Exemption credit, Political contribution credit, Total standard credits, Tax minus standard credits, Total carryforward credits, and Tax after standard and carryforward credits.

2018 Form OR-40



00461801030000

Name SSN

Payments and refundable credits

Table with 3 columns: Line number, Description, Amount. Includes lines 30-36 for payments and refundable credits.

Tax to pay or refund

Table with 3 columns: Line number, Description, Amount. Includes lines 37-49 for tax to pay or refund.

Direct deposit

Form for direct deposit including fields for account type (Checking/Savings), routing number, and account number.

Reserved.

2018 Form OR-40



Name	SSN - -
------	------------

Sign here. Under penalty of false swearing, I declare that the information in this return is true, correct, and complete.

Your signature X	Date / /		
Spouse's signature (if filing jointly, both must sign) X	Date / /		
Signature of preparer other than taxpayer X	Preparer phone () -	Preparer license number, if professionally prepared	
Preparer address	City	State	ZIP code

Signing this return does not grant your preparer the right to represent you or make decisions on your behalf. For more information, see the instructions for the *Tax Information Authorization and Power of Attorney for Representation* form on our website.

Important: Include a copy of your federal Form 1040, 1040X, 1040NR, or 1040NR-EZ. **Without this information, we may adjust your return.**

Make your payment (if you have an amount due on line 42)

- **Online payments:** Visit our website at www.oregon.gov/dor.
- **Mailing your payment:** Make your check or money order payable to the **Oregon Department of Revenue**. Write **"2018 Oregon Form OR-40"** and the last four digits of your SSN or ITIN on your check or money order. Include your payment, along with the Form OR-40-V payment voucher, with this return.

Send in your return

- **Non-2-D barcode.** If the 2-D barcode area on the front of this return is blank:
 - Mail **tax-due** returns to: Oregon Department of Revenue, PO Box 14555, Salem OR 97309-0940.
 - Mail **refund and no-tax-due** returns to: Oregon Department of Revenue, PO Box 14700, Salem OR 97309-0930.
- **2-D barcode.** If the 2-D barcode area on the front of this return is filled in:
 - Mail **tax-due** returns to: Oregon Department of Revenue, PO Box 14720, Salem OR 97309-0463.
 - Mail **refund and no-tax-due** returns to: Oregon Department of Revenue, PO Box 14710, Salem OR 97309-0460.

Amended statement. Only complete this section if submitting an amended return or filing with a new SSN.

If filing an amended return, complete this statement with an explanation of what you are amending. Indicate the return line numbers and the reason for each change. If your filing status has changed, explain why.

If filing with a new SSN, enter your former identification number.

Form OR-40-V

Oregon Individual Income Tax Payment Voucher and Instructions

Online payments:

You may make payments directly online at www.oregon.gov/dor. Don't use this form with online payments.

Where to mail your payment:

Mail to:

For payments made with an original or amended return, if you filed your return:	Non-2-D paper returns—	PO Box 14555 Salem OR 97309-0940
	2-D paper returns or electronically—	PO Box 14720 Salem OR 97309-0463
For estimated payments and extension payments:		PO Box 14950 Salem OR 97309-0950

Don't use Form OR-40-V if you are using an electronic payment option. Use the voucher only if you are paying by check or money order. Do not mail cash.

Payment type. Check the appropriate box for the type of payment being made and completely fill out the form.

Tax year. Enter the month, day, and year for the beginning and end date of the tax year you are submitting the payment for. For most filers this will be January 1 through December 31 of the tax year. **Example:** For tax year 2018, enter: *Begins: 01/01/2018. Ends: 12/31/2018.*

Cut along the dotted line and mail to the Department of Revenue at the appropriate address from above.

Note: If you are viewing this form electronically, and you see a solid box instead of letters or numbers, adjust the view size to 100 percent. If the letters or numbers are still not visible, press the tab key.

Cut on dashed line below to detach voucher. Visit www.oregon.gov/dor/forms to print more vouchers.

Form OR-40-V, Oregon Individual Income Tax Payment Voucher

● **Tax year:**

Begins: / /
Ends: / /

Office use only
●

● **Payment type** (check only one):

- Original return
- Amended return
- Extension payment
- Estimated payment



First name and initial	Last name	SSN
Spouse's first name and initial	Spouse's last name	SSN
Current mailing address		
City	State	ZIP code
Contact phone () -		

Enter payment amount

\$.00

2018 Schedule OR-ASC



Office use only

Oregon Adjustments for Form OR-40 Filers

Submit original form—do not submit photocopy.

First name and initial	Last name	Social Security number (SSN) — —
Spouse's first name and initial	Spouse's last name	Spouse's SSN — —

Use Schedule OR-ASC to claim any of the following that aren't included on Form OR-40:

- Additions.
- Subtractions.
- Standard credits.
- Carryforward credits.
- Refundable credits.

Identify the code you're claiming and enter the information requested in the corresponding section. Enter the total from each section on the line indicated for Form OR-40.

For more information, refer to the instructions or Publication OR-17.

Section 1: Additions (codes 103–184)

	Code		Amount
1a.	<input style="width: 20px; height: 20px;" type="text"/>	1b.	<input style="width: 100%; height: 20px;" type="text" value="0.00"/>
1c.	<input style="width: 20px; height: 20px;" type="text"/>	1d.	<input style="width: 100%; height: 20px;" type="text" value="0.00"/>
1e.	<input style="width: 20px; height: 20px;" type="text"/>	1f.	<input style="width: 100%; height: 20px;" type="text" value="0.00"/>
1g.	<input style="width: 20px; height: 20px;" type="text"/>	1h.	<input style="width: 100%; height: 20px;" type="text" value="0.00"/>
1i.	<input style="width: 20px; height: 20px;" type="text"/>	1j.	<input style="width: 100%; height: 20px;" type="text" value="0.00"/>
Enter total on Form OR-40, line 8			<input style="width: 100%; height: 20px;" type="text" value="0.00"/>

Section 2: Subtractions (codes 300–360)

	Code		Amount
2a.	<input style="width: 20px; height: 20px;" type="text"/>	2b.	<input style="width: 100%; height: 20px;" type="text" value="0.00"/>
2c.	<input style="width: 20px; height: 20px;" type="text"/>	2d.	<input style="width: 100%; height: 20px;" type="text" value="0.00"/>
2e.	<input style="width: 20px; height: 20px;" type="text"/>	2f.	<input style="width: 100%; height: 20px;" type="text" value="0.00"/>
2g.	<input style="width: 20px; height: 20px;" type="text"/>	2h.	<input style="width: 100%; height: 20px;" type="text" value="0.00"/>
2i.	<input style="width: 20px; height: 20px;" type="text"/>	2j.	<input style="width: 100%; height: 20px;" type="text" value="0.00"/>
Enter total on Form OR-40, line 13			<input style="width: 100%; height: 20px;" type="text" value="0.00"/>

Section 3: Standard credits (codes 802–815)

	Code		Amount		Code
3a.	<input style="width: 20px; height: 20px;" type="text"/>	3b.	<input style="width: 100%; height: 20px;" type="text" value="0.00"/>	3c.	<input style="width: 20px; height: 20px;" type="text"/>
3d.	<input style="width: 20px; height: 20px;" type="text"/>	3e.	<input style="width: 100%; height: 20px;" type="text" value="0.00"/>	3f.	<input style="width: 20px; height: 20px;" type="text"/>
3g.	<input style="width: 20px; height: 20px;" type="text"/>	3h.	<input style="width: 100%; height: 20px;" type="text" value="0.00"/>	3i.	<input style="width: 20px; height: 20px;" type="text"/>
3j.	<input style="width: 20px; height: 20px;" type="text"/>	3k.	<input style="width: 100%; height: 20px;" type="text" value="0.00"/>	3l.	<input style="width: 20px; height: 20px;" type="text"/>
3m.	<input style="width: 20px; height: 20px;" type="text"/>	3n.	<input style="width: 100%; height: 20px;" type="text" value="0.00"/>	3o.	<input style="width: 20px; height: 20px;" type="text"/>
Enter total on Form OR-40, line 25			<input style="width: 100%; height: 20px;" type="text" value="0.00"/>		

State abbreviation (if claiming code 802 or 815)

Section 4: Carryforward credits (codes 835–871)

	Code		Amount from prior year		Amount awarded this year		Total used this year
4a.	<input style="width: 20px; height: 20px;" type="text"/>	4b.	<input style="width: 100%; height: 20px;" type="text" value="0.00"/>	4c.	<input style="width: 100%; height: 20px;" type="text" value="0.00"/>	4d.	<input style="width: 100%; height: 20px;" type="text" value="0.00"/>
4e.	<input style="width: 20px; height: 20px;" type="text"/>	4f.	<input style="width: 100%; height: 20px;" type="text" value="0.00"/>	4g.	<input style="width: 100%; height: 20px;" type="text" value="0.00"/>	4h.	<input style="width: 100%; height: 20px;" type="text" value="0.00"/>
4i.	<input style="width: 20px; height: 20px;" type="text"/>	4j.	<input style="width: 100%; height: 20px;" type="text" value="0.00"/>	4k.	<input style="width: 100%; height: 20px;" type="text" value="0.00"/>	4l.	<input style="width: 100%; height: 20px;" type="text" value="0.00"/>
4m.	<input style="width: 20px; height: 20px;" type="text"/>	4n.	<input style="width: 100%; height: 20px;" type="text" value="0.00"/>	4o.	<input style="width: 100%; height: 20px;" type="text" value="0.00"/>	4p.	<input style="width: 100%; height: 20px;" type="text" value="0.00"/>
4q.	<input style="width: 20px; height: 20px;" type="text"/>	4r.	<input style="width: 100%; height: 20px;" type="text" value="0.00"/>	4s.	<input style="width: 100%; height: 20px;" type="text" value="0.00"/>	4t.	<input style="width: 100%; height: 20px;" type="text" value="0.00"/>
Enter total on Form OR-40, line 28							<input style="width: 100%; height: 20px;" type="text" value="0.00"/>

Section 5: Refundable credits (codes 890–895)

	Code		Amount
5a.	<input style="width: 20px; height: 20px;" type="text"/>	5b.	<input style="width: 100%; height: 20px;" type="text" value="0.00"/>
5c.	<input style="width: 20px; height: 20px;" type="text"/>	5d.	<input style="width: 100%; height: 20px;" type="text" value="0.00"/>
5e.	<input style="width: 20px; height: 20px;" type="text"/>	5f.	<input style="width: 100%; height: 20px;" type="text" value="0.00"/>
Enter total on Form OR-40, line 35			<input style="width: 100%; height: 20px;" type="text" value="0.00"/>

— You must include this schedule with your Oregon income tax return —

Instructions for Schedule OR-ASC

2018

New information

Additions

- **Oregon 529 College Savings Plan withdrawals.** If you withdrew funds from an Oregon 529 College Savings Network plan for the enrollment or attendance at an elementary or secondary (K-12) school, you must report an addition (code 117) for the amount you previously subtracted from your income and for the earnings on the withdrawal. For more information, see “Oregon 529 College Savings Plan deposits” and Publication OR-17.
- **Repatriated foreign income.** There is a new addition if you repatriated deferred foreign income in 2018. See the “Additions” section and Publication OR-17 for more information.

Subtractions

- **Special Oregon medical subtraction.** For tax year 2018, you or your spouse must be age 65 or older on December 31, 2018 to qualify for the subtraction.
- **Oregon 529 College Savings Network and ABLE Account limits.** Contribution limits have increased to \$4,750 for taxpayers filing joint returns and \$2,375 for all others. For more information, see Publication OR-17.

Credits

- **Working family household and dependent care (WFHDC) credit.** If you are not married and you paid dependent care expenses while you attended school, these expenses may now qualify for the WFHDC credit. For more information see the instructions for Schedule OR-WFHDC.
- **College Opportunity Grant Tax Credit Auction.** There was a new tax credit auction in tax year 2018. If you made a contribution to the Oregon Opportunity Grant Fund through the tax credit auction, see Publication OR-17 for additional information. If you claim this credit, don't include the amount you paid as an itemized deduction on your Oregon return. See the instructions for Schedule OR-A.
- **Bovine manure production/collection credit.** There is a new transferable tax credit available for the 2018 tax year for producers or collectors of bovine manure who use the manure as biofuel in Oregon. See Publication OR-17 for more information.
- **Expired credit.** The biomass production or collection credit expired on December 31, 2017. You can only claim this credit if you have a carryforward amount from a previous year.

Form instructions

If you have more items than will fit on a single schedule, provide the codes and amounts on additional schedules and add the total on your tax return. Include all the schedules with your Form OR-40.

If you're claiming multiple items (additions, subtractions, or credits) with the same code, report the items together. **Enter the code only once and add the claimed amounts together.**

Round all cents to the nearest dollar. For example, \$99.49 becomes \$99, and \$99.50 becomes \$100.

A list of the codes can be found at the end of these instructions in Publication OR-CODES. These instructions have explanations of the most common items. See Publication OR-17 for more details and explanations of other items.

Section 1: Additions (codes 103–184)

Additions are items the federal government doesn't tax but Oregon does. For detailed information, see Publication OR-17.

Step 1: Complete the table in Section 1 with the code and amount reported for each addition. Each code should only be listed once.

Step 2: Fill in the total of all additions. Enter this amount on Form OR-40, line 8.

Interest and dividends on other state government bonds [code 158]. You must claim an addition for interest and dividends that you earned from state or local government bonds outside of Oregon. Because this income is not taxable on your federal return, you must add it to your Oregon return. Do not include interest or dividends from government bonds within Oregon.

Repatriated foreign income [code 184]. Did you repatriate deferred foreign income in 2018? If so, the income must be reported on your Oregon return, even if it wasn't actually received during the year. You must claim an addition for the amount of this income that was deducted on your federal return. See Publication OR-17 for more information.

Section 2: Subtractions (codes 300–360)

Subtractions are items the federal government taxes but Oregon doesn't. See below for information regarding commonly claimed subtractions. For detailed information, see Publication OR-17.

Step 1: Complete the table in Section 2 with the code and amount reported for each subtraction that isn't listed on the return. Each code should only be listed once.

Step 2: Fill in the total of all subtractions. Enter this amount on Form OR-40, line 13.

Federal pension income [code 307]. You may be able to subtract some or all of your taxable federal pension included in 2018 federal income. This includes retirement benefits paid to the retiree or the beneficiary. It does not include disability payments if you have not reached the minimum retirement age. The subtraction amount is based on the number of months of federal service or points earned before and after October 1, 1991:

- **If all your months of federal service or points were before October 1, 1991,** subtract 100 percent of the taxable amount of federal pension income you reported on your federal return.
- **If you have no months of service or points before October 1, 1991,** you cannot subtract any federal pension income.
- **If your service or points occurred both before and after October 1, 1991,** subtract a percentage of the taxable federal pension income you reported on your federal return. To determine your percentage, divide your months of service or points earned before October 1, 1991, by your total months of service or points earned. Round to three places (example: 0.4576 = 45.8 percent). Once you determine your percentage, it will remain the same year to year.

For more than one pension, figure the percentage and subtraction amount separately for each pension. Add the separate amounts together to be reported on one line of Schedule OR-ASC.

Federal pension subtraction formula:

$$\frac{\text{Months of service or points before 10/1/91}}{\text{Total months of service or points}} \times \text{Federal pension amount included in federal income} = \text{Oregon subtraction}$$

Federal education credits (tuition and fees deduction) [code 308]. Update—As of December 2019, this deduction has been extended, retroactive to tax year 2018. Did you claim the American Opportunity or Lifetime Learning credit on your federal return? If so, you may qualify for this subtraction if you were not allowed a federal tuition and fees deduction because you claimed the federal credit. Because Oregon does not have credits similar to the American Opportunity or Lifetime Learning credits, you can deduct the federal tuition and fees deduction on your Oregon return up to the amount you would have been allowed on your federal return. You can claim the lesser of the federal limit (\$4,000 or \$2,000, depending on your income) or your actual expenses. You can't claim the deduction if:

- You file married filing separately;
- You can be claimed as a dependent by another person;
- Your federal modified adjusted gross income is more than \$80,000 (\$160,000 if filing married filing jointly); or

- You already subtracted these expenses as a tuition and fees deduction on your federal return.

Interest and dividends on U.S. bonds and notes [code 315]. Subtract interest and dividends from qualifying U.S. bonds reported on your federal return, such as interest from U.S. Series EE and I Bonds. See Publication OR-17 for a complete list of qualifying bonds and notes.

Oregon 529 College Savings Plan deposits [code 324]. You can subtract deposits made to an Oregon 529 College Savings Plan. The combined total claimed under the ABLE account deposits subtraction and the Oregon 529 College Savings Plan deposit subtraction cannot exceed \$4,750 for joint returns (\$2,375 for all other returns). If you contribute more than your limit, you can carry forward the remaining contribution not subtracted over the next four years. Rollovers from other 529 plans into an Oregon 529 plan are considered new contributions and qualify for the subtraction as long as they were not previously included in an Oregon subtraction.

If you withdrew funds from an Oregon 529 College Savings Network plan for nonqualified purposes, you must report an addition (code 117) for the amount you previously subtracted from your income and for the earnings on the withdrawal. Expenses used for the enrollment or attendance at an elementary or secondary (K-12) school are considered nonqualified withdrawals.

Keep a copy of your account statement with your tax records. For more information, go to www.oregoncollegesavings.com or call 1 (866) 772-8464.

Special Oregon medical subtraction [code 351]. If you or your spouse were age 65 or older on December 31, 2018 and have qualifying medical and/or dental expenses, you may qualify for the special Oregon medical subtraction. See the 2018 IRS Publication 502 for types of qualifying medical and dental expenses. You cannot subtract medical and dental expenses:

- For anyone under age 65;
- For dependents, regardless of their age; or
- That have already been deducted on your return.

You may not claim a subtraction if your federal adjusted gross income (AGI) exceeds \$200,000 (\$100,000 for those who file single or married filing separately). Use the special Oregon medical subtraction worksheet to determine the amount of your subtraction.

Shared expenses. Did you have medical expenses or dental expenses for more than one person? If so, you must determine which expenses belong to each qualifying taxpayer. Start by totaling all expenses for each qualifying taxpayer. If you have expenses that are for more than one person, such as insurance premiums, split the expense by the most reasonable method. For example, two qualifying taxpayers filing jointly who paid \$4,000 in insurance premiums during the year would split the expenses in half, or \$2,000 each. For more information and examples on how to split shared expenses, see Publication OR-17.

Special Oregon medical subtraction worksheet instructions

For worksheet lines 1 through 7, complete column A for yourself first and then complete column B for your spouse using the following instructions.

Line 1: Medical and dental expenses for each taxpayer—If you were age 65 or older on December 31, 2018, enter your total qualifying medical and dental expenses. See “Shared expenses” for information about splitting expenses, such as insurance premiums. If your medical expenses aren’t included in your Oregon itemized deductions or you’re claiming the standard deduction on your Oregon return, skip lines 2–4, enter the amount from line 1 on line 5, and go to line 6. If you don’t have qualifying expenses or were not age 65 or older on December 31, 2018—**stop**. You don’t qualify for the subtraction. Complete column B for your spouse to see if they qualify for the subtraction based on their expenses.

Line 2: Total medical and dental expenses—Enter the total medical and dental expenses claimed as an itemized deduction (Schedule OR-A, line 1).

Line 3: Divide line 1 by line 2 and round to three decimal places. For example, 0.7308 is rounded to 0.731.

Line 4: Enter the lesser of the medical and dental expenses claimed on line 1 of your Schedule OR-A or the amount claimed on line 3 of your Schedule OR-A.

Line 5: Multiply line 3 and line 4 and round to whole dollars. For example, \$101.49 is rounded to \$101.

Line 6: Enter the maximum allowable medical subtraction for your filing status and federal AGI from the maximum allowable medical subtraction table. Don’t enter more than \$1,800.

Line 7: Enter the lesser of line 5 or line 6.

Line 8: Add the amounts from line 7 column (A) and column (B). This is your special Oregon medical subtraction. Enter this amount on the Schedule OR-ASC, Section 2, using code 351.

Special Oregon medical subtraction worksheet

	Column (A) You	Column (B) Spouse
1. Medical and dental expenses for each qualifying taxpayer.	1. _____	1. _____
2. Total medical and dental expenses claimed (Schedule OR-A, line 1).	2. _____	2. _____
3. Divide line 1 by line 2 and round to three decimal places.	3. _____	3. _____

4. Enter the lesser of the expenses claimed on line 1 of your Schedule OR-A, or the amount on line 3 of your Schedule OR-A. 4. _____ 4. _____
5. Multiply line 3 by line 4 and round to whole dollars. 5. _____ 5. _____
6. Maximum allowable medical subtraction from the table. 6. _____ 6. _____
7. Enter the lesser of line 5 or line 6. 7. _____ 7. _____
8. Add line 7, columns (A) and (B), and enter the total. This is your special Oregon medical subtraction. 8. _____

If your filing status is:	And your federal adjusted gross income from Form OR-40, line 7 is:		Then your maximum allowable medical subtraction per taxpayer meeting the age requirement is:
	At least—	But less than—	
Married filing jointly; or Head of household; or Qualifying widow(er)	-0-	\$50,000	\$1,800
	\$50,000	\$100,000	\$1,400
Single; or Married filing separately	\$100,000	\$200,001	\$1,000
	\$200,001 or more		-0-
Single; or Married filing separately	-0-	\$25,000	\$1,800
	\$25,000	\$50,000	\$1,400
Married filing separately	\$50,000	\$100,001	\$1,000
	\$100,001 or more		-0-

Example 1: Brennan and Maggie were ages 66 and 65 on December 31, 2018. They are filing a joint return with a federal AGI of \$55,000 and are itemizing deductions for Oregon. In 2018, they paid \$5,700 in medical expenses that they claimed on Schedule OR-A. Of that, \$3,500 was for Brennan’s expenses, \$1,000 for Maggie’s expenses, and \$1,200 for Maggie’s mother who they claim as a dependent. Both Brennan’s and Maggie’s expenses qualify for the special Oregon medical subtraction. Since Maggie’s mother is a dependent, her expenses don’t qualify for the subtraction. Brennan and Maggie determine their subtraction as follows.

Special Oregon medical subtraction worksheet

	Column (A) Brennan	Column (B) Maggie
1. Medical and dental expenses for each qualifying taxpayer.	1. <u>\$3,500</u>	1. <u>\$1,000</u>
2. Total medical and dental expenses claimed (Schedule OR-A, line 1).	2. <u>\$5,700</u>	2. <u>\$5,700</u>
3. Divide line 1 by line 2 and round to three decimal places.	3. <u>0.614</u>	3. <u>0.175</u>
4. Enter the lesser of the expenses claimed on line 1 of your Schedule OR-A, or the amount on line 3 of your Schedule OR-A.	4. <u>\$4,125</u>	4. <u>\$4,125</u>
5. Multiply line 3 by line 4 and round to whole dollars.	5. <u>\$2,533</u>	5. <u>\$722</u>
6. Maximum allowable medical subtraction from the table.	6. <u>\$1,400</u>	6. <u>\$1,400</u>
7. Enter the lesser of line 5 or line 6.	7. <u>\$1,400</u>	7. <u>\$722</u>
8. Add line 7, columns (A) and (B), and enter the total. This is your special Oregon medical subtraction.	8. <u>\$2,122</u>	

Section 3: Standard credits (codes 802–815)

Standard credits are nonrefundable credits that can only be claimed on the current year's tax return. Credit amounts awarded and not used in the current tax year will be lost. If you have both standard credits and carryforward credits, use your standard credits first. For detailed information, see Publication OR-17.

- Step 1: Complete the table in Section 3 with credits you're claiming that have a code between 802–815. Fill in the code and the amount being claimed for each standard credit. Each code should only be listed once (unless you are claiming code 802 or 815 for multiple states; these should be listed on separate lines).
- Step 2: If you're claiming a credit for income taxes paid to another state on income that was also taxed by Oregon using code 802 or 815, enter that state's abbreviation in the corresponding box. If you aren't claiming this credit, leave this box blank.

Step 3: Fill in the total of all standard credits. Enter this amount on Form OR-40, line 25.

Section 4: Carryforward credits (codes 835–871)

Carryforward credits are nonrefundable credits for which any unused portion in the current tax year may be carried forward to the following tax year. The number of years that a credit can be carried forward varies according to the carryforward rules of that credit. For detailed information, see Publication OR-17.

Step 1: Complete the table in Section 4 for credits you're claiming that have a code between 835–871. Fill in the carryforward codes in the order that you would like to claim the credits (usually this will be by listing the credits with earlier carryforward expirations first).

If you received the same credit in back-to-back years, or more than once in the same year, don't list the same code twice within the table. Instead, report these credits on the same line (see Example 3). Each code should only be listed once.

List credits that are available to you even if you are not able to use them this year (see Example 4).

Step 2: Fill in the total amount of the credit that could not be used in 2017 that was carried forward to tax year 2018, if any. Don't enter amounts used in 2017; only enter unused amounts from 2017. Enter the amount into the "Amount from prior year" column (see Example 3).

Step 3: Fill in the credit amount you were awarded in 2018, if any, in the "Amount awarded this year" column. Enter this amount even if this is more than the amount that can be used this year.

If the total awarded amount of your credit can be claimed in one year, enter the entire amount awarded in the "Amount awarded this year" column (see Example 2).

If the total awarded amount of your credit must be claimed over multiple years, enter only the portion that is allowed to be claimed in tax year 2018 (see Example 5).

Step 4: Fill in the credit amount you're using this year. The "Total used this year" box can't be more than the combined total of the "Amount from prior year" and the "Amount awarded this year" boxes. This amount also can't be more than any credit limitation for that credit. Any excess credit not used in 2018 may be carried forward to the following tax year if it doesn't expire according to the carryforward rules of the credit (see Example 6).

Step 5: Fill in the total of all carryforward credits being used. Enter this number on Form OR-40, line 28. The total of all carryforward credits can't be more than your tax reported on Form OR-40, line 27. If your carryforward credits are more than the tax

reported on line 27, you must reduce how much you are using on one or more of your carryforward credits. If you have more than one carryforward credit, consider using the maximum allowed on credits with earlier expirations first (see Example 6).

Example 2. In 2018, Neil and David received a \$25,000 credit for contributing to the Child Care Fund. For 2018, their tax reported on line 27 is \$16,500. Here's how they will complete the table:

Code	Amount from prior year	Amount awarded this year	Total used this year
841	\$0.00	\$25,000.00	\$16,500.00
	.00	.00	.00
	.00	.00	.00

Neil and David will carry forward \$8,500 (\$25,000–\$16,500) to tax year 2019.

Example 3. The same as example 2, except that Neil and David also contributed to the Child Care Fund in 2017. Their 2017 credit was \$10,000. They were able to use \$3,000 and carried forward \$7,000 to 2018. Here's how they will complete the table, reporting the 2017 and 2018 credits on the same line:

Code	Amount from prior year	Amount awarded this year	Total used this year
841	\$7,000.00	\$25,000.00	\$16,500.00
	.00	.00	.00
	.00	.00	.00

They will carry forward \$15,500 [(\$7,000+\$25,000)–\$16,500] of their 2018 credit to tax year 2019.

Example 4. Valerie and Tony received a \$6,000 credit for contributing to the University Venture Development Fund in 2018. Their 2018 tax reported on line 27 is \$0.00. Here's how they will complete the table:

Code	Amount from prior year	Amount awarded this year	Total used this year
864	\$0.00	\$6,000.00	\$0.00
	.00	.00	.00
	.00	.00	.00

They will carry forward \$6,000 to tax year 2019.

Example 5. Senait installed a solar heating system for her backyard swimming pool in 2017. She was awarded a \$6,000 residential energy tax credit. The provisions of this credit limit the amount that can be used each year to \$1,500, plus any amount carried forward from the previous year. Senait used \$1,000 in 2017. She may use up to \$2,000 in 2018, \$1,500 for the current year and \$500 from the prior year. She may also use \$1,500 in 2019 and \$1,500 in 2020.

Senait was also awarded a \$500 credit for participating in the College Opportunity Grant Tax Credit Auction. Her 2018 tax reported on line 27 is \$3,000. Here's how she will complete the table for 2018:

Code	Amount from prior year	Amount awarded this year	Total used this year
861	\$500.00	\$1,500.00	\$2,000.00
871	\$0.00	\$500.00	\$500.00
	.00	.00	.00

Even though Senait's tax reported on line 27 is \$3,000, she will only list \$2,000 of the residential energy credit that she is able to claim in 2018 and the \$500 college opportunity grant credit from 2018.

Example 6: Chad and Jolene have \$3,200 of unused child and dependent care credit originally awarded in 2015 that can be claimed in 2018. They also qualified for a 2017 residential energy credit of \$4,000, of which they may use up to \$1,500 in 2018 and \$1,000 in 2019. Their 2018 tax reported on line 27 is \$4,500.

Both of these credits have five year carryforward provisions. Because the child and dependent care credit carryforward expires in 2020 before the residential energy credit carryforward expires (in 2023 for the \$1,500 that can be claimed in 2018 and 2024 for the \$1,000 that can be claimed in 2019), they will use all of the \$3,200 child and dependent care credit first. Chad and Jolene will also use \$1,300 of the \$1,500 awarded for 2018 from their 2017 residential energy credit. Here's how they will complete the table.

Code	Amount from prior year	Amount awarded this year	Total used this year
840	\$3,200.00	\$0.00	\$3,200.00
861	\$0.00	\$1,500.00	\$1,300.00
	.00	.00	.00

Chad and Jolene are only able to use \$1,300 of the residential energy credit because their total amount used this year cannot equal more than their tax reported on line 27 [\$4,500–(\$3,200+\$1,300)]. The remaining \$200 (\$1,500–\$1,300) of the residential energy credit that cannot be used in 2018 will be carried forward to 2019.

Section 5: Refundable credits (codes 890–895)

Refundable credits can only be claimed on your current year's tax return; however, any amount that is more than your tax will be refunded to you. For detailed information, see Scheduled OR-WFHDC or Publication OR-17.

Step 1: Complete the table in Section 5 with credits you're claiming that have a code between 890–895. Fill in the code and amount being claimed for each refundable credit. Each code should only be listed once.

Step 2: Fill in the total of all refundable credits. Enter this amount on Form OR-40, line 35.



Publication OR-CODES

**Numeric Codes for Oregon
Adjustments, Additions, Subtractions, Modifications, and Credits**
Effective for tax year 2018

Numeric codes are required when you are claiming or reporting an adjustment, addition, subtraction, modification, or credit on Schedule OR-ASC or OR-ASC-NP. If you have multiple items that use the same code, other than a credit for income taxes paid to another state, add them together and enter the total as a single item. Include Schedule OR-ASC or OR-ASC-NP when you file your return. (**Note:** For page numbers, see the item’s listing in the Publication OR-17 Index.)

Adjustments—Schedule OR-ASC-NP, Section 1 only.	OR-40	OR-40-N	OR-40-P	Code
Certain business expenses of reservists, performing artists, and fee-basis government officials—Form 1040, Schedule 1, Line 24		X	X	002
Health savings account deduction—Form 1040, Schedule 1, Line 25		X	X	003
Penalty on early withdrawal of savings—Form 1040, Schedule 1, Line 30		X	X	004
Write-in adjustments on Form 1040, Schedule 1, Line 36, or Form 1040NR, Line 34		X	X	005

Additions—Schedule OR-ASC, Section 1 or OR-ASC-NP, Section 2.	OR-40	OR-40-N	OR-40-P	Code
Claim of right income repayments	X			103
Disposition of inherited Oregon farmland or forestland	X	X	X	106
Federal election on interest and dividends of a minor child	X	X	X	107
Federal income tax refunds	X			109
Net operating loss—non-Oregon source	X	X	X	116
Oregon 529 college savings plan nonqualified withdrawal	X	X	X	117
Oregon deferral of reinvested capital gain	X	X	X	118
Partnership and S corporation modifications for Oregon	X	X	X	119
Business credit—unused	X	X	X	122
Federal subsidies for employer prescription drug plans	X	X	X	123
Federal law disconnect	X	X	X	131
Accumulation distribution from certain domestic trusts	X	X	X	132
Fiduciary adjustment from Oregon estates and trusts	X	X	X	133
Gambling losses claimed as an itemized deduction	X			134
Oregon-only Schedule A items	X			135
Refund of Oregon-only Schedule A items from a prior year	X			136
Individual development account nonqualified withdrawal	X	X	X	137
Oregon IDA Initiative Fund donation credit add-back	X			138
Lump-sum distribution from a qualified retirement plan	X	X	X	139
Passive foreign investment company income	X	X	X	140
Child Care Fund contributions	X			142
Oregon Production Investment Fund contributions	X			144
Renewable Energy Development Fund contributions	X			145
University Venture Development Fund contributions	X			146
Income taxes paid to another state	X	X	X	148
Basis of business assets transferred to Oregon	X	X	X	150
Depletion in excess of property basis	X	X	X	151

Additions—Schedule OR-ASC, Section 1 or OR-ASC-NP, Section 2. (Continued from page 1)	OR-40	OR-40-N	OR-40-P	Code
Depreciation difference for Oregon	X	X	X	152
Federal depreciation disconnect	X	X	X	153
Gain or loss on sale of depreciable property with different basis for Oregon	X	X	X	154
Passive activity losses	X	X	X	155
Suspended losses	X	X	X	156
Federal estate tax on income in respect of a decedent	X			157
Interest on state and local government bonds outside of Oregon	X	X	X	158
Federal subtraction for retirement savings rollover from individual development account	X	X	X	159
Charitable donations not allowed for Oregon	X			160
Nonresident capital loss carryovers	X	X	X	161
WFHDC medical expenses	X			163
ABLE account nonqualified withdrawal	X	X	X	164
College Opportunity Grant contributions	X			165
Repatriated foreign income	X	X	X	184

Subtractions—Schedule OR-ASC, Section 2 or OR-ASC-NP, Section 3.	OR-40	OR-40-N	OR-40-P	Code
American Indian	X	X	X	300
Artist's charitable contribution	X			301
Construction worker and logger commuting expenses	X	X	X	303
Federal gain previously taxed by Oregon	X	X	X	306
Federal pension income	X	X	X	307
Tuition and fees	X	X	X	308
Federal income tax from a prior year	X			309
Fiduciary adjustments from Oregon estates and trusts	X	X	X	310
Foreign tax	X			311
Individual development account contributions	X	X	X	314
Interest and dividends on U.S. bonds and notes	X	X	X	315
Land donation to educational institutions	X	X	X	316
Interest from state and local government bonds	X	X	X	317
Military active duty pay	X	X	X	319
Mortgage interest credit	X			320
Net operating loss for Oregon	X	X	X	321
Oregon lottery winnings	X	X	X	322
Partnership and S corporation modifications for Oregon	X	X	X	323
Oregon 529 college savings plan deposit	X	X	X	324
Oregon income tax refund		X	X	325
Previously taxed employee retirement plans	X	X	X	327
Public Safety Memorial Fund award	X	X	X	329
Railroad Retirement Board benefits: tier 2, windfall/vested dual, supplemental, and railroad unemployment benefits	X	X	X	330
U.S. government interest in IRA or Keogh distributions	X	X	X	331
Scholarship awards used for housing expenses	X	X	X	333
Legislative Assembly salary and expenses	X	X	X	335
Film production labor rebate—Greenlight Oregon Labor Rebate Fund	X	X	X	336

Subtractions—Schedule OR-ASC, Section 2 or OR-ASC-NP, Section 3. (Continued from page 2)	OR-40	OR-40-N	OR-40-P	Code
Mobile home park capital gain	X	X	X	338
Capital Construction Fund (CCF) contributions	X	X	X	339
Federal business and health coverage credits	X	X	X	340
Income on a composite return		X	X	341
Oregon Investment Advantage	X	X	X	342
Mobile home tenant payment	X	X	X	344
Taxable benefits for former RDPs	X	X	X	347
Previously taxed IRA conversions	X	X	X	348
Discharge of indebtedness	X	X	X	350
Special Oregon medical	X	X	X	351
DISC dividend payments	X	X	X	352
Depreciation difference for Oregon	X	X	X	354
Gain or loss on sale of depreciable property with different basis for Oregon	X	X	X	355
Passive activity losses	X	X	X	356
Suspended losses	X	X	X	357
Basis of business assets transferred to Oregon	x	X	X	358
Marijuana business expenses not allowed on the federal return	X	X	X	359
ABLE account deposit	X	X	X	360

Modifications—Schedule OR-ASC-NP, Section 4 only.	OR-40	OR-40-N	OR-40-P	Code
Artist's charitable contribution			X	600
Federal income tax refunds		X	X	601
Federal tax from a prior year		X	X	602
Foreign tax		X	X	603
Gambling losses claimed as an itemized deduction +		X	X	604
Federal estate tax on income in respect of a decedent +		X	X	605
Federal mortgage interest credit		X	X	607
Federal business and health coverage credits		X	X	609
Child Care Fund contributions +		X	X	642
Oregon Production Investment Fund contributions +		X	X	644
Renewable Energy Development Fund contributions +		X	X	645
University Development Venture Fund contributions +		X	X	646
Oregon IDA Initiative Fund donation credit add-back +		X	X	648
Claim of right income repayment +		X	X	649
Charitable donations not allowed for Oregon +		X	X	650
WFHDC medical expenses +		X	X	651
College Opportunity Grant contributions +		X	X	652

+ Must be entered as a negative number.

Standard credits—Schedule OR-ASC, Section 3 or OR-ASC-NP, Section 5.	OR-40	OR-40-N	OR-40-P	Code
Income taxes paid to another state	X	X	X	802
Mutually-taxed gain on the sale of residential property	X	X	X	806
Oregon Cultural Trust contributions	X	PR	PR	807
Oregon Veterans' Home physicians	X	PR	PR	808
Political contributions		X	X	809
Reservation enterprise zone	X	PR	PR	810

Standard credits—Schedule OR-ASC, Section 3 or OR-ASC-NP, Section 5. (Continued from page 3)	OR-40	OR-40-N	OR-40-P	Code
Retirement income	X	X	X	811
Rural emergency medical technicians	X	PR	PR	812
Rural health practitioners	X	PR	PR	813
Pass-through income taxes paid to another state	X	X	X	815

Carryforward credits—Schedule OR-ASC, Section 4 or OR-ASC-NP, Section 6.	OR-40	OR-40-N	OR-40-P	Code
Agriculture workforce housing	X	PR	PR	835
Biomass production/collection carryforward	X	PR	PR	838
Business energy carryforward	X	X	X	839
Child and dependent care carryforward	X	PR	PR	840
Child Care Fund contributions	X	X	X	841
Crop donation	X	PR	PR	843
Electronic commerce zone investment	X	PR	PR	845
Employer-provided dependent care assistance carryforward	X	X	PR	846
Employer scholarship	X	PR	PR	847
Energy conservation projects	X	X	X	849
Fish screening devices	X	PR	PR	850
Oregon IDA Initiative Fund donation	X	X	X	852
Oregon Low Income Community Jobs Initiative/New Markets	X	X	X	855
Oregon Production Investment Fund contributions	X	X	X	856
Pollution control facilities carryforward	X	X	X	857
Renewable Energy Development Fund contributions carryforward	X	X	X	859
Renewable energy resource equipment manufacturing facility carryforward	X	X	X	860
Residential energy	X	PR	PR	861
Transportation projects	X	X	X	863
University Venture Development Fund contributions	X	PR	PR	864
Alternative Fuel Vehicle Fund contributions carryforward	X	X	X	865
Reforestation of underproductive forestlands	X	X	X	867
Rural technology workforce development	X	PR	PR	868
Bovine manure production/collection	X	PR	PR	869
College Opportunity Grant contributions	X	X	X	871

Carryforward credits available only to S corporation shareholders.				
Agriculture workforce housing loans (S corporation)	X	X	X	836
Alternative qualified research activities carryforward (S corporation)	X	X	X	837
Contribution of computers or scientific equipment for research carryforward (S corporation)	X	X	X	842
Lender's credit: affordable housing (S corporation)	X	X	X	854
Lender's credit: energy conservation carryforward (S corporation)	X	X	X	848
Long-term enterprise zone facilities carryforward (S corporation)	X	X	X	853
Qualified research activities carryforward (S corporation)	X	X	X	858

Refundable credits—Schedule OR-ASC, Section 5 or OR-ASC-NP, Section 7.	OR-40	OR-40-N	OR-40-P	Code
Claim of right	X	PR	PR	890
Mobile home park closure	X	X	X	891
Working family household and dependent care (WFHDC)	X	PR	PR	895

PR indicates a credit that must be prorated.

2018 Schedule OR-ADD-DEP

Page 1 of 1, 150-101-187 (Rev. 12-18) Oregon Department of Revenue



Office use only

Oregon Personal Income Tax Return Additional Dependents

Submit original form—do not submit photocopy.

First name and initial	Last name	Social Security number (SSN)
		- -
Spouse's first name and initial	Spouse's last name	Spouse's SSN
		- -

Instructions. Use this schedule if you have more than four dependents. Complete all information for each additional dependent that is **not** listed on the first page of your Oregon return. List your dependents in order from youngest to oldest.

First name	Last name	Code*	Dependent's SSN	Dependent's date of birth (mm/dd/yyyy)	Check if child with qualifying disability
			- -	/ /	<input type="checkbox"/>
			- -	/ /	<input type="checkbox"/>
			- -	/ /	<input type="checkbox"/>
			- -	/ /	<input type="checkbox"/>
			- -	/ /	<input type="checkbox"/>
			- -	/ /	<input type="checkbox"/>
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			- -	/ /	<input type="checkbox"/>
			- -	/ /	<input type="checkbox"/>
			- -	/ /	<input type="checkbox"/>
			- -	/ /	<input type="checkbox"/>
			- -	/ /	<input type="checkbox"/>

*Dependent relationship code—Please see instructions to determine the appropriate code.

- 1. Total number of additional dependents listed above. Enter the result here and include this number on line 6c of your Oregon return..... 1.
- 2. Total number of additional dependent children with a qualifying disability listed above. Enter the result here and include this number on line 6d of your Oregon return..... 2.

— You must include this schedule with your Oregon income tax return —

2018 Schedule OR-529



Office use only

Oregon 529 College Savings Plan Direct Deposit for Personal Income Tax Filers

Submit original form—do not submit photocopy.

Form with fields for First name and initial, Last name, Social Security number (SSN), Spouse's first name and initial, Spouse's last name, Spouse's SSN.

Would you like to deposit all or a portion of your refund into an Oregon 529 college savings plan account? If so, follow the instructions below.

Requirements

- To make this choice, you must have an open Oregon 529 college savings plan account. For more information, see contact information below.
Deposits must be a minimum of \$25 per account.
If your refund is used to pay a debt you owe or the amount you elect to deposit exceeds your available refund, your deposit will be cancelled. Any remaining refund will be refunded by check or direct deposit.

Instructions

You may deposit all or a portion of your refund in up to four accounts. Complete all the fields below for each account.

- Select the account manager—Oregon College Savings Plan or MFS 529 Savings Plan;
For MFS 529 Savings Plans only, enter the four-digit portfolio number—contact your account manager about portfolio options;
Enter the account number—11 digits for MFS 529 Savings Plan or 13 digits for Oregon College Savings Plan;
Enter the amount to be deposited into each account; and
Total the amounts to be deposited.

1. Check one: 1a. [] Oregon College Savings Plan; or 1b. [] MFS 529 Savings Plan
1c. Portfolio no. [] 1d. Account no. [] 1e. Amount \$ [] .00

2. Check one: 2a. [] Oregon College Savings Plan; or 2b. [] MFS 529 Savings Plan
2c. Portfolio no. [] 2d. Account no. [] 2e. Amount \$ [] .00

3. Check one: 3a. [] Oregon College Savings Plan; or 3b. [] MFS 529 Savings Plan
3c. Portfolio no. [] 3d. Account no. [] 3e. Amount \$ [] .00

4. Check one: 4a. [] Oregon College Savings Plan; or 4b. [] MFS 529 Savings Plan
4c. Portfolio no. [] 4d. Account no. [] 4e. Amount \$ [] .00

Add lines 1–4. Enter this amount on your return. Total \$ [] .00

Contact information

Oregon 529 Savings Network
www.oregon529network.com
Phone: (503) 373-1903
Email: college.savings@ost.state.or.us

Oregon College Savings Plan
www.oregoncollegesavings.com
Phone: 1 (866) 772-8464

MFS 529 Savings Plan
www.mfs.com
Phone: 1 (866) 529-1637

— You must include this schedule with your Oregon income tax return to have your refund applied —

2018 Schedule OR-DONATE



Office use only

Oregon Charitable Checkoff Donations

Submit original form—do not submit photocopy.

First name and initial	Last name	Social Security number (SSN) — —
Spouse's first name and initial	Spouse's last name	Spouse's SSN — —

Instructions: Use this form to donate some or all of your refund to the charities listed below.

If your refund is used to pay a debt you owe or the amount you elect to donate exceeds your available refund, your donation will be prorated based upon the amount of your available refund.

Organization name	Charity code number	• Amount of refund donated
1. Cascade AIDS Project	28	1. .00
2. Veterans Suicide Prevention	23	2. .00
3. Oregon Nongame Wildlife	19	3. .00
4. Prevent Child Abuse	20	4. .00
5. Alzheimer's Disease Research	21	5. .00
6. Stop Domestic and Sexual Violence	22	6. .00
7. Habitat for Humanity	1	7. .00
8. Oregon Head Start Association	2	8. .00
9. American Diabetes Association	3	9. .00
10. SMART	5	10. .00
11. Oregon Coast Aquarium	4	11. .00
12. SOLVE	6	12. .00
13. The Nature Conservancy	8	13. .00
14. St. Vincent DePaul Society of Oregon	7	14. .00
15. Oregon Humane Society	10	15. .00
16. The Salvation Army	11	16. .00
17. Doernbecher Children's Hospital	9	17. .00
18. The Oregon Veterans' Homes	12	18. .00
19. ALS Association	29	19. .00
20. Planned Parenthood of Oregon	13	20. .00
21. Oregon Lions Sight & Hearing Foundation	14	21. .00
22. Shriners Hospitals for Children	15	22. .00
23. Special Olympics Oregon	16	23. .00
24. Susan G. Komen	17	24. .00
25. Oregon Military Assistance Program	24	25. .00
26. Oregon Historical Society	18	26. .00
27. Oregon Food Bank	25	27. .00
28. Albertina Kerr Kid's Crisis Care	26	28. .00
29. American Red Cross	27	29. .00
30. Total charitable checkoff donations. Add lines 1 through 29.		30. .00

Enter total on line 45 of Form OR-40; line 71 of Form OR-40-N; or line 70 of Form OR-40-P. This amount can't reduce your net refund below zero.

For more information about the charities listed above, visit www.oregon.gov/dor and search for "charitable checkoffs" or the name of a charity.

— You must include this schedule with your Oregon income tax return to have your refund applied —

