

Tax Year 2023

Oregon Personal Income Tax Statistics

Characteristics of Filers
2025 Edition: Tax Year 2023

150-101-406 (Rev. 08-25)



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Oregon Personal Income Tax Statistics

Characteristics of Filers

**2025 Edition
Tax Year 2023**

Prepared by

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Oregon Department of Revenue

Salem OR 97301-2555

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Oregon's largest source of tax revenue is the personal income tax, and it is forecasted¹ to account for about 81 percent of the General Fund for the 2023–25 biennium. Because it is the state's primary revenue source for discretionary spending, information about this tax program is valuable to businesses, government officials, policymakers, taxpayers, and the general public.

This annual report presents statistical summaries of information about the personal income tax system and provides a foundation for understanding the characteristics of Oregon's personal income tax filers.

The structure of information in the report follows the general flow of calculations on the federal and Oregon tax return forms:

- *Federal Form 1040*: Historical information for federal adjusted gross income (AGI) and detailed information on types of income and adjustments that make up AGI.
- *Oregon Form OR-40*: High-level and historical information on Oregon taxable income, tax liability, additions, subtractions, deductions, reduced tax rates for business income, credits, and payments and refunds.
- *Oregon Schedule OR-ASC*: Detailed information on Oregon additions, subtractions, and credits.
- *Oregon Schedule OR-A*: Detailed information on Oregon itemized deductions.

This edition of *Oregon Personal Income Tax Statistics* provides detailed statistics based on tax year 2023 income tax returns received by the Oregon Department of Revenue in the 2024 calendar year. Also included in the report are comparisons of tax year 2023 personal income tax statistics to previous tax years back to 2012.

The document contains the following main sections:

- *Highlights*: Showcases selected high-level statistics with a comparison between the 2022 and 2023 tax years and points out some distinguishing features of the tax year 2023 return data.
- *Personal Income Tax Calculation*: Explains how personal income tax is calculated and includes a diagram outlining its main components.
- *Characteristics of Filers*: Provides a historical summary of returns, information from the components of the federal and Oregon tax return forms, information on part-year resident and nonresident returns, and county-level data.

¹The source of the most recent forecast, as of date of this publication, is the Oregon Office of Economic Analysis' Economic and Revenue Forecast—accessed from <https://www.oregon.gov/das/oea/Documents/OEA-Forecast-0525.pdf>

Section I: Introduction

- *Appendices:*
 - A: Discusses the surplus refund (kicker) and historical data for 1979 through 2023.
 - B: Provides additional discussion about return data, data validation, and statistical reporting.
 - C: Contains a glossary of terms used in this report; however, the glossary is not an exhaustive list of terms and definitions related to Oregon’s personal income tax. See *Publication OR-17, Oregon Individual Income Tax Guide, 2023* for a complete listing with additional information at the following link: www.oregon.gov/dor/forms.

The data presented in this report includes only people who have filed an Oregon personal income tax return. Some people may have received income, but their income is below the threshold required to file an Oregon personal income tax return; therefore, the data does not provide a complete picture of all income earned by Oregonians and nonresidents with Oregon-sourced income.

Actual tax receipts may vary from this report because some filers failed to pay their full Oregon tax liability or paid after 2024. The report does not include information from returns received after December 2024. Returns received after this date can be from audits, amended tax returns, or late original returns. Only a small portion of the over 2 million returns received per tax year are received in the years following the year when returns are originally due.

Additional information about Oregon’s personal income tax, such as publications and forms, are found on the following Oregon Department of Revenue webpages:

www.oregon.gov/dor/stats

- The history of Oregon tax law, personal income brackets, tax rates, standard deduction, and personal exemption deduction and credit through the years.
- Detailed tables on the statistics of Oregon personal income tax for tax year 2023 and previous years, as well as past personal income tax statistics reports.
- Information about adjustments, deductions, subtractions, and credits within the *State of Oregon 2025–27 Tax Expenditure Report*.

www.oregon.gov/dor/forms

- Personal income tax filing requirements and a complete list with descriptions of types of taxable and nontaxable income, federal adjustments, and Oregon additions, subtractions, and credits within *Publication OR-17, Oregon Individual Income Tax Guide, 2023* edition and previous yearly editions.
- Personal income tax forms and instructions for current and previous tax years.

This section gives an overview of Oregon personal income tax returns² received for tax year 2023 as presented in Exhibit 1. A return is associated with only one filer. For joint returns, the person listed first on the tax return is the filer. This information focuses on the total number of returns filed, those filed electronically, Oregon adjusted gross income, taxable income, and tax liability reported on returns for full-year residents, part-year residents, and nonresidents.

**Exhibit 1—Oregon Personal Income Tax Selected Statistics
Tax Years 2022 and 2023**

Return Data Item	Tax Year 2022	Tax Year 2023	% Change 2022 to 2023
Number of Returns: Full-Year Resident	1,880,060	1,928,700	2.6%
Number of Returns: Part-Year and Nonresident	334,100	324,020	-3.0%
Number of Returns: All Returns	2,214,160	2,252,710	1.7%
Electronically Filed Returns - Full-Year Resident	1,747,400	1,807,160	3.4%
Electronically Filed Returns - Part-Year and Nonresident	313,050	304,860	-2.6%
Electronically Filed Returns - All Returns	2,060,450	2,112,030	2.5%
Oregon AGI* (\$ billions) - Full-Year Resident	\$163.7	\$171.8	5.0%
Oregon AGI* (\$ billions) - Part-Year and Nonresident	\$15.1	\$13.7	-9.3%
Oregon AGI* (\$ billions) - All Returns	\$178.8	\$185.5	3.8%
Taxable Income* (\$ billions) - Full-Year Resident	\$135.0	\$140.0	3.7%
Taxable Income* (\$ billions) - Part-Year and Nonresident	\$14.2	\$12.8	-10.3%
Taxable Income* (\$ billions) - All Returns	\$149.3	\$152.7	2.3%
Tax Liability* (\$ billions) - Full-Year Resident	\$10.6	\$10.9	3.0%
Tax Liability* (\$ billions) - Part-Year and Nonresident	\$1.1	\$1.0	-9.6%
Tax Liability* (\$ billions) - All Returns	\$11.7	\$11.9	1.9%
Average Oregon AGI (\$) - Full-Year Resident	\$87,060	\$89,090	2.3%
Average Oregon AGI (\$) - Part-Year Nonresident	\$45,140	\$42,230	-6.4%
Average Oregon AGI (\$) - All Returns	\$80,740	\$82,350	2.0%
Average Tax Liability (\$) - Full-Year Resident	\$5,640	\$5,660	0.4%
Average Tax Liability (\$) - Part-Year Nonresident	\$3,150	\$2,940	-6.7%
Average Tax Liability (\$) - All Returns	\$5,270	\$5,270	0.0%
Effective Tax Rate** - Full-Year Resident	6.5%	6.4%	-1.9%
Effective Tax Rate** - Part-Year Nonresident	7.0%	7.0%	-0.3%
Effective Tax Rate** - All Returns	6.5%	6.4%	-1.8%

*See glossary of terms in Appendix C.

**Tax liability divided by adjusted gross income.

²See also Section IV Characteristics of Filers: Returns and Appendix C: Glossary of Terms for additional information.

Section II: Highlights

After a slight decrease in total adjusted gross income (AGI) in tax year 2022 from the previous year, AGI for full-year filers increased by 5.0 percent in tax year 2023 as compared to 2022 and the corresponding tax liability increased by 3.0 percent. Some additional aspects from Oregon's tax year 2023 personal income tax return data presented later in the report are highlighted below:

- The highlight of tax year 2023 was Oregon's largest kicker. Revenue for the 2021-2023 biennium exceeded the forecast by \$5.6 billion, resulting in a refund of 44.28 percent of the taxpayer's 2022 liability after the credit for taxes paid to another state but before other credits. Taxpayers claimed this kicker refund as a refundable credit on their 2023 tax return. See Appendix A.
- Kicker refunds claimed on the tax return resulted in the largest total refunds for a given tax year. See Exhibit 39a, 39b and 40.
- A new refundable tax credit, the Oregon Kids Credit, was available beginning tax year in 2023 to low-income taxpayers with a qualifying child age five or younger. See Exhibit 36.

Personal Income Tax Calculation

Federal Connection

Calculating Oregon's personal income tax starts at the federal level as shown in the Exhibit 2 flowchart on the following page. This flowchart is a visual representation of the income tax calculation as it relates to the full-year resident. This section discusses the components³ of the calculation, provides examples, and presents additional information.

The connection to the federal definition of taxable income makes the tax easier for the state of Oregon to administer. Using the same definition of income also helps simplify the Oregon tax return and reduces the number of calculations filers need to make.

Oregon's personal income tax has been connected to federal taxable income since 1969. The connection usually had exceptions, which varied over the years. From 1981 to 1997, the Legislature regularly acted to tie Oregon taxable income to the federal definition as of a specific date. In 1997, the Legislature began a "rolling reconnect" where Oregon's definition of taxable income would automatically change with federal changes. The rolling reconnect was suspended intermittently for several years from 2003 to 2010. Since 2011, the rolling reconnect has been in place.

Even though Oregon is tied to the federal definition of taxable income, which includes the itemized deductions allowed federally, the starting point for the Oregon personal income tax calculation on the tax return is the federal adjusted gross income. The itemized deductions are subtracted at a later point in the calculation. One consequence of the Tax Cuts and Jobs Act (TCJA), passed by Congress in late 2017 and taking effect in tax year 2018, is related to itemized deductions. The number of taxpayers itemizing at the federal level decreased significantly because the federal standard deduction was increased significantly. However, since the Oregon standard deduction did not change (except for an inflation adjustment), beginning with tax year 2018, many taxpayers itemized their deductions only for their Oregon personal income tax return and claimed the standard deduction on their federal return.

Part-year Residents and Nonresidents (PY/NR) of Oregon

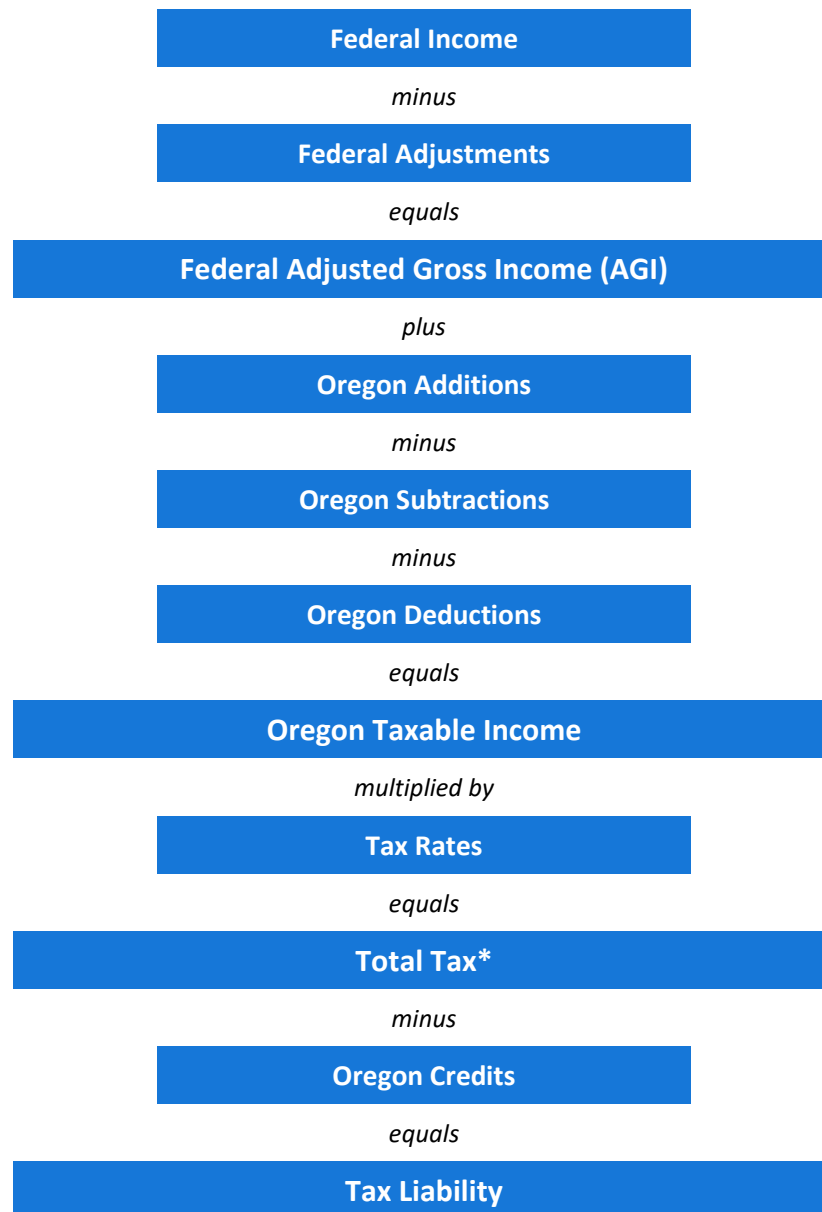
For part-year residents, taxable income is based on income from all sources and the tax is prorated by the ratio of their Oregon income to their federal income. Their Oregon income is income from all sources while an Oregon resident and any Oregon-sourced income while a nonresident. For nonresidents, the federal tax subtraction and standard or itemized deductions are prorated based on the ratio of Oregon income to federal income, and the tax rates are applied to income from only Oregon sources. Oregon prorates some credits, such as the

³ The Appendix C: Glossary of Terms, gives specific definitions for many of the components. Since the glossary does not define all terms related to Oregon's personal income tax, see *Publication OR-17, Oregon Individual Income Tax Guide, 2023* at www.oregon.gov/dor/forms for additional information.

Section III: Personal Income Tax Calculation

exemption credit, credit for contributions to the Oregon Cultural Trust, and residential energy tax credit for part-year residents and nonresidents.

Exhibit 2—How Oregon Personal Income Tax is Calculated



*For a small number of filers, Total Tax includes interest on installment sales, farm capital gains taxed at 5 percent, taxes calculated from income averaging, or qualified business income from pass-through entities taxed at reduced rates.

Federal Income

Federal income is the gross income people receive from all sources in the form of money, goods, property, and services that are not exempt from federal income tax, including any income from sources outside the United States.

Examples of federal income types:

- Salaries and wages
- Interest
- Dividends
- State income tax refunds (if deductions were itemized in the prior year)
- Alimony received
- Business income/loss
- Farm income/loss
- Capital gains/losses
- Rental income
- Royalties
- Partnership income/loss
- S corporation income/loss
- Estate and trust income/loss
- Unemployment compensation
- Social Security income
- Retirement plan distributions

Filing Requirements

A single person or married persons who have income may not have to file an Oregon personal income tax return if their gross income is below a certain amount. A taxpayer is an individual or individuals represented by a return. In the case of joint returns, there are two taxpayers represented: the filer and the spouse. Oregon registered domestic partners (RDPs) are required to file as married filing jointly or married filing separately. Dependents listed on taxpayers' returns are not considered taxpayers unless they file their own Oregon personal income tax return. Exhibit 3 shows the level of gross income for which a taxpayer is required to file a full-year Oregon personal income tax return (Form OR-40) based on their filing status. People with any Oregon income tax withheld from wages are required to file an Oregon tax return.

Exhibit 3—Minimum Filing Requirements for Full-Year Residents Tax Year 2023

Filing Status	Gross Income More Than*
Single	\$7,305
Married filing jointly	\$14,605
Married filing separately	\$7,305
Head of household	\$9,165
Qualifying surviving spouse	\$10,180
Can be claimed as a dependent	\$1,250

* Amounts are larger for those over 65 and/or blind.

Federal Adjustments

Examples of federal adjustments:

- IRA, SIMPLE, and SEP contributions
- Self-employment health insurance
- Moving expenses
- Alimony paid
- Self-employment tax
- Student loan interest
- Educator expenses
- Qualified business expenses
- Health savings account contributions

Federal Adjusted Gross Income (AGI)

Federal adjusted gross income is the total from all federal income sources minus federal adjustments.⁴ Federal AGI is the starting point on the Oregon personal income tax return for full-year resident filers when they calculate their Oregon personal income tax. For full-year resident filers their federal AGI is the same as their Oregon AGI, and in this report will often be referred to as adjusted gross income or AGI.

Oregon Additions

Examples of Oregon additions:

- Interest on bonds from other states
- Charitable contribution deductions for which a tax credit is claimed
- Federal income tax refunds from an amended or audited return
- Federal deduction of unused business credits
- Lump-sum payment from a qualified retirement plan
- Federal deductions not allowed by Oregon

Oregon Subtractions

Examples of Oregon subtractions:

- Oregon income tax refunds
- Federal income tax (up to \$7,800 for 2023)
- Social Security income
- Federal pension income
- U.S. bond interest
- Military active duty pay
- Scholarship awards used for housing expenses

Oregon Deductions

In general, filers are allowed to reduce their Oregon AGI by either their allowed standard deduction or their itemized deduction, whichever is larger.

⁴ See Section IV Characteristics of Filers: Adjustments and Appendix C: Glossary of Terms for additional information.

- **Standard deductions for 2023**

- \$5,210 if joint filer,
- \$4,195 if head of household filer
- \$2,605 if single filer
- \$2,605 if married filing separately (exception if spouse itemized)
- Exceptions for taxpayers who are nonresident aliens or dependents.
- One of the listed four amounts plus an additional \$1,000 for each taxpayer at least age 65 or blind, filing married or qualifying surviving spouse.
- The additional amount is \$1,200 for single and head of household filers.
- For taxpayers who are both age 65 or older and blind, this additional amount can be doubled.

- **Itemized deductions, such as:**

- Medical and dental expenses
- Property taxes paid
- Charitable gifts
- Home mortgage interest

Oregon Taxable Income

Taxable income is Oregon AGI plus any Oregon additions⁵ minus any Oregon subtractions⁶ and deductions.⁷ If the result is negative, taxable income is set equal to zero.

Tax Rates and Total Tax

The total tax before any tax credits are subtracted consists of the amount of tax computed from taxable income using the current tax rates. The applicable tax rates and taxable income brackets are shown in Exhibit 4. Taxable income for returns with filing status of single or married filing separately is subject to bracket levels (S tax brackets) half that of returns with other filing statuses (J tax brackets). The legislation in 2019 that created the Corporate Activity Tax also reduced the tax rates of the three lowest brackets by 0.25 percentage points, which had been 5, 7, and 9 percent, respectively. Beginning with tax year 2021, the new tax rates for the three lowest brackets are 4.75, 6.75, and 8.75 percent, respectively. The income bracket levels have been indexed for inflation since 1993, currently using the U.S. City Average Consumer Price Index (CPI) as the measure of inflation. The 2009 Legislature created two additional income brackets, which were in effect for tax years 2009-2011 after Oregon voters

⁵ See Section IV Characteristics of Filers: Additions and Appendix C: Glossary of Terms for additional information.

⁶ See Section IV Characteristics of Filers: Subtractions and Appendix C: Glossary of Terms for additional information.

⁷ See Section IV Characteristics of Filers: Deductions and Appendix C: Glossary of Terms for additional information.

Section III: Personal Income Tax Calculation

approved the tax increase in January 2010 (Measure 66). The tax rates for those additional brackets were 10.8 percent for returns with taxable income from \$125,001-\$250,000 (S tax bracket) or \$250,001-\$500,000 (J tax bracket), and 11 percent for returns with taxable income above \$250,000 (S tax bracket) or \$500,000 (J tax bracket). For 2012 and forward, the top rate bracket was eliminated and the tax rate for the next bracket was reduced to 9.9 percent.

Exhibit 4—Tax Brackets Tax Year 2023

S Tax Brackets

For persons filing single or married filing separately

If taxable income is:	then tax is:
Not over \$4,050	4.75% of taxable income
Over \$4,050 but not over \$10,200	\$192 plus 6.75% of excess over \$4,050
Over \$10,200 but not over \$125,000	\$607 plus 8.75% of excess over \$10,200
Over \$125,000	\$10,652 plus 9.9% of excess over \$125,000

J Tax Brackets

For persons married filing jointly, head of household, or qualifying surviving spouse

If taxable income is:	then tax is:
Not over \$8,100	4.75% of taxable income
Over \$8,100 but not over \$20,400	\$385 plus 6.75% of excess over \$8,100
Over \$20,400 but not over \$250,000	\$1,215 plus 8.75% of excess over \$20,400
Over \$250,000	\$21,305 plus 9.9% of excess over \$250,000

Qualified Business Income Reduced Tax Rate

A reduced tax rate⁸ structure on business income from sole proprietorships and pass-through entities (PTE) that meet certain requirements is available to Oregon personal income taxpayers. Beginning with tax year 2015, taxpayers with qualifying business income from a partnership, S corporation, or sole proprietorship (added beginning tax year 2018) can elect to use the following marginal tax rates on that income as referenced in Exhibit 5.

⁸ See Section IV Characteristics of Filers: Qualified Business Income Reduced Tax Rate and Appendix C: Glossary of Terms for additional information.

Exhibit 5—Tax Rates for Qualified Business Income from Pass-through Entities Tax Year 2023

Qualified Business Income	Marginal Tax Rate
\$1 to \$500,000	7.0%
\$500,001 to \$1,000,000	7.5%
\$1,00,001 to \$2,500,000	8.0%
\$2,500,001 to \$5,000,000	9.0%
More than \$5,000,000	9.9%

The taxpayer and the business from which they receive income must meet certain requirements for that income to qualify for the reduced tax rates. The taxpayer must materially participate in the partnership, S corporation, or sole proprietorship. The partnership, S corporation, or sole proprietorship must employ one or more employees in Oregon who meet the employee requirements by performing work for the business in Oregon for at least 1,200 aggregate hours during the tax year; only weeks in which an employee works at least 30 hours count toward the total. The Oregon Legislature in 2021 placed additional requirements on the minimum number of employees based on the business's number of owners, as well as an overall limit of \$5 million on total business income for the taxpayer to be able to qualify for these reduced tax rates.

The only addition or subtraction allowed to modify the income is any depreciation adjustment directly related to the partnership, S corporation, or sole proprietorship. The tax on the qualifying income is determined by applying the tax rates in Exhibit 5 to the qualifying income. The taxpayer's remaining income, adjusted by any other Oregon additions, subtractions, and/or deductions, is taxed at the standard tax rates. The taxpayer's total tax is the sum of the tax on the qualifying business income and the tax on the remaining income.

For some taxpayers, particularly those with little other income in addition to their qualifying income and large other subtractions and/or deductions, it is possible to pay a lower tax by applying the standard rates to all their income which includes their qualifying income. Hence, they would not choose to use the reduced tax rates on their qualifying income, since they cannot apply those other subtractions and deductions to the qualifying income.

Oregon Credits

Examples of Oregon tax credits:

- Earned income (refundable)
- Retirement income
- Income tax paid to other states
- Rural health practitioners
- Working family household and dependent care (refundable)
- Oregon Cultural Trust contributions
- Political contributions

Tax Liability

Tax liability is the amount of tax owed by a taxpayer before accounting for any payments made by the taxpayer. It is the total tax reduced by credits, first by standard and carryforward credits and further reduced by any portion of refundable credits up to the amount of remaining tax. If refundable credits exceed the amount of remaining tax, then the taxpayer has no tax liability and receives a payment for the excess portion of the refundable credit.

Payments and Refunds

The amount a taxpayer is required to pay with the tax return is typically less than the final tax liability because most taxpayers have already made payments by having Oregon tax withheld⁹ from their paycheck or by making estimated tax payments. If these payments are less than the tax liability, then an additional payment is required with their return to cover the tax due. If these payments are more than the tax liability, the taxpayer receives a refund for the overpayment plus any payment for the excess portion of a refundable credit.

Payment types:

- Withholding
- Estimated payments
- Payment submitted with return

⁹ See Section IV Characteristics of Filers: Payments and Refunds and Appendix C: Glossary of Terms for additional information.

Pass-Through Entity Elective (PTE-E) Tax

A recent Oregon tax policy allows individual taxpayers with income from pass-through entities (partnerships and S corporations) the alternative to pay tax on that income, instead, at the entity level. This is referred to as the Pass-Through Entity Elective (PTE-E) tax. Partners and S corporation shareholders subsequently receive a payment equivalent to their portion of the tax paid through a refundable credit claimed on their Oregon personal income tax return. This policy was first applicable in tax year 2022.

The PTE-E was instituted as a way for taxpayers with income from pass-through entities to reduce their federal tax. Pass-through entities can deduct the full amount of the PTE-E tax paid as a business expense on their federal income tax returns rather than their partners and shareholders including this as a state and local tax deduction on Schedule A of their federal income tax return which has a \$10,000 limit. Effectively, these taxpayers can deduct the full amount of Oregon tax paid rather than be limited by a maximum \$10,000 deduction, and hence can reduce their federal tax. These taxpayers are required to add back to their Oregon taxable income any PTE-E tax paid that was deducted on their federal income tax return. For Oregon, the PTE-E tax is intended to be revenue neutral, as their PTE-E addition keeps their Oregon taxable income unaffected and the total PTE-E tax paid equals the total PTE-E refundable credits.

For this report, the tax liability does not include the PTE-E refundable credit, but it is considered a payment to the taxpayer using a refundable credit mechanism on the tax return. See Section IV Additions, p. 43, and Payments and Refunds, p. 57 for further details on the PTE-E addition and refundable credit.

An individual who files a personal income tax return is considered a filer. A return, either physical or electronic, is associated with only one filer. For joint returns, the person listed first on the tax return is the filer. The federal and Oregon tax returns are organized into distinct sections, each focusing on a specific component of the income tax system. This section discusses each component separately as a characteristic and provides summaries as well as historical trends. Key figures from tax year 2023 are compared to historical numbers to show trends and changes over time. Previous year data is the actual dollar amounts as reported and not adjusted for inflation. Also included is historical data about filers moving to and from Oregon and tax information by county, including county maps with selected tax information.

Most exhibits and tables in this report are devoted to full-year (FY) resident returns as Oregon taxes all federal taxable income received by a full-year residents plus Oregon additions minus Oregon subtractions. Full-year resident returns represent about 86 percent of all returns filed and 91 percent of tax liability. Part-year (PY) resident returns¹⁰ and nonresident (NR) returns¹¹ may include significant income and deductions not related to economic activity in Oregon and only part of the income is subject to Oregon taxation. Consequently, full-year resident returns constitute the most stable base for statistical inference.

The number and types of returns filed are discussed first, followed by income and tax trends. Summaries of adjustments, additions, subtractions, deductions, reduced tax rates for business income, credits, and payments and refunds are followed by information on part-year resident returns and county-level data. Due to rounding,¹² the sum of separate quantities may not correspond exactly to some totals.

¹⁰ See Section IV Characteristics of Filers: Returns, Income and Tax, Part-Year Residents, and Appendix C: Glossary of Terms for additional information.

¹¹ See Section IV Characteristics of Filers: Returns, Income and Tax, and Appendix C: Glossary of Terms for additional information.

¹² See Appendix B: Data Validation and Statistical Reporting for rounding details.

Returns

This section gives basic information about Oregon personal income tax returns including historical trends. Information is shown on the overall number of returns, return submittal type (i.e., electronic, 2-D barcode, or paper), when returns are received by the Department of Revenue during the filing season, returns by form type and filing status, number of exemptions claimed by taxpayers, and age of taxpayers.

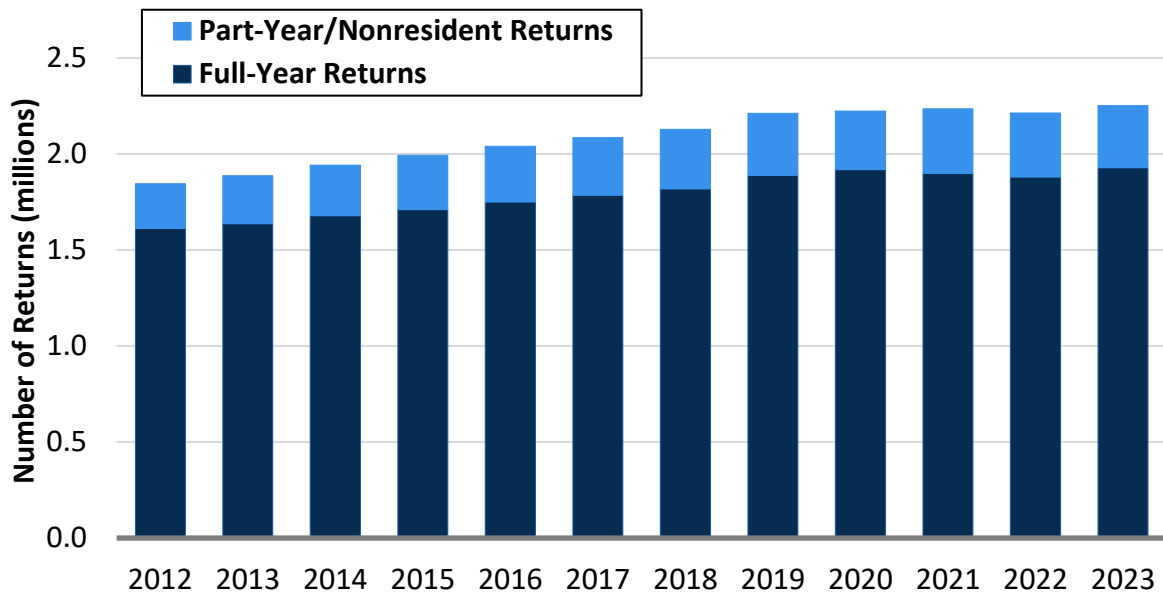
Returns—Historical Trends

Exhibit 6 on the following page shows the trend in returns filed since 2012 for full-year resident returns and part-year resident/nonresident (PY/NR) returns. The number of returns filed generally increases each year due to an increase in Oregon's population. However, the number of returns filed can fluctuate depending on economic conditions. The number of returns filed typically decreases during recessions, as some people who filed the previous year may not have had enough income to require them to file in the current year. For tax year 2023 there was an increase in full-year resident returns of 2.6 percent, however there was decrease in part-year and nonresident returns of 3.0 percent.

**Exhibit 6—Oregon Personal Income Tax Returns—Historical
Full-year Resident and Part-year Resident/Nonresident—Tax Years 2012 to 2023**

Tax Year	Oregon Population*	Annual Growth Rate	Number of Full-Year Returns	Annual Growth Rate	Number of PY/NR Returns	Annual Growth Rate	Number of All Returns	Annual Growth Rate
2012	3,900,100	0.7%	1,612,450	0.8%	233,810	4.0%	1,846,260	1.2%
2013	3,924,100	0.6%	1,636,510	1.5%	249,930	6.9%	1,886,440	2.2%
2014	3,965,400	1.1%	1,679,610	2.6%	263,070	5.3%	1,942,680	3.0%
2015	4,018,500	1.3%	1,711,180	1.9%	282,390	7.3%	1,993,570	2.6%
2016	4,093,200	1.9%	1,751,140	2.3%	289,600	2.6%	2,040,740	2.4%
2017	4,147,200	1.3%	1,785,350	2.0%	299,800	3.5%	2,085,150	2.2%
2018	4,183,400	0.9%	1,819,170	1.9%	309,580	3.3%	2,128,750	2.1%
2019	4,216,000	0.8%	1,889,720	3.9%	322,970	4.3%	2,212,690	3.9%
2020	4,237,174	0.5%	1,919,410	1.6%	304,610	-5.7%	2,224,020	0.5%
2021	4,218,425	-0.4%	1,898,660	-1.1%	337,470	10.8%	2,236,130	0.5%
2022	4,233,291	0.4%	1,880,060	-1.0%	334,100	-1.0%	2,214,160	-1.0%
2023	4,250,027	0.4%	1,928,700	2.6%	324,020	-3.0%	2,252,720	1.7%

*Oregon Office of Economic Analysis, Demographic Forecast, March 2025 release; population estimate is for July 1 of given year: www.oregon.gov/das/OEA/Pages/forecastdemographic.aspx

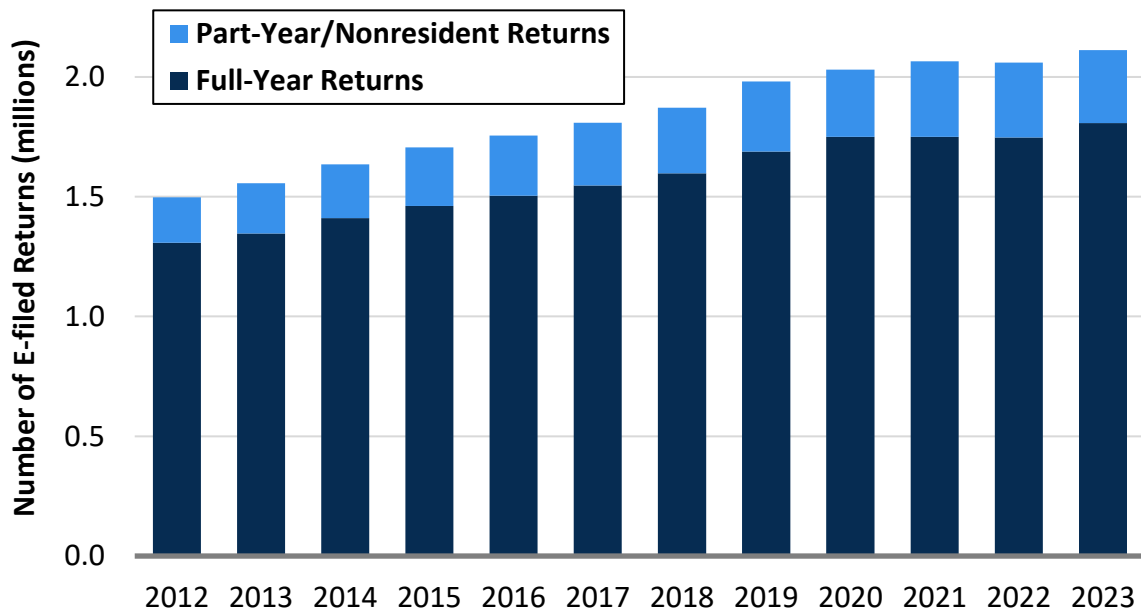


Electronic Returns

Oregon started offering electronic filing with a pilot project in 1993. Between 1994 and 1997, only professional tax preparers could file electronic returns and the number of electronic filers tripled from roughly 35,000 to just over 113,000. When individuals started filing their own returns electronically for the first time in 1998, electronic filings increased by 45 percent. The increase continued in 1999 when part-year and nonresident filers began filing electronically. Electronic filings increased even more in 2004 when the IRS introduced a web service to help tax preparers file electronically. In 2010, the IRS started requiring that professional tax preparers who prepare 100 or more returns file federal returns electronically. They tightened those requirements in 2011 to include tax preparers who file 10 or more tax returns. The wide availability of tax preparation software for individuals with lower incomes who can file for free has also led to increased electronic filings. Exhibit 7 illustrates the general upward trend in electronic filing from 2012 to 2023.

**Exhibit 7—Electronically Filed Income Tax Returns—Historical
Full-year Resident and Part-year Resident/Nonresident—Tax Years 2012 to 2023**

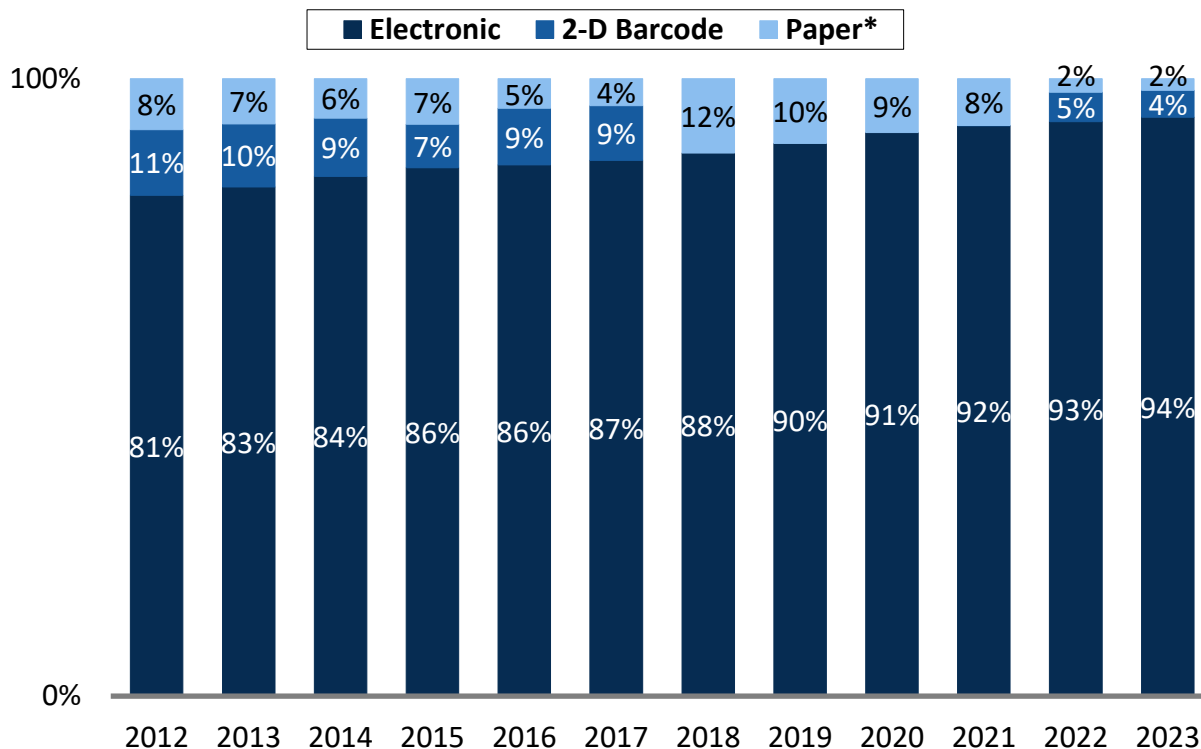
Tax Year	Number of E-filed Full-Year Returns	Annual Growth Rate	Number of E-filed PY/NR Returns	Annual Growth Rate	Number of All E-filed Returns	Annual Growth Rate
2012	1,308,190	3.5%	189,670	7.3%	1,497,860	4.0%
2013	1,346,560	2.9%	209,680	10.6%	1,556,240	3.9%
2014	1,410,680	4.8%	225,020	7.3%	1,635,700	5.1%
2015	1,461,900	3.6%	244,160	8.5%	1,706,060	4.3%
2016	1,504,570	2.9%	250,790	2.7%	1,755,350	2.9%
2017	1,546,750	2.8%	262,620	4.7%	1,809,360	3.1%
2018	1,597,200	3.3%	274,750	4.6%	1,871,950	3.5%
2019	1,689,160	5.8%	291,410	6.1%	1,980,570	5.8%
2020	1,750,510	3.6%	280,120	-3.9%	2,030,630	2.5%
2021	1,750,700	0.0%	315,190	12.5%	2,065,890	1.7%
2022	1,747,400	-0.2%	313,050	-0.7%	2,060,450	-0.3%
2023	1,807,160	3.4%	304,860	-2.6%	2,112,030	2.5%



Section IV: Characteristics of Filers

In 2001, Oregon first offered 2-D barcode filing, a hybrid of paper and electronic filing. Taxpayers mail their 2-D barcode paper form to the Department of Revenue. The department then scans the tax return information from a barcode on the paper form, which does not require manual data entry. Only full-year resident forms were available for 2-D barcode filing until 2007 when the department added nonresident and part-year resident forms. In the first year, only two percent of filed returns used 2-D barcode. In tax year 2006, software companies creating Oregon tax returns were required to have the 2-D barcode. The mandate increased 2-D barcode filings from 12 to 21 percent and it stayed relatively constant until 2009. Since the large growth of electronically filed returns for tax year 2010, both paper and 2-D barcode filed returns have generally decreased. The slight increase in paper returns in 2015 was due to an issue in processing 2-D barcode returns, so some of the 2-D barcode returns were manually entered. Toward the end of processing tax year 2018 returns, the Department of Revenue installed a new imaging system to process paper and 2-D barcode returns. The information received from this system did not differentiate paper from 2-D barcode returns. With tax year 2022, information from the system became available that could differentiate paper from 2-D barcode returns. Exhibit 8 shows the percentage of electronically, 2-D barcode, and paper filed returns from 2012 to 2023.

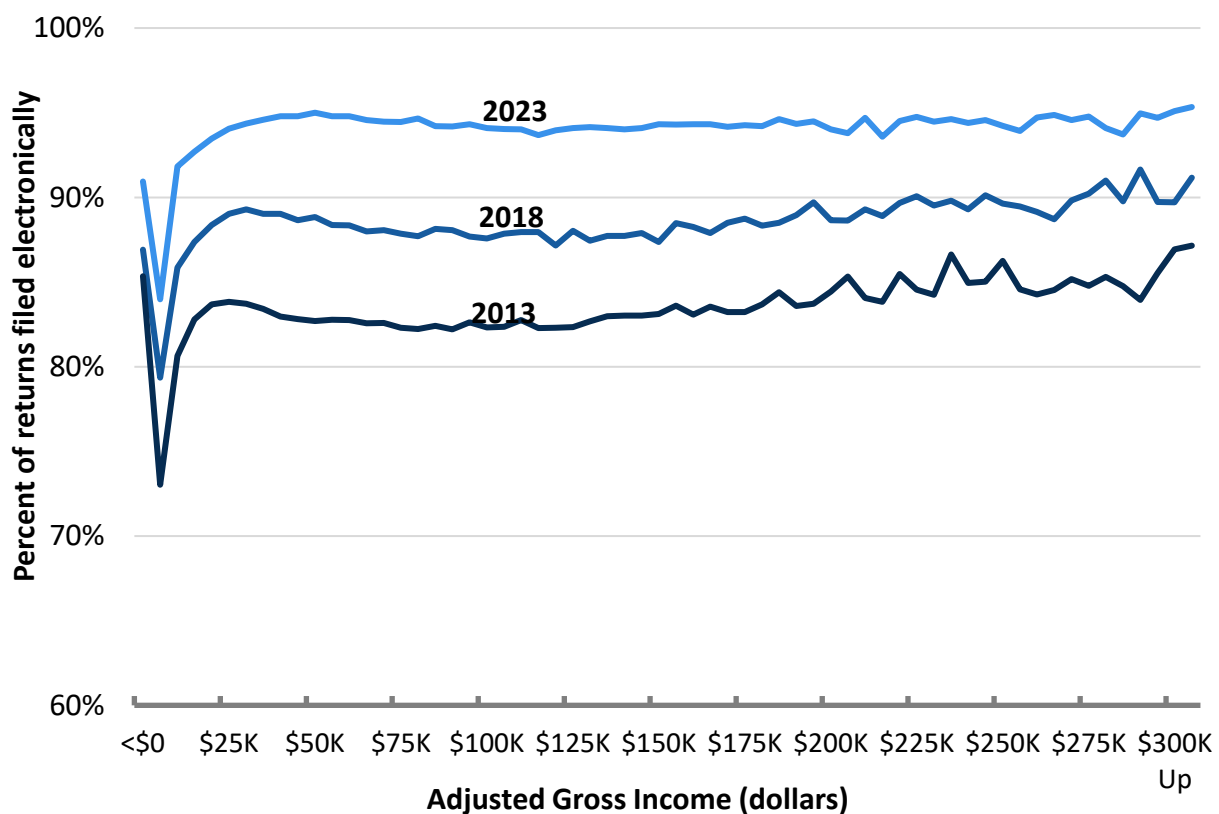
**Exhibit 8—Returns by Filing Method—Electronic, 2-D, and Paper—Historical
All Returns—Tax Years 2012 to 2023**



*For tax years 2018-2021, the data for 2D barcode returns and paper returns are combined.

Exhibit 9 shows the percentage of full-year resident electronically filed returns by income level for tax years 2013, 2018, and 2023. For tax year 2023, the percent of returns filed electronically is relatively constant across all incomes, except for individuals who report very low income. These are often simple returns filed by the more senior sector of the population, and they opt to file more often by paper. Returns with adjusted gross income less than \$0 tend to be more complicated returns with business losses and most file electronically close to the overall electronic filing rate.

Exhibit 9—Returns Filed Electronically by Adjusted Gross Income
Full-Year Resident Returns—Tax Years 2013, 2018, and 2023



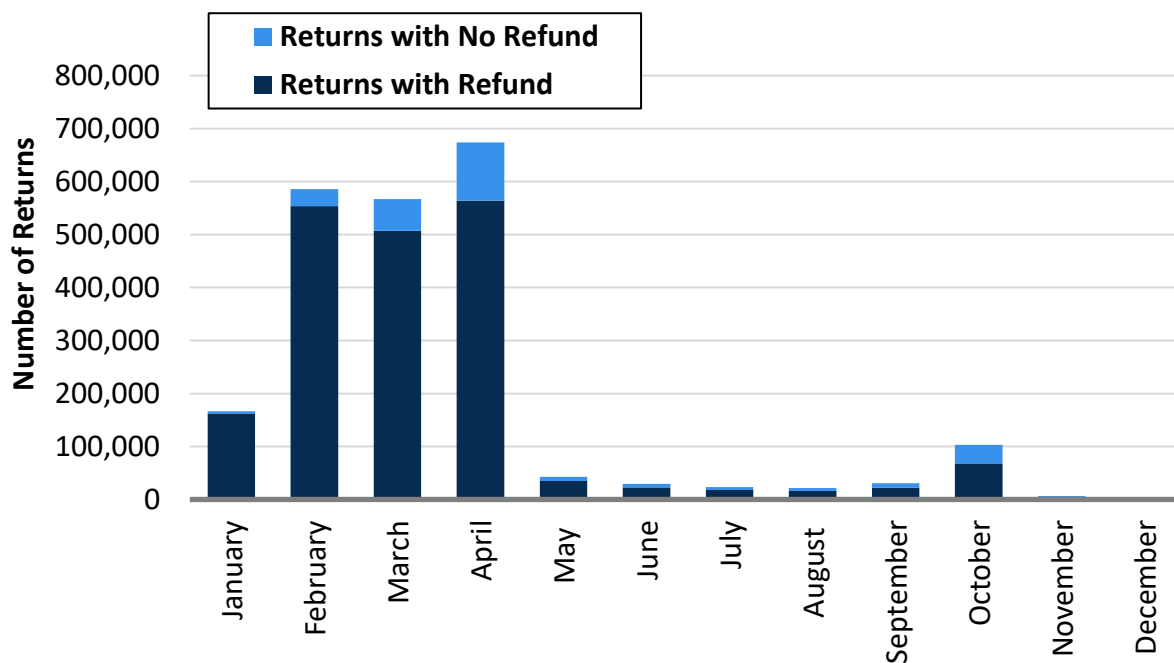
Timing of Filing Tax Returns

The information in Exhibit 10, on the following page, are based on original 2023 income tax returns received by the Oregon Department of Revenue in the 2024 calendar year. The department receives returns throughout the year and typically receives most of those returns by the April return filing deadline. These exhibits show the total number of returns submitted by month, broken out into returns that claim a refund and those that do not claim a refund. About 5 percent of taxpayers filed near the extension deadline in October.

Section IV: Characteristics of Filers

Exhibit 10—Returns by Month Received in Calendar Year 2024 All Returns—Tax Year 2023

Month	Returns with No Refund	Returns with a Refund	Total Returns	Share of Total	Cumulative Share of Total
January	4,240	162,280	166,520	7.4%	7.4%
February	31,850	553,490	585,340	26.0%	33.4%
March	60,020	507,170	567,180	25.2%	58.6%
April	110,110	563,600	673,710	29.9%	88.5%
May	7,830	35,130	42,950	1.9%	90.4%
June	6,300	23,100	29,400	1.3%	91.7%
July	5,360	18,030	23,400	1.0%	92.7%
August	5,750	16,150	21,890	1.0%	93.7%
September	8,480	22,460	30,940	1.4%	95.1%
October	34,730	68,240	102,970	4.6%	99.6%
November	2,080	4,540	6,620	0.3%	99.9%
December	540	1,250	1,790	0.1%	100.0%
Total	277,270	1,975,440	2,252,710	100.0%	100.0%



Returns by Filing Status and Form Type

Exhibit 11 shows the number of 2023 returns by filing status and form type. Full-year residents use Form OR-40, part-year residents use Form OR-40-P, and nonresidents use Form OR-40-N. Of the 2.25 million returns filed for tax year 2023, 86 percent of returns were from full-year resident taxpayers. Additionally, the data is broken out by the filing status of the taxpayer: single, married filing jointly, married filing separately, head of household, and qualifying surviving spouse. The allowed filing status chosen by the taxpayer determines some of the pieces of the tax return calculation, such as the amount of standard deduction and which tax brackets to use.

Exhibit 11—Returns by Filing Status and Form Type
Full-year Resident and Part-year Resident/Nonresident—Tax Year 2023

Filing Status	Full-Year Resident OR-40	Part-Year (PY) OR-40-P	Nonresident (NR) OR-40-N	Total
Single	996,650	59,700	94,900	1,151,250
Married Filing Jointly	704,650	23,330	116,700	844,670
Married Filing Separately	39,740	2,490	5,600	47,830
Head-of-Household	186,610	5,400	15,780	207,790
Qualifying Surviving Spouse	1,050	30	90	1,180
Total	1,928,700	90,940	233,070	2,252,710

Exemptions and Dependents

Filers receive one regular exemption for themselves and a second regular exemption for their spouse if using a filing status of married filing jointly. Taxpayers also receive one exemption for each qualifying dependent. Filers receive an additional exemption for each spouse who is severely disabled and for each dependent who has a qualifying disability. If a dependent claimed on a return files their own tax return, they are not allowed to claim any exemptions on their tax return. A dependent may file a return if, for example, they have income from employment or interest from an investment set up by their parents in that dependent's name.

Filers receive a total exemption credit equal to the number of exemptions times the value of an exemption credit per exemption (\$236 for tax year 2023). Filers with an adjusted gross income of over \$100,000 (single or married filing separately) or \$200,000 (married filing jointly, head of household, or qualifying surviving spouse) do not receive any exemption credit. Additionally, any taxpayer who has an exemption (or exemptions) for being severely disabled or having a dependent with a qualifying disability cannot claim the corresponding portion of the exemption credit if their adjusted gross income is over \$100,000 for any filing status.

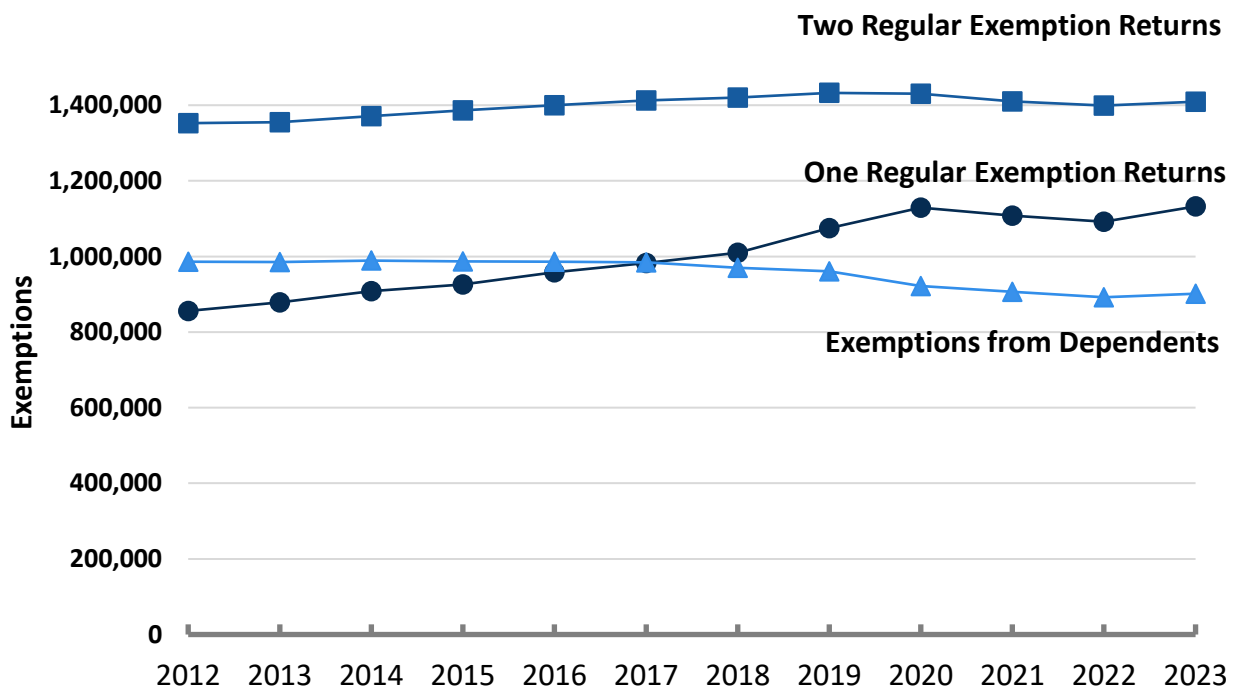
Exhibit 12, shows the historic trends of regular exemptions (from filer and spouse) and exemptions from dependents for full-year filers for tax years 2012 to 2023. Exemptions related to severely disabled taxpayers and taxpayers with dependents having a qualifying disability are not shown in these exhibits, as the counts are small compared to the overall count of exemptions, and not including them gives a one-to-one relationship between exemptions and people included on a return.

**Exhibit 12—Exemptions by Exemption Categories—Historical
Full-Year Resident Returns—Tax Years 2012 to 2023**

Tax Year	Number of Exemptions for One Regular Exemption Returns*	Number of Exemptions for Two Regular Exemption Returns**	Number of Returns Claiming Dependents	Number of Dependents	Average Dependents per Return	Total Number of Exemptions	Annual Growth Rate
2012	855,910	1,352,560	522,310	985,960	1.89	3,194,440	0.2%
2013	878,140	1,355,440	523,550	985,410	1.88	3,219,000	0.8%
2014	907,760	1,370,830	527,440	989,000	1.88	3,267,590	1.5%
2015	926,270	1,386,320	527,250	987,010	1.87	3,299,600	1.0%
2016	958,180	1,399,720	529,200	985,860	1.86	3,343,760	1.3%
2017	982,960	1,412,900	530,350	984,430	1.86	3,380,290	1.1%
2018	1,009,710	1,419,860	528,440	970,140	1.84	3,399,710	0.6%
2019	1,074,900	1,432,610	528,790	960,300	1.82	3,467,810	2.0%
2020	1,129,270	1,430,700	516,050	921,560	1.79	3,481,520	0.4%
2021	1,108,310	1,410,390	508,390	906,590	1.78	3,425,290	-1.6%
2022	1,091,780	1,398,660	500,080	892,050	1.78	3,382,490	-1.2%
2023	1,132,220	1,409,140	506,600	901,510	1.78	3,442,860	1.8%

*Taxpayers with a filing status of single, married filing separately, head of household, or qualifying surviving spouse receive one regular exemption, except for those taxpayers that are claimed as a dependent on another taxpayer's return.

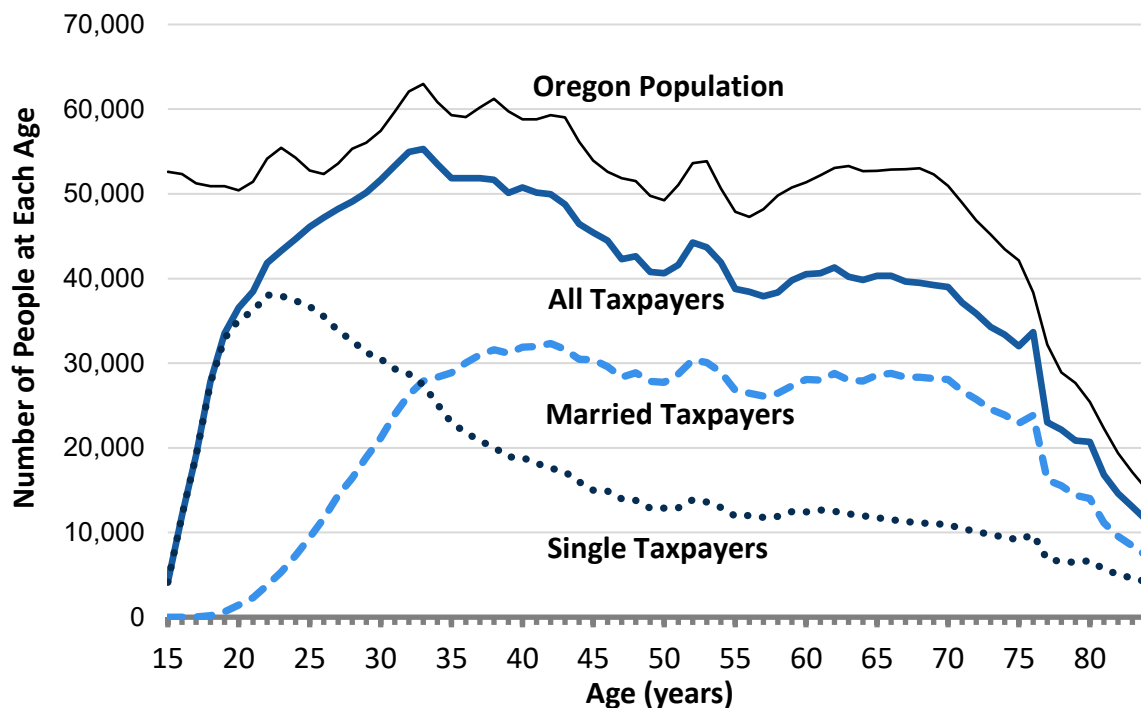
**Taxpayers filing married filing jointly receive two regular exemptions.



Age of Taxpayers

Exhibit 13 shows information on all returns filed by full- and part-year Oregon residents by the age of the taxpayer in years as of July 1, 2023 (includes both the filer and spouse for joint returns). The data shows the number of taxpayers on returns filed by single and married taxpayers separately, along with the overall Oregon population. The population data is not directly comparable to the tax return data. This is due to the fact, first and foremost, that the number of taxpayers represented by tax returns is less than the overall population, as many taxpayers do not file because they do not have enough income. Secondly, population estimates are for July 1, 2023 whereas taxpayer numbers represent those who filed tax year 2023 resident returns in calendar year 2024.

Exhibit 13—Returns by Taxpayer (primary and spouse for joint returns) Age Full-Year Resident and Part-Year Resident—Tax Year 2023



(1) Age of taxpayer on July 1, 2023 computed from the date of birth listed on the return.

(2) The chart represents 2.79 million resident (full and part-year) taxpayers.

(3) Age is not known for less than 1 percent of taxpayers, so they are not represented.

(4) Oregon population age data is from the Oregon Office of Economic Analysis, Demographic Forecast, March 2025 release; population estimate is for July 1, 2023:

www.oregon.gov/das/OEA/Pages/forecastdemographic.aspx

Income and Tax

This section looks at income and tax in several different ways, including categorically by resident type, historical trends, effective tax rates, distribution by income, and types of income.

Oregon Adjusted Gross Income and Tax Liability by Residence Type

Federal adjusted gross income (AGI) consists of income subject to federal tax minus federal adjustments. For full-year residents, Oregon AGI equals federal AGI. Part-year residents derive their Oregon AGI from all income while the taxpayer was a resident of Oregon and any Oregon-sourced income while they were a nonresident. Nonresidents derive their Oregon AGI from income sourced in Oregon.

Full-year residents accounted for about 86 percent of the tax returns, nearly 93 percent of Oregon AGI, and 92 percent of the tax liability in 2023. Exhibit 14 is a summary of the number of returns, AGI, and Oregon tax liability by residency status, as determined by the type of return the taxpayer filed.

Exhibit 14—Returns, Oregon AGI, and Tax Liability by Form Type
Full-year Resident, Part-year Resident, and Nonresident—Tax Year 2023

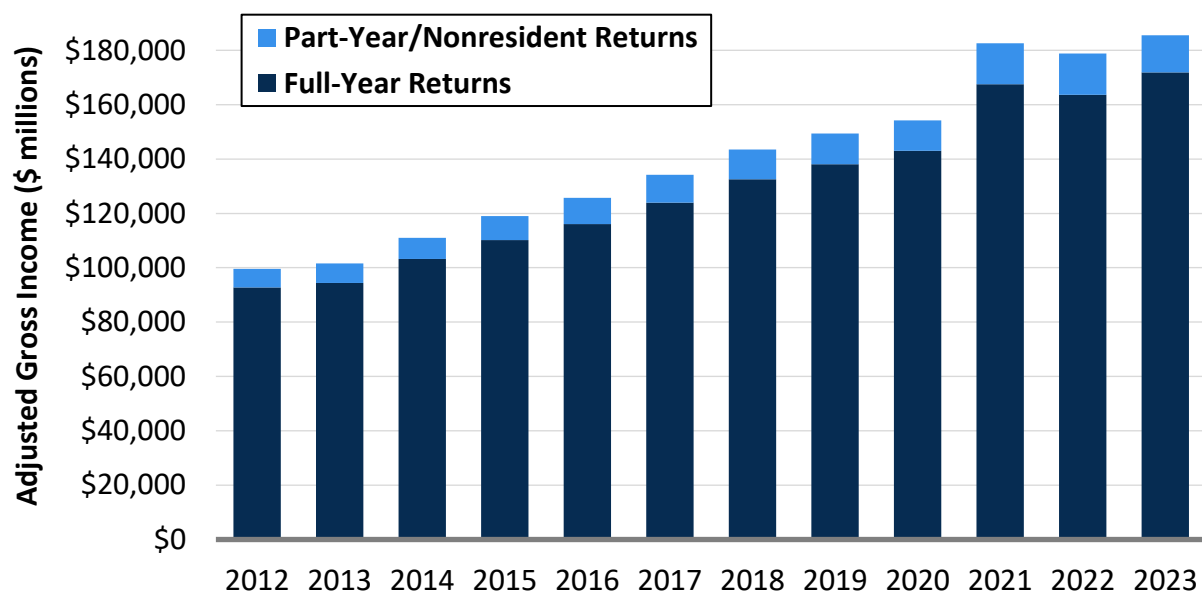
Form Type	Number of Returns	Share of Returns	Oregon AGI (\$ millions)	Share of Oregon AGI	Tax Liability (\$ millions)	Share of Tax Liability
Full-Year (OR-40)	1,928,700	85.6%	\$171,829.6	92.6%	\$10,925.2	92.0%
Part-Year (OR-40-P)	90,940	4.0%	\$4,043.3	2.2%	\$284.7	2.4%
Nonresident (OR-40-N)	233,070	10.3%	\$9,640.7	5.2%	\$668.0	5.6%
Total	2,252,710	100.0%	\$185,513.6	100.0%	\$11,877.8	100.0%

Oregon Adjusted Gross Income—Historical Trends

Exhibit 15 on the following page shows the trend in Oregon AGI since 2012 for full-year resident returns, part-year resident/nonresident returns and all returns. Oregon AGI grows in most years due to Oregon's increasing taxpayer population and inflation. Oregon AGI for full-year resident filers increased by 5 percent in tax year 2023 as compared to 2022. See Exhibit 23 for data related to specific types of income included in AGI. For more information on part-year and nonresident returns, see the corresponding section beginning on p. 60.

Exhibit 15—Total Oregon Adjusted Gross Income—Average and Total—Historical Full-year Resident and Part-year Resident/Nonresident—Tax Years 2012 to 2023

Tax Year	Average AGI Full-Year (\$)	Average AGI PY/NR (\$)	Average AGI All Returns (\$)	Total AGI Full-Year (\$ millions)	Annual Growth Rate of Total FY Returns	Total AGI PY/NR (\$ millions)	Total AGI All Returns (\$ millions)	Annual Growth Rate of Total All Returns
2012	\$57,490	\$29,590	\$53,960	\$92,703.6	9.2%	\$6,918.0	\$99,621.6	9.5%
2013	\$57,690	\$28,840	\$53,860	\$94,405.0	1.8%	\$7,206.8	\$101,611.7	2.0%
2014	\$61,430	\$29,930	\$57,170	\$103,179.0	9.3%	\$7,874.3	\$111,053.4	9.3%
2015	\$64,420	\$31,250	\$59,720	\$110,226.4	6.8%	\$8,824.3	\$119,050.6	7.2%
2016	\$66,300	\$33,090	\$61,590	\$116,101.2	5.3%	\$9,583.7	\$125,684.9	5.6%
2017	\$69,420	\$34,090	\$64,340	\$123,945.0	6.8%	\$10,219.7	\$134,164.7	6.7%
2018	\$72,850	\$35,520	\$67,420	\$132,522.9	6.9%	\$10,997.5	\$143,520.4	7.0%
2019	\$73,050	\$35,210	\$67,520	\$138,036.4	4.2%	\$11,372.1	\$149,408.6	4.1%
2020	\$74,520	\$36,890	\$69,370	\$143,031.9	3.6%	\$11,237.6	\$154,269.6	3.3%
2021	\$88,240	\$44,700	\$81,670	\$167,545.5	17.1%	\$15,085.5	\$182,631.0	18.4%
2022	\$87,060	\$45,140	\$80,740	\$163,681.3	-2.3%	\$15,082.2	\$178,763.5	-2.1%
2023	\$89,090	\$42,250	\$82,350	\$171,829.6	5.0%	\$13,684.0	\$185,513.6	3.8%

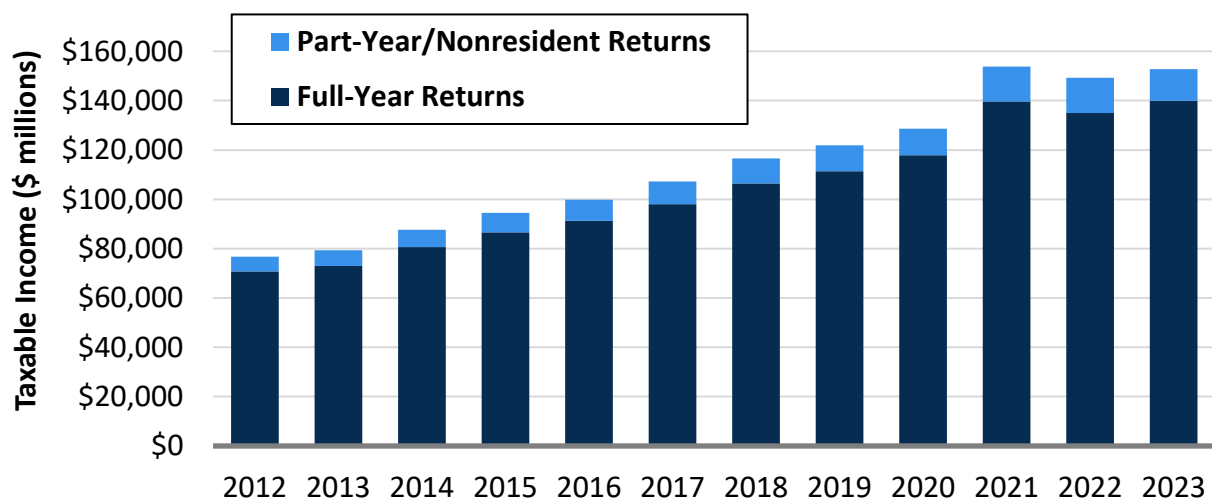


Taxable Income—Historical Trends

Taxable income is the amount of income subject to Oregon tax and equals Oregon AGI plus additions, minus subtractions, minus allowable deductions, limited to a minimum of zero. Exhibit 16 shows the trend in Oregon taxable income since 2012 for full-year resident returns, part-year resident/nonresident returns (PY/NR), and all returns.

Exhibit 16—Oregon Taxable Income—Average and Total—Historical
Full-year Resident and Part-year Resident/Nonresident—Tax Years 2012 to 2023

Tax Year	Average Taxable Income Full-Year (\$)	Average Taxable Income PY/NR (\$)	Average Taxable Income All Returns (\$)	Total Taxable Income Full-Year (\$ millions)	Annual Growth Rate of Total FY Returns	Total Taxable Income PY/NR (\$ millions)	Total Taxable Income All Returns (\$ millions)	Annual Growth Rate of Total All Returns
2012	\$43,900	\$25,760	\$41,600	\$70,782.3	11.1%	\$6,022.0	\$76,804.3	11.4%
2013	\$44,580	\$25,320	\$42,030	\$72,962.2	3.1%	\$6,328.3	\$79,290.5	3.2%
2014	\$47,970	\$26,920	\$45,120	\$80,570.9	10.4%	\$7,082.8	\$87,653.7	10.5%
2015	\$50,610	\$27,820	\$47,380	\$86,601.8	7.5%	\$7,856.7	\$94,458.5	7.8%
2016	\$52,100	\$29,540	\$48,900	\$91,228.7	5.3%	\$8,554.8	\$99,783.5	5.6%
2017	\$54,900	\$30,510	\$51,400	\$98,021.7	7.4%	\$9,147.1	\$107,168.9	7.4%
2018	\$58,540	\$32,590	\$54,760	\$106,489.2	8.6%	\$10,087.7	\$116,576.9	8.8%
2019	\$58,930	\$32,370	\$55,060	\$111,370.6	4.6%	\$10,455.3	\$121,825.9	4.5%
2020	\$61,400	\$35,330	\$57,830	\$117,860.2	5.8%	\$10,763.3	\$128,623.5	5.6%
2021	\$73,570	\$41,780	\$68,770	\$139,686.6	18.5%	\$14,101.0	\$153,787.6	19.6%
2022	\$71,820	\$42,600	\$67,410	\$135,024.9	-3.3%	\$14,234.2	\$149,259.1	-2.9%
2023	\$72,570	\$39,380	\$67,800	\$139,965.6	3.7%	\$12,761.4	\$152,727.0	2.3%

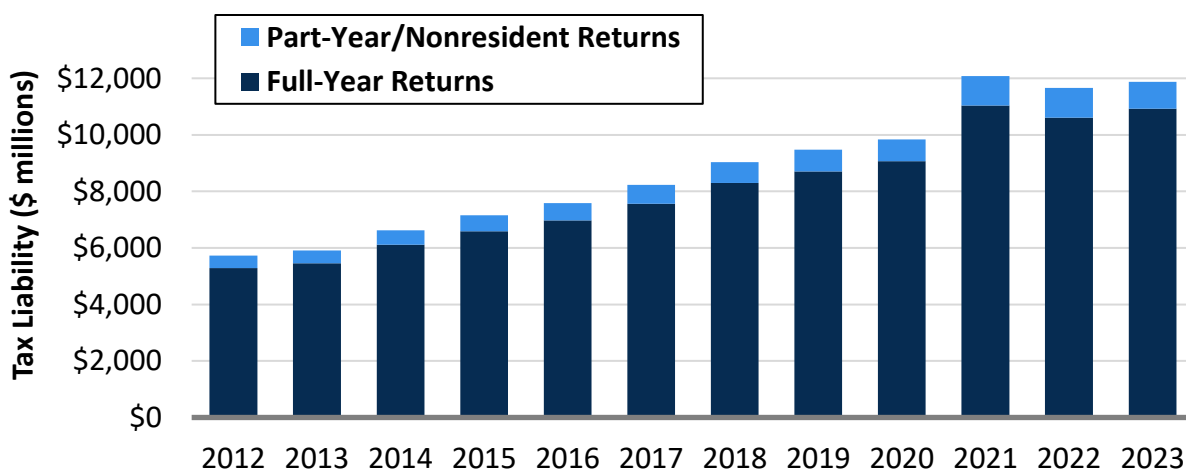


Tax Liability—Historical Trends

Tax liability is the amount of tax owed by a tax filer. It is equal to the total tax reduced by standard and carryforward credits and any portion of refundable credits up to the amount of the remaining tax. If refundable credits exceed the amount of remaining tax, then the taxpayer has no tax liability and receives a payment for the balance. In 2023, tax liability totaled \$11.9 billion, an increase of 1.9 percent from 2022. Exhibit 17 shows the trend in total tax liability since 2012 for full-year resident, part-year resident/nonresident, and all returns.

Exhibit 17—Oregon Tax Liability—Average and Total—Historical
Full-year Resident and Part-year Resident/Nonresident—Tax Years 2012 to 2023

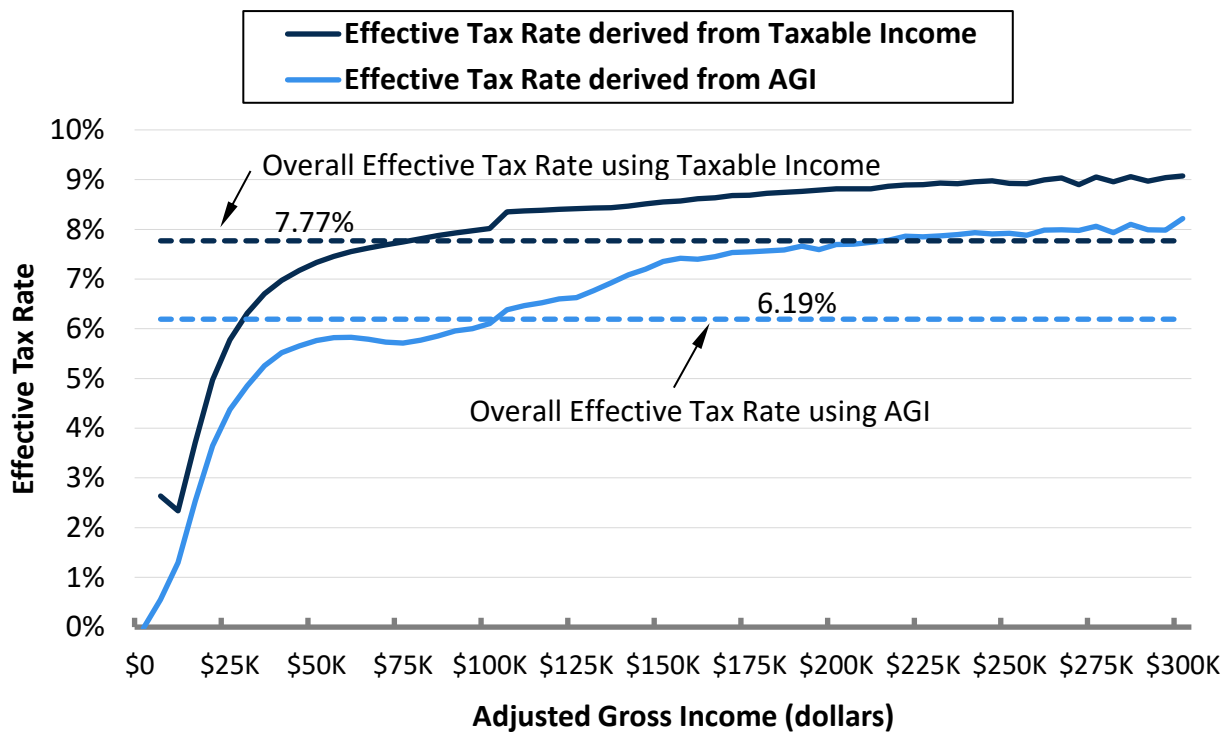
Tax Year	Average Tax Liability Full-Year (\$)	Average Tax Liability PY/NR (\$)	Average Tax Liability All Returns (\$)	Total Tax Liability Full-Year (\$ millions)	Annual Growth Rate of Total FY Returns	Total Tax Liability PY/NR (\$ millions)	Total Tax Liability All Returns (\$ millions)	Annual Growth Rate Total All Returns
2012	\$3,280	\$1,860	\$3,100	\$5,288.4	11.3%	\$434.7	\$5,723.0	11.6%
2013	\$3,330	\$1,820	\$3,130	\$5,457.2	3.2%	\$453.9	\$5,911.1	3.3%
2014	\$3,640	\$1,950	\$3,410	\$6,109.1	11.9%	\$513.3	\$6,622.4	12.0%
2015	\$3,850	\$1,990	\$3,590	\$6,590.5	7.9%	\$561.1	\$7,151.6	8.0%
2016	\$3,980	\$2,110	\$3,720	\$6,970.1	5.8%	\$611.6	\$7,581.7	6.0%
2017	\$4,240	\$2,230	\$3,950	\$7,565.4	8.5%	\$668.5	\$8,233.9	8.6%
2018	\$4,560	\$2,380	\$4,240	\$8,298.5	9.7%	\$737.7	\$9,036.2	9.7%
2019	\$4,610	\$2,400	\$4,280	\$8,704.0	4.9%	\$774.7	\$9,478.8	4.9%
2020	\$4,720	\$2,560	\$4,430	\$9,063.1	4.1%	\$779.1	\$9,842.2	3.8%
2021	\$5,810	\$3,100	\$5,400	\$11,034.3	21.7%	\$1,047.7	\$12,082.0	22.8%
2022	\$5,640	\$3,150	\$5,270	\$10,606.8	-3.9%	\$1,053.7	\$11,660.5	-3.5%
2023	\$5,660	\$2,940	\$5,270	\$10,925.2	3.0%	\$952.7	\$11,877.8	1.9%



Effective Tax Rates

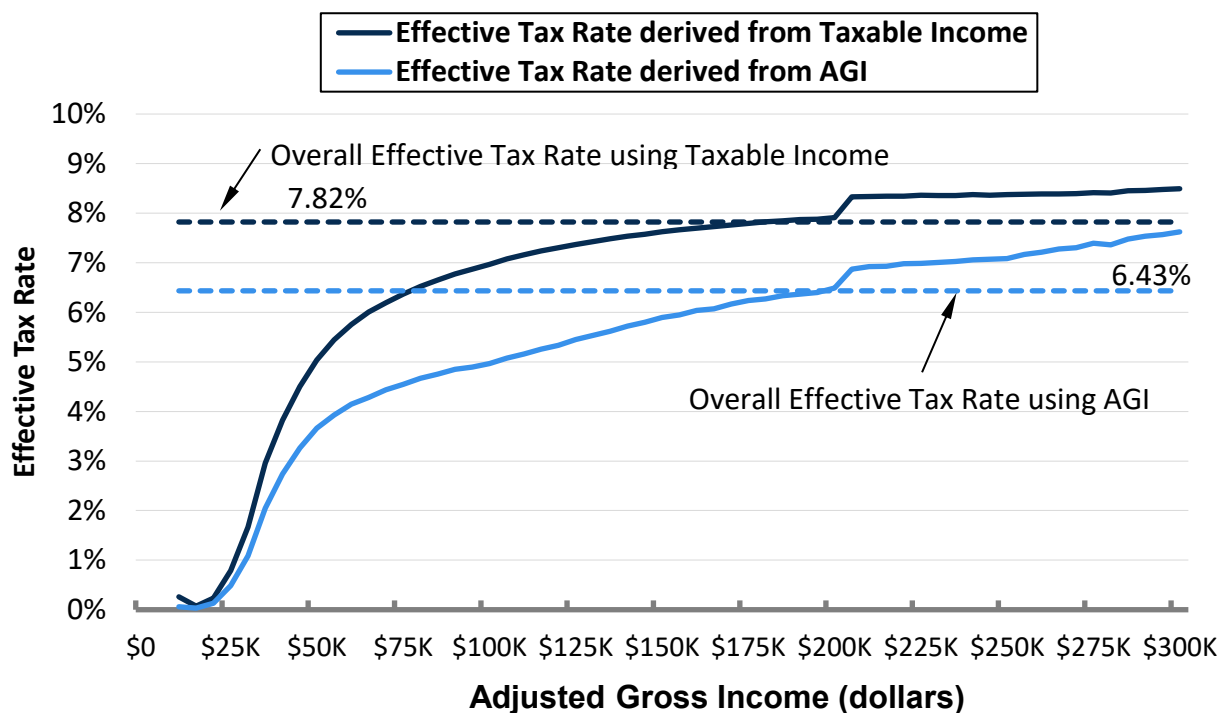
Exhibits 18a and 18b show tax as a percentage of AGI (effective tax rate derived from AGI) and as a percentage of taxable income (effective tax rate derived from taxable income) for full-year resident returns by adjusted gross income. Exhibit 18a shows returns, where tax was computed using the S tax brackets (single or married filing separately filing statuses—S returns), and Exhibit 18b shows returns where tax was computed using the J tax brackets (married filing jointly, head of household, or qualifying surviving spouse statuses—J returns).

Exhibit 18a—Effective Tax Rates Derived from AGI and Taxable Income Using S Tax Brackets* Full-Year Resident Returns—Tax Year 2023



*S tax brackets are for single and married filing separately.

**Exhibit 18b—Effective Tax Rates Derived from AGI and Taxable Income
Using J Tax Brackets* Full-Year Resident Returns—Tax Year 2023**



*J tax brackets are for married filing jointly, head of household, and qualifying surviving spouse.

The top curve (on both 18a and 18b charts) shows the effective rate derived from taxable income. The effective rate increases quickly as additional income is taxed at increasing marginal tax rates of 4.75, 6.75, and 8.75 percent and then gradually approaches 9.9 percent beyond the limits of this chart. The effective tax rate cannot reach the highest marginal rate of 9.9 percent because even the highest income taxpayers have some income taxed at the 4.75, 6.75, and 8.75 percent rates. In addition, any tax credits claimed by taxpayers can reduce their effective tax rate.

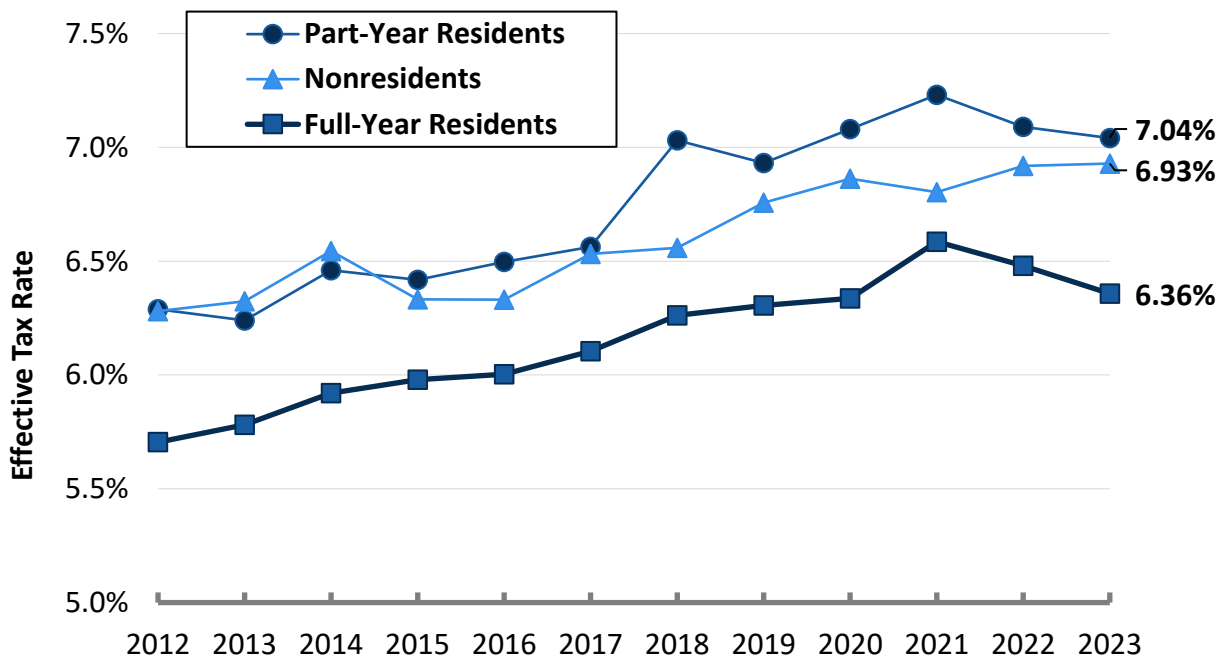
The bottom curve (on both 18a and 18b charts) shows the effective rate derived from AGI. It has the same general shape as the top curve but shifted down on the percent scale. Taxable income is generally less than AGI, as taxable income is AGI plus additions minus subtractions and deductions, which on average lowers the effective rate derived from AGI compared to that derived from taxable income.

An overall effective tax rate is the required rate necessary to raise the same amount of revenue as current tax law if the tax rate was a flat percentage applied to AGI or taxable income. This is shown by the dotted lines in both charts. For example, S taxpayers would pay a flat rate of 6.19 percent and J taxpayers would pay a flat rate of 6.43 percent of their AGI or taxpayers would pay flat rates of 7.77 percent and 7.82 percent, respectively, of their taxable income.

There are a couple of interesting features to note from the charts. The jump in the curves at an AGI of \$100,000 for S returns and at an AGI of \$200,000 for J returns is due to the elimination of the personal exemption credit above those income values and hence the effective tax rate increases when the exemption credit can no longer reduce the tax. On the effective rate curve from AGI for S returns, the effective tax rate goes down between AGIs of about \$55,000 to \$65,000. This is a result of the interaction between Oregon's income tax brackets and the federal tax brackets when taxpayers claim the subtraction for a federal tax liability. This effect is further enhanced for single taxpayers because they effectively have twice the limit of federal tax liability that they are allowed to subtract compared to married filing jointly taxpayers. The actual limit is the same for both groups, so for married filing jointly filers, the limit per taxpayer is half that of single taxpayers.

Exhibit 19 shows the effective tax rate as derived from AGI for tax years 2012 to 2023. Data for returns from full-year residents, part-year residents, and nonresidents are shown separately. The general upward trend of the effective rate is in part due to certain components of Oregon's personal tax system that are not adjusted for inflation and affect mainly high-income taxpayers. These components include the elimination of the exemption credit above a certain AGI, as mentioned above, the phase-out of the federal tax subtraction with income, and the top tax bracket. As taxpayers' income increases with inflation over the years, they will have income taxed at a higher effective tax rate. On the other hand, the effective tax rate can decrease if less income is taxed at the highest marginal tax rate, as seen in 2022 and 2023 due the large decrease in income from capital gains.

**Exhibit 19—Effective Tax Rate Derived from AGI—Historical
Full-year Resident, Part-year Resident, and Nonresident—Tax Years 2012 to 2023**



Distribution of Returns, Income, and Tax by Oregon Tax Brackets and AGI Level

Exhibit 20 shows the number of filers, total AGI, and total tax liability by those filers in each tax bracket for tax years 2022 and 2023.

Also shown is the effective tax rate as derived from AGI for each tax bracket. Note that the effective tax rate in each tax bracket is less than the highest marginal tax rate applied to a taxpayer's taxable income, as taxpayers have some proportion of their income taxed at a lower marginal tax rate. In addition, taxpayers have subtractions, deductions, and tax credits which also lower their tax liability.

Exhibit 20—Returns, Oregon AGI, and Tax Liability by Tax Bracket Full-year Resident Returns—Tax Years 2022 and 2023

Tax Year 2023

2023 Taxable Income: Single or Married Filing Separately (all others double the amount)						
	2023 Number of Returns	2023 Share of Returns	2023 Oregon AGI (\$ million)	2023 Tax Liability (\$ million)	2023 Share of Tax Liability	Effective Tax Rate*
\$0	126,960	6.6%	\$672.6	\$0.0	0%	0.00%
\$1- \$3,750	105,830	5.5%	\$1,399.8	\$2.4	<0.1%	0.17%
\$3,751–\$9,450	171,060	8.9%	\$3,712.0	\$32.9	0.3%	0.89%
\$9,451–\$125,000	1,415,510	73.4%	\$114,986.2	\$6,664.1	61.0%	5.80%
Over \$125,000	109,340	5.7%	\$51,059.1	\$4,225.7	38.7%	8.28%
Total	1,928,700	100.0%	\$171,829.6	\$10,925.2	100.0%	6.36%

Tax Year 2022

2022 Taxable Income: Single or Married Filing Separately (all others double the amount)						
	2022 Number of Returns	2022 Share of Returns	2022 Oregon AGI (\$ Million)	2022 Tax Liability (\$ Million)	2022 Share of Tax Liability	Effective Tax Rate*
\$0	124,220	6.6%	\$416.9	\$0.0	0%	0.00%
\$1- \$3,650	101,000	5.4%	\$1,233.4	\$2.2	<0.1%	0.18%
\$3,651–\$9,200	164,000	8.7%	\$3,268.8	\$29.1	0.3%	0.89%
\$9,201–\$125,000	1,388,190	73.8%	\$108,295.0	\$6,342.3	59.8%	5.86%
Over \$125,000	102,660	5.5%	\$50,467.2	\$4,233.3	39.9%	8.39%
Total	1,880,060	100.0%	\$163,681.3	\$10,606.8	100.0%	6.48%

*Effective tax rate derived from AGI

Exhibit 21 shows total Oregon AGI, total tax liability, and share of total tax liability by AGI quintile for 2022 and 2023 for full-year resident returns. Quintiles¹³ represent subsets of the data that each contains 20 percent of all data records grouped by the values of a particular variable in order. For example, quintiles by income are determined by arranging the set of records from the lowest income to the highest income and then dividing the data into five equally sized subsets. In the data presented in Exhibit 21, the fifth quintile is further subdivided into the first 15 percent, the next 4 percent, and the top 1 percent.

A couple of observations can be made which show how the tax liability is concentrated by income level. In 2023, the bottom 40 percent of filers by income accounted for 5.5 percent of the total tax liability, while the top 40 percent accounted for 84 percent of the total tax liability. The top 1 percent of full-year filers accounted for about 19 percent of the total tax liability compared to 21 percent in 2022. The top 1 percent paying a greater portion of Oregon's tax liability is indicative of taxpayers having more income taxed in the top income bracket.

Exhibit 21—Oregon AGI and Tax Liability by AGI Quintiles
Full-year Resident Returns—Tax Years 2022 and 2023

		2022	2023	2022 Tax	2023 Tax	2022	2023
	AGI Range for	2022	2023	2022 Tax	2023 Tax	Share of	Share of
AGI Quintile	Tax Year 2023 (\$)	Oregon AGI (\$ millions)	Oregon AGI (\$ millions)	Liability (\$ millions)	Liability (\$ millions)	Tax Liability	Tax Liability
Lowest 20%	Below \$21K	\$2,199.5	\$2,636.8	\$73.1	\$79.0	0.7%	0.7%
Second 20%	\$21K-\$42K	\$11,289.2	\$12,302.4	\$479.8	\$520.1	4.5%	4.8%
Middle 20%	\$43K-\$71K	\$19,880.8	\$21,459.3	\$1,025.5	\$1,101.4	9.7%	10.1%
Fourth 20%	\$71K-\$123K	\$33,804.9	\$36,234.4	\$1,853.3	\$1,970.2	17.5%	18.0%
Next 15%	\$123K-\$249K	\$45,670.1	\$48,486.2	\$2,981.8	\$3,135.2	28.1%	28.7%
Next 4%	\$249K-\$540K	\$25,242.7	\$26,156.0	\$1,979.7	\$2,040.9	18.7%	18.7%
Top 1%	above \$540K	\$25,594.0	\$24,554.4	\$2,213.5	\$2,078.4	20.9%	19.0%
Total	All Quintiles	\$163,681.3	\$171,829.6	\$10,606.8	\$10,925.2	100.0%	100.0%

(1) Each quintile contains one-fifth of the total number of full-year resident returns, which is approximately 376,000.

(2) The AGI breakpoints between the quintiles were slightly different for tax year 2022.

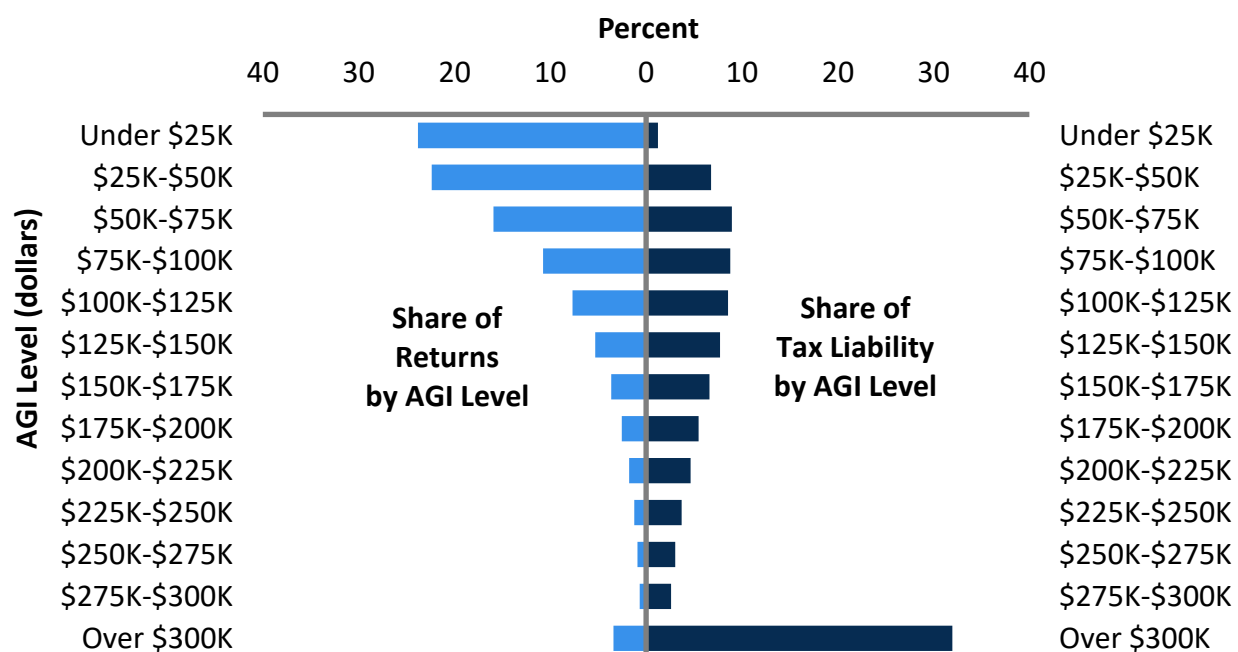
Exhibit 22 on the following page compares the percentage of full-year resident returns (left side) to the percentage of total tax liability (right side) by AGI levels for 2023.

Approximately 46 percent of filers reported AGI less than \$50,000 in 2023. This group reported about 8 percent of the total tax liability. Filers with AGI above \$300,000 represented only 3.4 percent of total returns but reported over 32 percent of total tax liability in 2023.

¹³ See Appendix B: Data Validation and Statistical Reporting and Appendix C: Glossary of Terms for additional information.

Exhibit 22—Returns and Tax Liability by AGI Levels
Full-Year Resident Returns—Tax Year 2023

AGI Level (dollars)	Number of Returns	Share of Returns	Tax Liability (\$ millions)	Share of Tax Liability
Under \$25,000	458,940	23.8%	\$133.9	1.2%
\$25,000-\$50,000	431,430	22.4%	\$741.2	6.8%
\$50,000-\$75,000	307,520	15.9%	\$979.0	9.0%
\$75,000-\$100,000	207,490	10.8%	\$958.2	8.8%
\$100,000-\$125,000	147,990	7.7%	\$933.1	8.5%
\$125,000-\$150,000	102,450	5.3%	\$841.6	7.7%
\$150,000-\$175,000	70,500	3.7%	\$722.1	6.6%
\$175,000-\$200,000	48,820	2.5%	\$597.4	5.5%
\$200,000-\$225,000	33,940	1.8%	\$506.6	4.6%
\$225,000-\$250,000	23,880	1.2%	\$405.2	3.7%
\$250,000-\$275,000	17,290	0.9%	\$333.0	3.0%
\$275,000-\$300,000	13,030	0.7%	\$283.3	2.6%
Over \$300,000	65,420	3.4%	\$3,490.6	32.0%
Total	1,928,700	100.0%	\$10,925.2	100.0%



Types of Income

Exhibit 23 shows the types of income reported on federal Form 1040 for 2022 and 2023 with the corresponding number of returns that claimed that type of income, the average amount claimed per return, and the total amount of that type of income for full-year resident filers. For several types of income (capital gain, other gains, business income, rents, partnerships, S corporations, and farm income), it is possible for an individual to report a loss, represented by a negative number. Wages are the dominant source of income, representing nearly \$114 billion of the \$165 billion total gross income, or 66 percent of the total in 2023.

Wages grew by over 6 percent for full-year filers in 2023. Income related to interest, dividends, and retirement, which includes taxable pensions, such as pension income, taxable portions of Social Security income, and taxable IRA distributions also had strong growth in 2023. However, the following income categories continued declines in 2023: income from capital gains – down 24 percent; business income from sole proprietors – down 1.4 percent; income reported on Schedule E mainly from rents, partnerships, and S corporations – down 5 percent.

Exhibit 23—Federal Income by Type
Full-Year Resident Returns—Tax Years 2022 and 2023

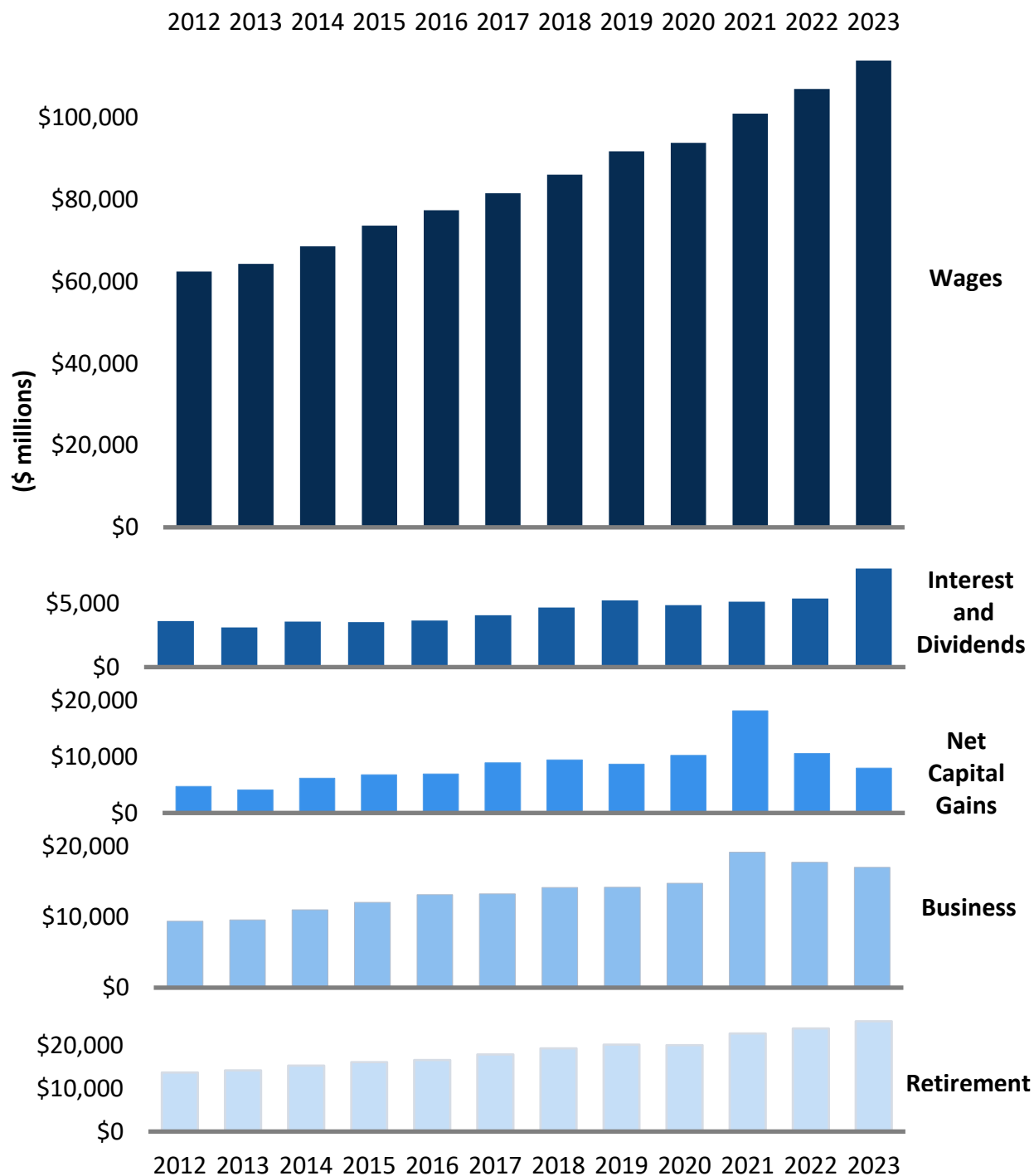
Income Type	2022 Number of Returns	2023 Number of Returns	2022 Average per Return (\$)	2023 Average per Return (\$)	2022 Total (\$ millions)	2023 Total (\$ millions)	% Change 2022 to 2023
Wages, Salaries, Tips	1,471,950	1,509,370	\$72,740	\$75,510	\$107,076.3	\$113,978.8	6.4%
Interest	634,410	845,200	\$1,890	\$3,390	\$1,201.1	\$2,868.4	138.8%
Dividends	425,240	441,930	\$9,810	\$10,970	\$4,171.9	\$4,846.7	16.2%
Capital Gain (loss)	402,110	396,850	\$25,850	\$19,880	\$10,393.4	\$7,888.7	-24.1%
Other Gain (loss)	22,660	20,170	\$9,690	\$6,910	\$219.5	\$139.4	-36.5%
Business Income (loss)	290,590	296,620	\$17,130	\$16,540	\$4,978.3	\$4,906.1	-1.4%
Rent, Part., S Corp income (loss)	220,910	220,760	\$58,050	\$55,170	\$12,824.7	\$12,180.2	-5.0%
IRA Distributions	242,180	249,580	\$24,500	\$24,310	\$5,932.8	\$6,066.5	2.3%
Pensions	362,530	367,010	\$32,090	\$33,140	\$11,633.4	\$12,162.8	4.6%
Social Security Benefits	342,570	360,290	\$18,900	\$20,710	\$6,474.6	\$7,462.9	15.3%
Unemployment Compensation	68,730	90,480	\$4,980	\$6,620	\$342.3	\$599.1	75.0%
Farm Income (loss)	27,390	27,130	\$14,390	\$14,400	-\$394.0	-\$390.6	0.9%
State Tax Refunds	81,700	64,420	\$1,530	\$1,370	\$124.8	\$88.5	-29.1%
Alimony	4,160	3,510	\$25,050	\$25,070	\$104.3	\$88.0	-15.6%
Other Income (loss)	151,820	174,360	\$2,460	\$4,140	\$373.5	\$721.1	93.0%
Total	NA	NA	NA	NA	\$165,456.9	\$173,606.6	4.9%

Categories of Income—Historical

This section discusses the income reported on federal returns historically for similar income types grouped into categories. Exhibit 24 on the following page shows these income categories for tax years 2012 through 2023 for full-year resident filers. The interest and dividend income category are comprised of passive types of investments. The category of net capital gains includes capital gains and other gains of income. In addition to business income, the business category includes rent, partnership, and S corporation income. The retirement category includes taxable pensions, such as pension income, taxable portions of Social Security income, and taxable IRA distributions. The remaining miscellaneous income types, namely unemployment, farm, state tax refunds, alimony, and other income, account for a net of about \$507 million (or about 0.3 percent) of the total gross income in 2023 and are not included in this exhibit.

Wage income, investment income, capital gains, and business income, in general, follow the trends of economic conditions, with capital gains being the most sensitive. Because of the volatility of capital gain income, its share of gross income changes greatly. In 2023, capital gains accounted for 4.6 percent of the total gross income, that percentage has varied since 2012, from a low of 4 percent in 2012 to a high of nearly 11 percent in 2021. On the other hand, retirement income's share of total income has remained relatively steady since 2012 at roughly 13.5 to 15 percent.

**Exhibit 24—Categories of Income—Historical
Full-Year Resident Returns—Tax Years 2012 to 2023**



Adjustments

Adjustments are elements on the federal Form 1040 that are deductions (often referred to as above-the-line deductions) that all filers are allowed to take if they qualify, including those who claim the standard deduction. Adjustments are subtracted from total federal income when computing federal AGI. Examples include IRA contributions, moving expenses, and student loan interest.

Types of Adjustments

Exhibit 25 below shows the types of federal adjustments claimed on full-year resident returns in 2022 and 2023 with the corresponding number of returns claiming the adjustment, the average claimed, and the total amount.

Exhibit 25—Federal Adjustments by Type
Full-Year Resident Returns—Tax Years 2022 and 2023

Adjustment	2022 Number of Returns	2023 Number of Returns	2022 Average per Return	2023 Average per Return	2022 Total (\$ millions)	2023 Total (\$ millions)	% Change 2022 to 2023
Self-Emp Health Insurance	62,910	60,610	\$7,510	\$7,780	\$472.2	\$471.4	-0.2%
Self-Employment Tax	233,270	235,670	\$1,970	\$1,970	\$460.5	\$464.4	0.8%
SEP, SIMPLE	14,360	13,570	\$24,340	\$24,920	\$349.6	\$338.1	-3.3%
IRA Contributions	38,640	37,550	\$5,150	\$5,310	\$199.0	\$199.4	0.2%
Alimony Paid	5,540	4,660	\$20,230	\$20,130	\$112.0	\$93.7	-16.4%
Health Savings Accounts	25,510	24,890	\$3,160	\$3,300	\$80.5	\$82.1	1.9%
Student Loan Interest	48,080	96,460	\$860	\$650	\$41.2	\$62.9	52.6%
Educator Expenses	35,160	35,770	\$290	\$290	\$10.2	\$10.5	2.6%
Employee Business Expenses	1,690	1,780	\$5,030	\$5,000	\$8.5	\$8.9	4.8%
Penalty on Early Withdrawal	5,500	8,460	\$550	\$740	\$3.0	\$6.3	108.1%
Moving Expenses	620	520	\$2,410	\$2,540	\$1.5	\$1.3	-11.4%
Other/Unknown	5,230	4,700	\$7,150	\$8,100	\$37.4	\$38.0	1.8%
Total	NA	NA	NA	NA	\$1,775.6	\$1,777.0	0.1%

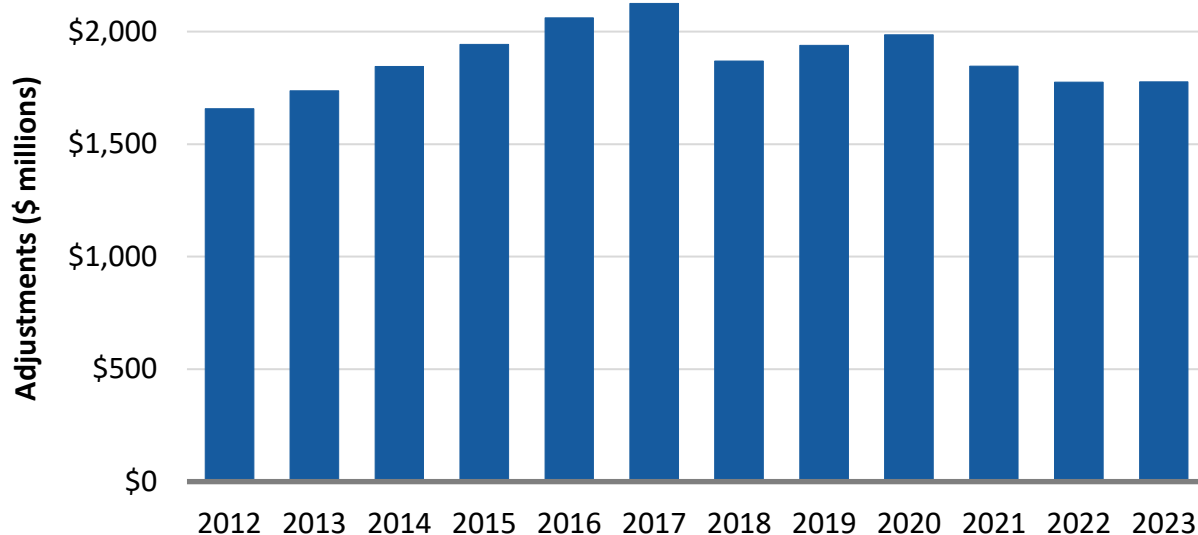
The first three adjustments listed above are associated with self-employed taxpayers who report business income on Schedules C, E, or F, and together account for about 72 percent of the total dollar amount of adjustments claimed. Those taxpayers may be able to deduct from total income half of payments made for their own Social Security and Medicare taxes, portions of payments for health insurance, and portions of contributions made to SEP, SIMPLE, and other qualified retirement plans.

Adjustments—Historical

Exhibit 26 below shows the trend in total federal adjustments since 2012 for full-year resident returns.

**Exhibit 26—Total Federal Adjustments—Historical
Full-Year Resident Returns—Tax Years 2012 to 2023**

Tax Year	Number of Returns Claiming Adjustment	Average Adjustments Claimed per Return (\$)	Total Adjustments (\$ millions)	Annual Growth Rate of Total
2012	417,820	\$118	\$1,656.6	-9.1%
2013	425,040	\$120	\$1,736.3	-4.8%
2014	440,370	\$123	\$1,844.8	-6.2%
2015	452,430	\$125	\$1,942.6	-5.3%
2016	466,710	\$169	\$2,061.3	-6.1%
2017	468,520	\$172	\$2,124.5	-3.1%
2018	451,630	\$171	\$1,869.2	12.0%
2019	473,100	\$186	\$1,939.5	-3.8%
2020	799,590	\$187	\$1,985.6	-2.4%
2021	377,510	\$183	\$1,846.3	7.0%
2022	370,280	\$204	\$1,775.6	3.8%
2023	409,870	\$169	\$1,777.0	-0.1%



Additions

Additions are elements that represent income not taxed by the federal government but taxed by Oregon and federal deductions from AGI that Oregon does not allow. They are added to AGI on the Oregon form. Examples include interest on government bonds from other states and charitable donations not allowed for Oregon.

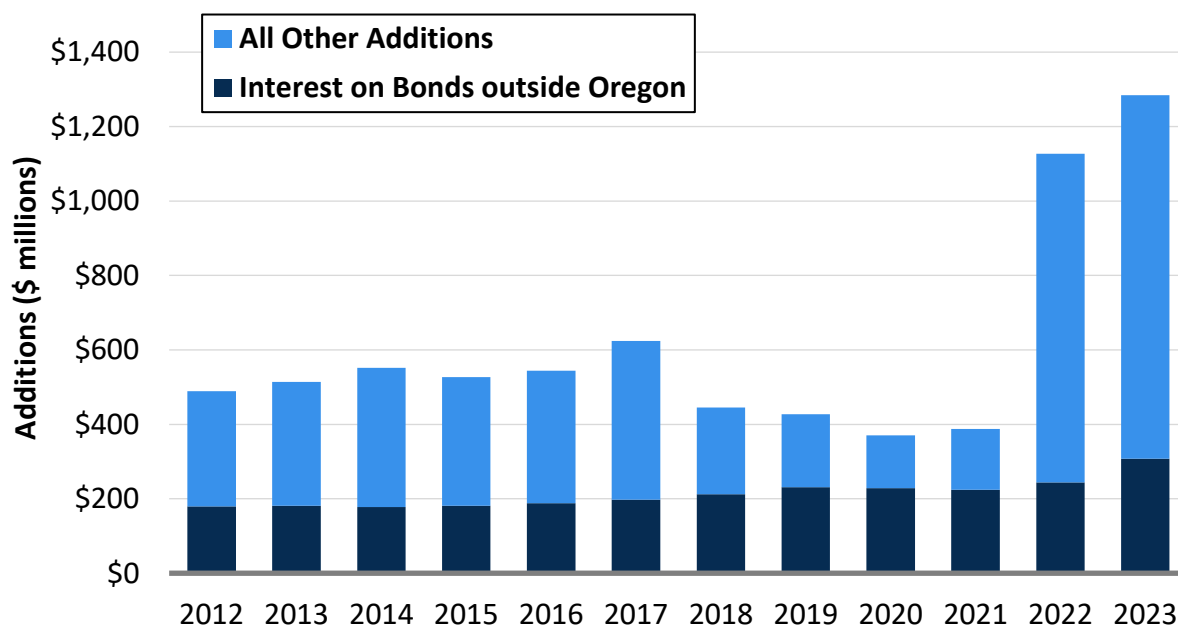
Exhibit 27 on the following page shows the total of Oregon additions from 2012 to 2023. The large increase in total addition for tax year 2022 was due to the addition of PTE-E tax deducted on the entity-level federal return. In 2023, there were 19,870 full-year filers with a total of \$756 million who included this addition.

One action of the Legislative Assembly in 2018 was to disconnect from the federal 20 percent qualified business income deduction enacted by the Tax Cuts and Jobs Act. Because this is a deduction from federal AGI (also known as a below-the-line deduction), and the full-year resident Oregon return starts with federal AGI, the deduction is not included on the Oregon return, so an Oregon addition is not needed. From the federal 2023 return data, about 350,000 full-year returns claimed \$2.62 billion for the qualified business income deduction, which was not deducted from their Oregon taxable income.

Although total additions are small relative to gross income or subtractions, they are large for some returns. Some taxpayers pay a significant amount of Oregon income tax due solely to Oregon additions, as without these additions, they would have little or no Oregon tax liability.

**Exhibit 27—Oregon Additions—Historical
Full-Year Resident Returns—Tax Years 2012 to 2023**

Tax Year	Total Addition for Interest on Bonds outside OR (\$ millions)	Total Other Additions (\$ millions)	Total All Additions (\$ millions)	Annual Growth Rate Total All Additions
2012	\$179.5	\$309.7	\$489.2	15.7%
2013	\$180.9	\$333.1	\$514.0	5.1%
2014	\$177.9	\$373.9	\$551.8	7.4%
2015	\$181.0	\$346.2	\$527.2	-4.5%
2016	\$188.1	\$356.2	\$544.3	3.2%
2017	\$197.3	\$426.6	\$623.9	14.6%
2018	\$212.5	\$232.3	\$444.8	-28.7%
2019	\$231.1	\$195.7	\$426.8	-4.1%
2020	\$228.7	\$142.1	\$370.8	-13.1%
2021	\$224.2	\$163.1	\$387.3	4.5%
2022	\$244.4	\$882.9	\$1,127.3	191.0%
2023	\$307.3	\$977.0	\$1,284.3	13.9%



Subtractions

Subtractions represent income taxed by the federal government but not taxed by Oregon, as well as Oregon deductions from AGI that are not allowed at the federal level. They are subtracted from AGI on the Oregon return. Examples include qualifying federal pension income, interest from US bonds, and medical expenses beyond what is allowed at the federal level for elderly taxpayers.

Exhibit 28 shows the number of returns that claimed the most common subtractions, the average amount per return, and the total amount of the subtraction claimed in 2022 and 2023.

Exhibit 28—Oregon Subtractions by Type
Full-Year Resident Returns—Tax Years 2022 and 2023

Subtraction	2022 Number of Returns	2023 Number of Returns	2022 Average per Return (\$)	2023 Average per Return (\$)	2022 Total (\$ millions)	2023 Total (\$ millions)	% Change 2022 to 2023
Social Security	342,560	360,250	\$18,900	\$20,720	\$6,475.0	\$7,463.5	15.3%
Federal Tax	1,275,810	1,313,780	\$4,420	\$4,660	\$5,642.5	\$6,119.0	8.4%
Federal Pension	34,080	33,260	\$24,830	\$26,820	\$846.2	\$891.9	5.4%
Elderly Medical	271,550	274,190	\$1,590	\$1,600	\$430.6	\$439.3	2.0%
Military Pay	10,990	9,180	\$29,320	\$34,740	\$322.2	\$318.7	-1.1%
U.S. Bonds	71,470	100,750	\$2,350	\$5,080	\$167.9	\$512.0	204.9%
Income Tax Refunds	80,110	62,270	\$1,520	\$1,450	\$121.7	\$90.4	-25.7%
Oregon 529*	10,270	8,070	\$3,150	\$3,090	\$32.4	\$24.9	-23.0%
Other Subtractions	60,990	75,400	\$8,310	\$7,280	\$507.0	\$549.1	8.3%
Total	NA	NA	NA	NA	\$14,545.5	\$16,412.2	12.8%

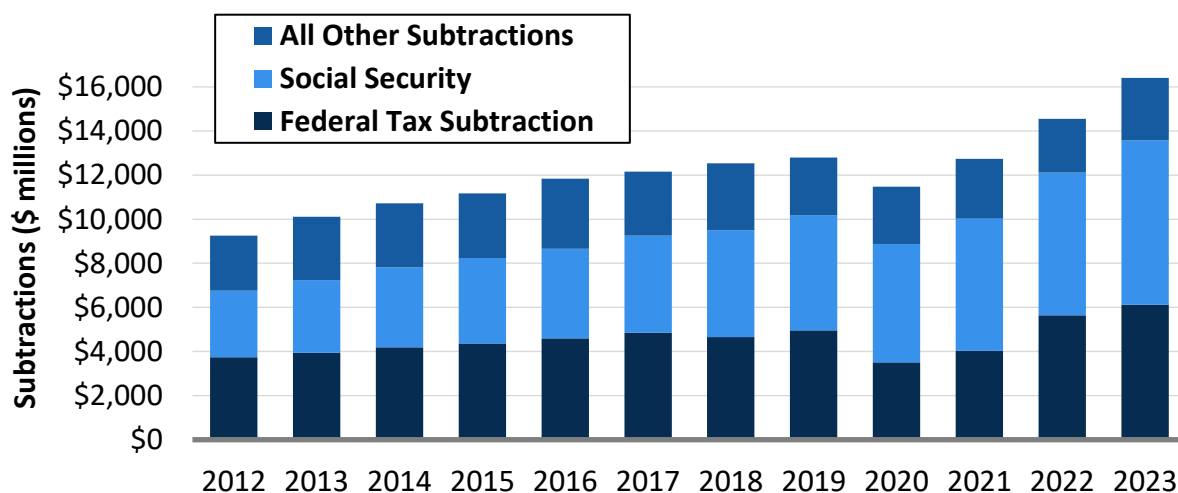
*Subtraction for a contribution to an Oregon 529 account expired in 2019 with carryforward allowed for tax years 2020-2023. This subtraction was replaced with a refundable tax credit beginning in tax year 2020. See Exhibit 35.

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Exhibit 29 shows Oregon total subtractions generally increasing since 2012. The subtractions that taxpayers are allowed for their federal tax liability and Social Security benefits are shown separately, as they account for about 83 percent of the total subtractions. The reduction of the federal tax subtraction for 2020 and 2021 was due primarily to federal legislation in response to the COVID-19 pandemic, specifically the refundable Recovery Rebate Credit for tax years 2020 and 2021. Generally, qualifying taxpayers received advance payments of the credit (Economic Impact Payments). Taxpayers had to subtract the total amount of the credit from any advance payments and any credit claimed on their federal return when calculating their allowed subtraction for federal tax.

Exhibit 29—Oregon Subtractions—Historical
Full-Year Resident Returns— Tax Years 2012 to 2023

Tax Year	Total Federal Tax Subtraction (\$ millions)	Total Social Security Subtraction (\$ millions)	Total Other Subtractions (\$ millions)	Total All Subtractions (\$ millions)	Annual Growth Rate All Subtractions
2012	\$3,746.5	\$3,011.0	\$2,499.1	\$9,256.6	6.1%
2013	\$3,945.7	\$3,292.9	\$2,869.1	\$10,107.7	9.2%
2014	\$4,190.1	\$3,623.1	\$2,911.5	\$10,724.7	6.1%
2015	\$4,368.4	\$3,876.5	\$2,930.0	\$11,174.9	4.2%
2016	\$4,589.9	\$4,076.8	\$3,167.3	\$11,834.1	5.9%
2017	\$4,852.5	\$4,402.9	\$2,902.2	\$12,157.6	2.7%
2018	\$4,660.0	\$4,844.0	\$3,037.2	\$12,541.1	3.2%
2019	\$4,955.4	\$5,206.9	\$2,635.1	\$12,797.5	2.0%
2020	\$3,506.8	\$5,375.4	\$2,592.7	\$11,474.8	-10.3%
2021	\$4,028.8	\$5,999.3	\$2,716.9	\$12,744.9	11.1%
2022	\$5,642.5	\$6,475.0	\$2,427.9	\$14,545.5	14.1%
2023	\$6,118.5	\$7,463.6	\$2,830.1	\$16,412.2	12.8%



Deductions

Filers may reduce the amount of taxable income by deducting the greater of the Oregon standard deduction or the sum of their Oregon itemized deductions. Exhibit 30 shows the number of returns, average deduction per return, and total amount of the standard and itemized deductions claimed in 2022 and 2023 for full-year resident returns.

**Exhibit 30—Oregon Standard and Itemized Deductions
Full-Year Resident Returns—Tax Years 2022 and 2023**

Deduction	2022	2023	2022	2023	2022 Total (\$ millions)	2023 Total (\$ millions)	% Change 2022 to 2023
	Number of Returns	Number of Returns	Average per Return (\$)	Average per Return (\$)			
Standard	1,067,040	1,130,250	\$3,250	\$3,510	\$3,469.7	\$3,966.1	14.3%
Itemized*	813,020	798,450	\$17,170	\$18,600	\$13,955.5	\$14,852.7	6.4%
Total	1,880,060	1,928,700	\$9,270	\$9,760	\$17,425.2	\$18,818.7	8.0%

*Oregon itemized deductions do not include a deduction for Oregon state income tax paid.

Itemized Deductions

Taxpayers also may choose to itemize their deductions on their federal return rather than taking the federal standard deduction. Oregon allows the same itemized deductions as the federal government with one exception: Oregon does not allow a deduction for Oregon income tax or sales tax. Examples of itemized deductions include property taxes paid, charitable gifts, and mortgage interest. Because Oregon's standard deduction is lower than the federal standard deduction, many taxpayers use itemized deductions to calculate Oregon tax but not federal tax.

Beginning with tax year 2018, Congress made changes to the federal standard and itemized deductions. First, the federal standard deduction was increased significantly, and for 2023 those amounts were \$13,850 for single filers and \$27,700 for joint filers. Additionally, the itemized deduction for state and local taxes is now limited to \$10,000 and the itemized deductions for casualty and theft losses (except for those related to federally declared disasters) and various miscellaneous itemized deductions over 2 percent above AGI were eliminated. The net effect of the changes was that the percentage of Oregon taxpayers who itemized at the federal level dropped from about 39 percent in 2017 to 13 percent in 2023. Because the Oregon standard deduction did not change (except for inflation adjustments), the percentage of taxpayers itemizing for Oregon and the total amount of itemized deductions have decreased slightly since 2017, but not significantly compared to that at the federal level.

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Since many Oregon taxpayers (beginning in 2018) itemized on their Oregon return but not on their federal return, the Oregon Department of Revenue created a new schedule, Schedule OR-A, to supplant the federal Schedule A with this increase in “Oregon-only” itemizers in mind. The department now requires any taxpayer claiming itemized deductions to use the new schedule. Exhibit 31 shows the itemized deductions as claimed on the Schedule OR-A for full-year resident filers.

**Exhibit 31—Oregon Itemized Deductions by Type
Full-Year Resident Returns—Tax Years 2022 and 2023**

Itemized Deduction	2022 Number of Returns	2023 Number of Returns	2022 Average per Return	2023 Average per Return	2022 Total (\$ millions)	2023 Total (\$ millions)	% Change 2022 to 2023
Medical and Dental Expenses	235,500	222,900	\$9,070	\$9,630	\$2,140	\$2,150	0.5%
Taxes Paid*	753,000	742,200	\$4,770	\$4,950	\$3,590	\$3,680	2.5%
Interest Paid**	593,100	584,900	\$8,570	\$9,780	\$5,080	\$5,720	12.6%
Gifts to Charity	530,400	509,200	\$5,230	\$5,700	\$2,770	\$2,900	4.7%
Other Miscellaneous	21,300	22,400	\$17,500	\$18,790	\$370	\$420	14%

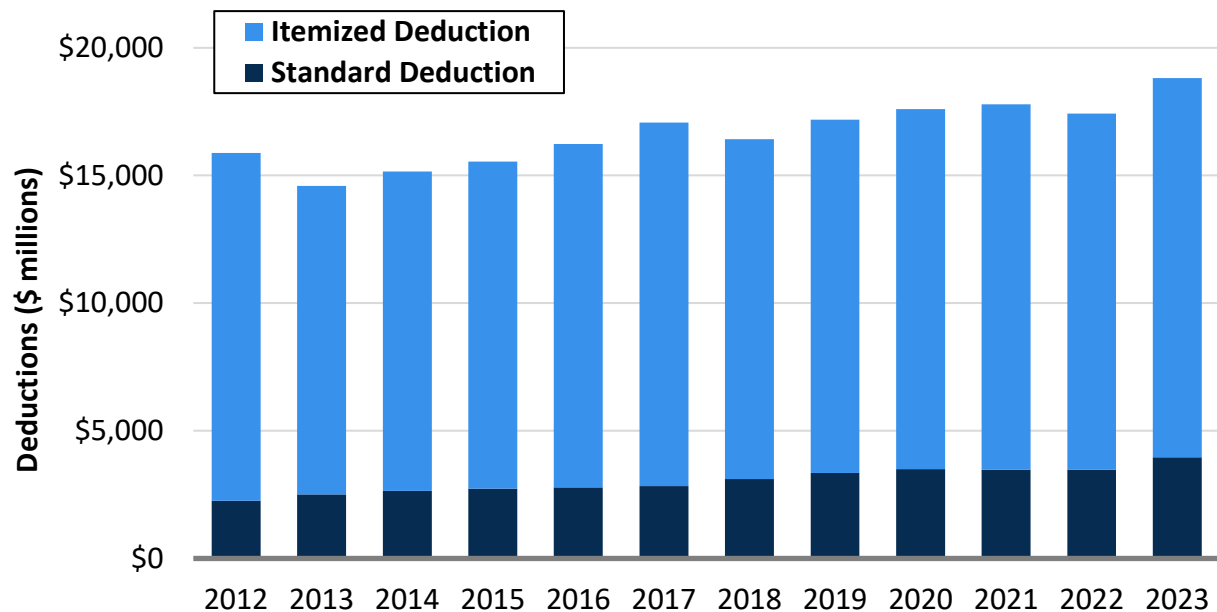
*Does not include Oregon income tax paid but does include taxes paid for other state and local tax, real estate, personal property, and other taxes.

**Includes interest paid for mortgage interest and points, and investment interest.

Exhibit 32 on the following page shows the total amount claimed on Oregon full-year resident returns for those returns claiming either the standard deduction or itemized deductions. The percentage of returns claiming itemized deductions hovered close to 50 percent until 2013 when that percentage dropped to close to 46 percent until 2017. That decrease in the number of taxpayers who itemized their deductions was mainly due to a special itemized deduction for medical expenses of elderly taxpayers being converted to a subtraction beginning in tax year 2013. The decrease from 2017 to 2018 was due to changes in federal itemized deductions beginning in 2018, as explained above.

**Exhibit 32—Oregon Standard and Itemized Deductions—Historical
Full-Year Resident Returns—Tax Years 2012 to 2023**

Tax Year	Total Standard Deductions (\$ millions)	Share of Standard Deduction Returns	Total Itemized Deductions (\$ millions)	Share of Itemized Deduction Returns	Total Deductions (\$ millions)	Annual Growth Rate of Total
2012	\$2,261.3	50.7%	\$13,622.4	49.3%	\$15,883.7	0.6%
2013	\$2,504.2	53.2%	\$12,084.7	46.8%	\$14,588.9	-8.2%
2014	\$2,646.7	54.1%	\$12,504.9	45.9%	\$15,151.6	3.9%
2015	\$2,734.7	54.3%	\$12,811.1	45.7%	\$15,545.8	2.6%
2016	\$2,780.6	54.0%	\$13,451.3	46.0%	\$16,231.9	4.4%
2017	\$2,839.7	53.8%	\$14,235.7	46.2%	\$17,075.4	5.2%
2018	\$3,117.6	56.7%	\$13,299.0	43.3%	\$16,416.6	-3.9%
2019	\$3,344.5	57.8%	\$13,837.9	42.2%	\$17,182.5	4.7%
2020	\$3,494.7	58.4%	\$14,107.1	41.6%	\$17,601.7	2.4%
2021	\$3,469.4	57.7%	\$14,324.8	42.3%	\$17,794.2	1.1%
2022	\$3,469.7	56.8%	\$13,955.5	43.2%	\$17,425.2	-2.1%
2023	\$3,966.1	58.6%	\$14,852.7	41.4%	\$18,818.7	8.0%



Qualified Business Income Reduced Tax Rate

A reduced tax rate structure on income from businesses that meet certain requirements is available to Oregon personal income taxpayers. See Section III, Personal Income Tax Calculation, Tax Rates, for details.

Exhibit 33 shows the number of full-year filers who have calculated their tax using the reduced tax rate structure on qualified business income for tax years 2015 through 2023 and the reduction in net tax before any credits are applied.

Exhibit 33—Qualified Business Income (QBI) Reduced Tax Rate—Historical Full-Year Resident Returns—Tax Years 2015 to 2023

Tax Year	Returns Claiming QBI Reduced Tax Rate	Average Reduction in Tax* (\$)	Total Reduction in Tax* (\$ millions)	Annual Growth Rate of Total
2015	13,350	\$5,040	\$67.3	NA
2016	22,480	\$4,240	\$95.4	41.8%
2017	21,300	\$4,510	\$96.0	0.7%
2018	25,190	\$4,430	\$111.6	16.2%
2019	25,950	\$4,500	\$116.8	4.6%
2020	23,140	\$5,150	\$119.1	2.0%
2021	23,480	\$5,220	\$122.6	2.9%
2022	23,400	\$5,040	\$118.0	-3.7%
2023	22,370	\$5,100	\$114.1	-3.3%

*Tax before any credits are applied

Credits

A tax credit reduces tax liability on a dollar-for-dollar basis. Most credits are not refundable, which means they can only reduce tax liability to zero. If a filer has more nonrefundable credits than the tax liability, the excess credit is lost (standard credit) or carried forward to the next tax year (carryforward credit). If the taxpayer has refundable credits exceeding the tax liability (after subtracting nonrefundable credits), the taxpayer receives payment for the excess portion of the refundable credits. Some credits are specifically geared for businesses, but the tax credit may be claimed on the personal income tax return, if the taxpayer is the owner of a sole proprietorship or a shareholder in an S corporation that received the credit, or if the taxpayer purchased a transferable tax credit from another entity.

Standard Credits

Standard credits are nonrefundable credits that can only be claimed on the current year's tax return. Credit amounts claimed but not used in the current year are lost. Exhibit 34 shows the amounts claimed for standard credits and the amounts used to reduce tax liability by full-year return filers in 2023. Generally, the higher the percentage of a particular credit used; the greater the taxpayer's tax liability as compared to the value of the credit. Each standard credit shown have a total amount claimed of at least \$1 million.

**Exhibit 34—Oregon Standard Credits by Type—Claimed and Used
Full-Year Resident Returns—Tax Year 2023**

Standard Credit	Number of		Average Used (\$)	Average Claimed (\$ millions)	Total Used (\$ millions)	% Used
	Returns Claiming Credit	Average Claimed (\$)				
Exemption	1,595,620	\$440	\$400	\$705.0	\$635.6	90%
Income Taxes Paid to Another State	21,020	\$3,160	\$3,140	\$66.4	\$65.9	99%
Pass-through Taxes Paid to Another State	1,140	\$14,820	\$14,780	\$16.9	\$16.8	>99%
Rural Medical Practice	1,480	\$4,140	\$4,100	\$6.1	\$6.1	99%
Oregon Cultural Trust Donation	7,100	\$580	\$560	\$4.1	\$4.0	97%
Political Contributions	36,600	\$71	\$63	\$2.6	\$2.3	88%
Retirement	3,440	\$380	\$180	\$1.3	\$0.6	46%
Other Credits*	270	\$3,690	\$840	\$1.0	\$0.2	23%
Total	NA	NA	NA	\$803.4	\$731.6	91%

*Includes credits for mutually-taxed gain on the sale of residential property, Oregon Veterans' Home physician, reservation enterprise zone, and rural emergency medical technicians.

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The exemption credit was the most widely claimed credit with nearly 1.6 million full-year filers claiming \$705 million in credits. The exemption credit is available to nearly all filers, except for those claimed as a dependent on another tax return, single and married filing separate filers with AGI above \$100,000, and married filing jointly, head of household, and qualifying surviving spouse filers with AGI above \$200,000. About 90 percent of the allowable credit amount was used, with the remaining 10 percent unused because the credit amount claimed exceeded the tax liability.

Carryforward Credits

Carryforward credits are nonrefundable credits for which any unused portion from the current tax year may be carried 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. Exhibit 35 shows data from full-year filers on the amount of carryforward credit from the previous tax year, the amount of credit awarded in the current tax year, and the credit used in the current tax year for carryforward credits with at least \$300,000 available. The credit available for the taxpayer to use in the current year is the amount carried forward from a prior year plus the credit amount awarded for the current year. Any credit the taxpayer is not able to use in the current year may be carried forward to the following year if the carryforward period has not expired.

Exhibit 35—Oregon Carryforward Credits by Type
Full-Year Resident Returns—Tax Year 2023

Carryforward Credit	Number of Returns Claiming Credit	Carryforward from Previous Year Total (\$ millions)	Awarded Current Year Total (\$ millions)	Total Used (\$ millions)	Average Used (\$)
Individual Development Account Donation	350	\$1.0	\$6.2	\$6.1	\$17,500
Oregon Production Investment Fund	80	\$0.8	\$5.1	\$5.7	\$74,500
College Opportunity Grant Contributions*	20	\$0.5	\$0.0	\$0.2	\$12,900
Crop Donation	60	\$0.2	\$0.2	\$0.1	\$1,800
Residential Energy*	40	\$0.7	\$0.0	<\$0.1	\$500
Other Carryforward Credits	70	\$1.8	\$0.3	\$0.4	\$6,500
Total	NA	\$5.2	\$11.9	\$12.6	NA

*Carryforward only.

Refundable Credits

For refundable credits such as the Oregon earned income credit (EIC) and the working family household and dependent care credit, taxpayers use all their credits claimed, and any excess amount over their tax liability is received as a payment. Exhibit 36 shows amounts claimed by full-year filers for the refundable credits for tax year 2023. Beginning in tax year 2022, the EIC was expanded to include taxpayers who would otherwise be ineligible for the EIC because they do not have an SSN (as required to claim the federal earned income tax credit) and use an ITIN to file their tax return. Data for the EIC for ITIN filers is also shown in this exhibit. There were two new refundable credits in 2023, the Oregon Kids Credit, and agricultural employer overtime credit. Payments issued for refundable credits are described on page 57, as well as the refundable credit for taxes paid to the Oregon Pass-Through Entity Elective tax.

**Exhibit 36—Oregon Refundable Credits by Type
Full-Year Resident Returns—Tax Year 2023**

Refundable Credit	Number of Returns Claiming Credit	Average Used (\$)	Total Used (\$ millions)
Oregon Earned Income*	207,910	\$220	\$45.6
Oregon EIC for ITIN filers	5,060	\$310	\$1.6
Oregon Kids Credit	30,110	\$1,140	\$34.2
Working Family Household and Dependent Care	14,540	\$1,130	\$16.4
Oregon 529 Account Contributions	40,490	\$220	\$8.9
Agricultural Employer Overtime	160	\$9,990	\$1.6
ABLE Account Contributions	1,350	\$200	\$0.3
Claim of Right	40	\$1,500	<\$0.1
Total	NA	NA	\$108.6

*Includes only those filers that claimed the federal earned income tax credit

Credits—Historical Trends

Exhibit 37 on the following page shows the recent history of Oregon credits used by full-year resident filers. Because most of the total is due to the exemption credit, it is shown separately.

**Exhibit 37—Oregon Credits Used—Historic
Full-Year Resident Returns—Tax Years 2012 to 2023**

Tax Year	Total Exemption Credits Used (\$ millions)	Annual Growth Rate Exemption	Total Other Credits Used (\$ millions)	Annual Growth Rate Other	Total All Credits Used (\$ millions)	Annual Growth Rate All Credits
2012	\$523.4	2.9%	\$210.7	19.9%	\$734.1	7.3%
2013	\$520.2	-0.6%	\$208.6	-1.0%	\$728.8	-0.7%
2014	\$536.1	3.0%	\$236.0	13.1%	\$772.1	5.9%
2015	\$546.8	2.0%	\$218.3	-7.5%	\$765.1	-0.9%
2016	\$556.1	1.7%	\$214.3	-1.8%	\$770.4	0.7%
2017	\$564.6	1.5%	\$218.1	1.8%	\$782.8	1.6%
2018	\$576.5	2.1%	\$211.0	-3.3%	\$787.5	0.6%
2019	\$596.5	3.5%	\$195.9	-7.2%	\$792.4	0.6%
2020	\$593.3	-0.5%	\$199.8	2.0%	\$793.1	0.1%
2021	\$588.0	-0.9%	\$240.6	20.4%	\$828.6	4.5%
2022	\$587.8	0.0%	\$192.5	-20.0%	\$780.3	-5.8%
2023	\$635.6	8.1%	\$217.1	12.8%	\$852.7	9.3%

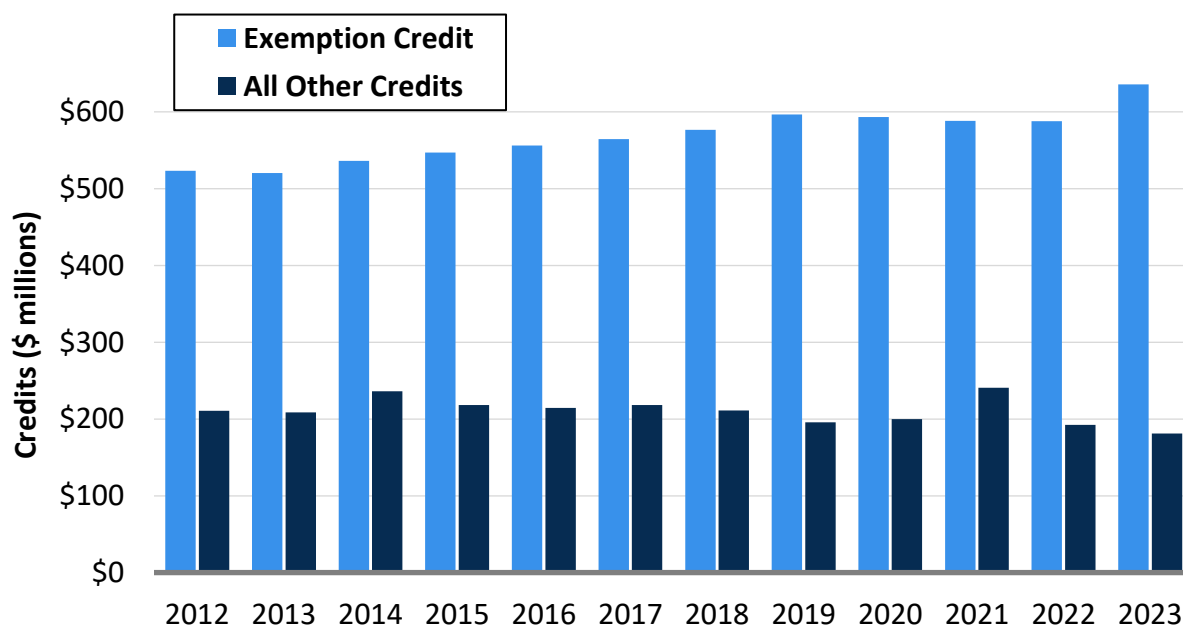


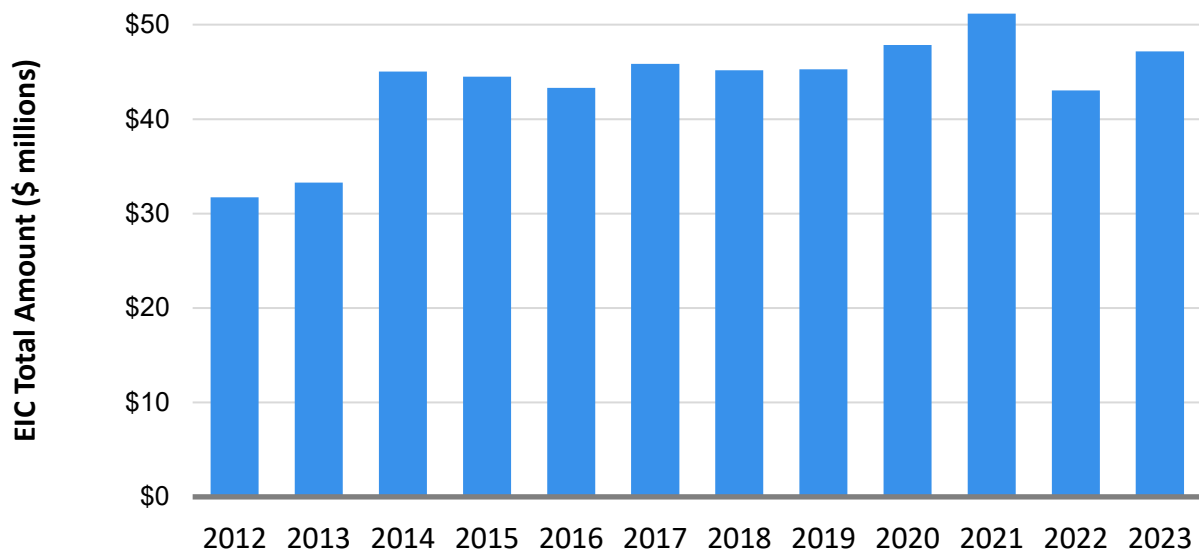
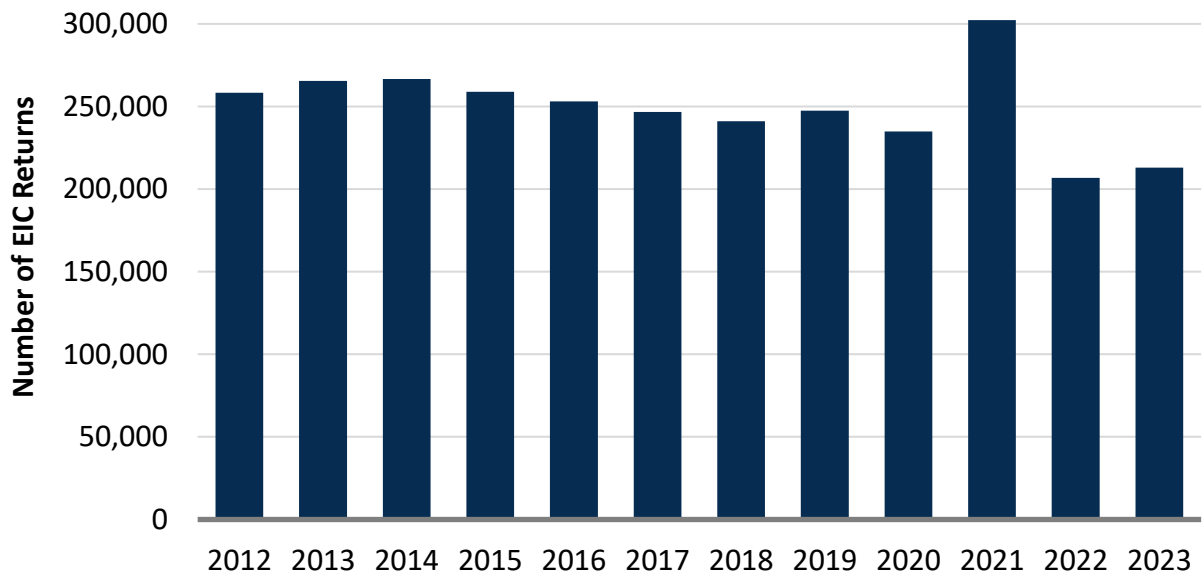
Exhibit 38 shows the recent history of the Oregon EIC. Changes to the federal earned income tax credit (EITC) of which the Oregon EIC is a percentage and to the Oregon EIC affect the number of returns claiming the credit and the total amount claimed. Recently, the American Rescue Plan Act temporarily increased and expanded the federal EITC for 2021 for certain individuals without children, and shown by the large increase the number of returns claiming the Oregon EIC. There have been several changes to the Oregon EIC in the past 10 years: beginning with tax year 2014, the Oregon EIC increased from 6 to 8 percent of the federal credit; beginning with tax year 2017, the Oregon credit increased to 11 percent of the federal credit for taxpayers with at least one dependent under the age of three; and beginning in 2020, the Oregon credit percentages of the federal credit increased from 8 to 9 percent and from 11 to 12 percent for taxpayers with a dependent under the age of three.

**Exhibit 38—Oregon Earned Income Credit*—Historical
Full-Year Resident Returns—Tax Years 2012 to 2023**

Tax Year	Number of Returns Claiming Oregon EIC	Annual Growth Rate	Average Oregon EIC (\$)	Annual Growth Rate	Total Oregon EIC (\$ millions)	Annual Growth Rate
2012	258,260	0.5%	\$123	2.3%	\$31.7	2.8%
2013	265,550	2.8%	\$125	2.0%	\$33.3	4.9%
2014	266,690	0.4%	\$169	34.8%	\$45.0	35.4%
2015	258,940	-2.9%	\$172	1.7%	\$44.5	-1.2%
2016	253,120	-2.3%	\$171	-0.4%	\$43.3	-2.7%
2017	246,730	-2.5%	\$186	8.6%	\$45.8	5.9%
2018	241,000	-2.3%	\$187	0.9%	\$45.2	-1.5%
2019	247,500	2.7%	\$183	-2.4%	\$45.3	0.2%
2020	234,830	-5.1%	\$204	11.4%	\$47.9	5.7%
2021	302,210	28.7%	\$169	-16.9%	\$51.2	7.0%
2022	206,840	-31.6%	\$208	22.8%	\$43.0	-15.9%
2023	212,930	2.9%	\$222	6.5%	\$47.2	9.6%

*Beginning 2022, also includes those returns that claimed the Oregon EIC for ITIN filers

**Exhibit 38 Cont.—Oregon Earned Income Credit—Historical
Full-Year Resident Returns—Tax Years 2012 to 2023**



Payments and Refunds

Exhibit 39a shows payments from Oregon tax withheld and estimated payments for tax years 2022 and 2023 as reported on the tax return along with those who made no pre-payments. Exhibit 39b shows details on whether a taxpayer is required to make a payment with their return, receives a refund, or has a zero balance. The total amount for returns with tax to pay includes only tax due and does not include penalty and interest. The total amount of refunds does not include any refunds applied as estimated payments for the following tax year, charitable checkoff donations, deposits to Oregon 529 plan accounts, or political party contributions. Also shown is the part of the refund that includes payments for refundable credits. In 2023, about 98,000 full-year resident filers received payments for refundable credits.

This exhibit also shows the state surplus refunds (also called the “kicker” – see Appendix A) distributed to taxpayers as a payment on the tax return for the 2022-23 biennium. These payments were distributed for this biennium through the tax year 2023 personal income tax process; however, the amount was based on taxpayers’ 2022 tax liability. Taxpayers received the kicker payment on their tax return similar to a refundable credit. The effect of the kicker is seen in a large increase in refunds in 2023. There was no kicker refundable credit available for tax year 2022. If a kicker happens for a particular biennium, the refund payments are only distributed on the odd tax year returns at the end of that biennium.

Exhibit 39a—Pre-Payments and Refund Payments Full-Year Resident Returns—Tax Years 2022 and 2023

Pre-Payment/ Refund Payment Type	2022 Number of Returns	2023 Number of Returns	2022 Average per Return	2023 Average per Return	2022 Total (\$ millions)	2023 Total (\$ millions)	% Change 2022 to 2023
Oregon Income Tax Withheld	1,638,440	1,681,910	\$5,210	\$5,400	\$8,540.6	\$9,080.7	6.3%
Estimated Tax Payments* for the Current Year	161,520	151,860	\$12,210	\$9,410	\$1,971.4	\$1,428.5	-27.5%
No Pre-payments	185,550	191,200	\$0	\$0	\$0	\$0	0.0%
PTE-E Credit Refund Payments	19,107	21,675	\$39,210	\$33,580	\$749.2	\$727.9	-2.8%
Kicker Refund Payments	0	1,678,370	\$0	\$2,910	\$0	\$4,881.0	NA

* Includes refund applied from previous year’s tax returns

Section IV: Characteristics of Filers

Exhibit 39b—Tax to Pay, Zero Balance and Refund Returns Full-Year Resident Returns—Tax Years 2022 and 2023

Tax to Pay/Refunds	2022	2023	2022	2023	2022 Total (\$ millions)	2023 Total (\$ millions)	% Change 2022 to 2023
	Number of Returns	Number of Returns	Average per Return	Average per Return			
Tax to Pay with Return*	477,750	146,480	\$2,160	\$3,060	\$1,031.7	\$448.4	-56.5%
Zero Balance	84,060	53,140	\$0	\$0	\$0	\$0	0.0%
Refund**	1,318,260	1,729,080	\$1,300	\$3,300	\$1,714.0	\$5,702.4	232.7%
Part or All of Refund Includes Payment for Refundable Credit	89,750	98,110	\$290	\$620	\$26.2	\$60.9	132.0%

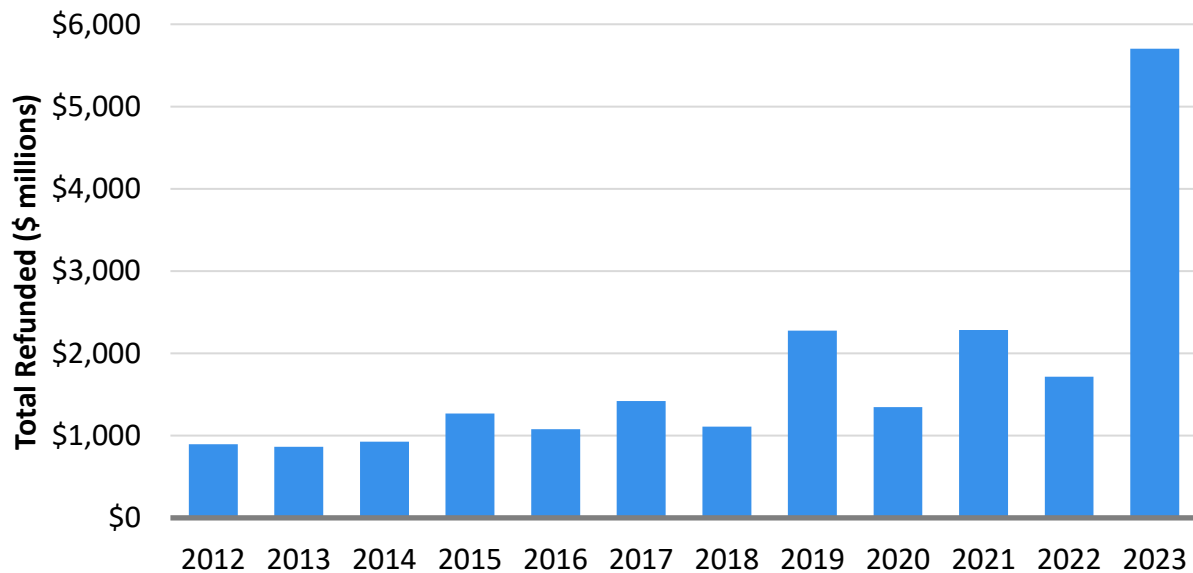
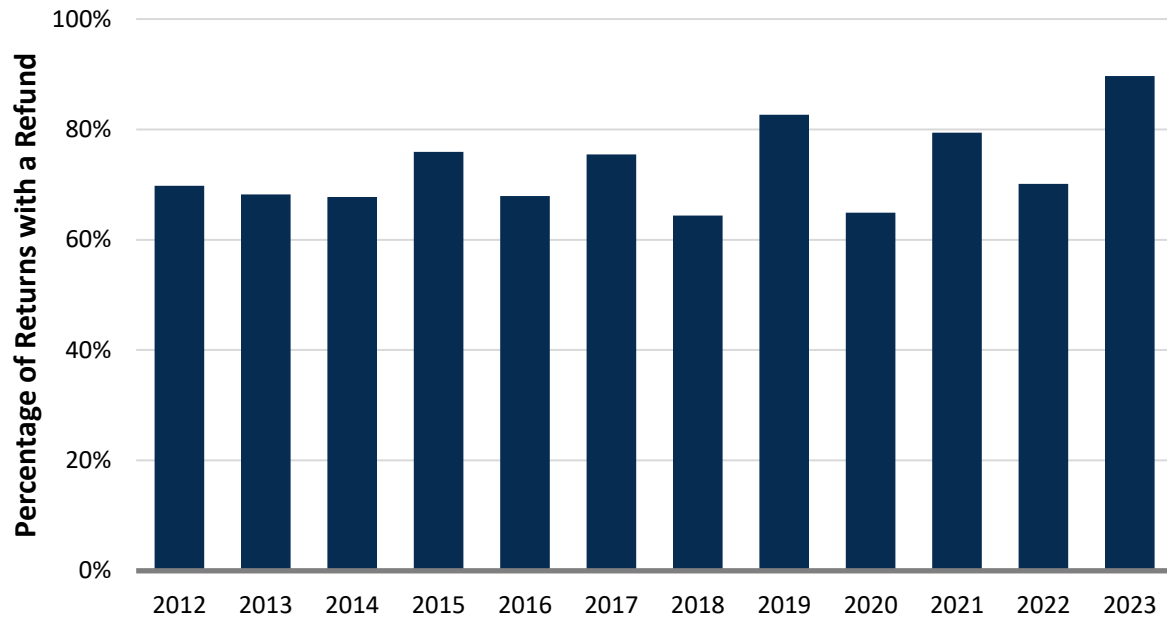
*Tax to pay amounts do not include any penalty and interest.

**The refund amount is before any amounts are applied to next year's estimated tax and charitable check-off donations.

Exhibit 40, shows the percentage of full-year resident filers who received a refund and the average amount of their refund for tax years 2012 to 2023. The refund amounts include payments received due to a refundable credit. The large increase in refunds in 2015, 2017, 2019, 2021, and 2023 were mostly due to kicker refunds.

Exhibit 40—Refunds—Historical Full-Year Resident Returns—Tax Years 2012 to 2023

Tax Year	Number of Full-Year Returns	Number of Returns with Refund	Percentage of Returns with Refund	Average Refund (\$)	Total Refunds (\$ millions)	Annual Growth Rate of Total
2012	1,612,450	1,125,580	69.8%	\$800	\$895.7	4.1%
2013	1,636,510	1,116,100	68.2%	\$770	\$864.4	-3.5%
2014	1,679,610	1,137,540	67.7%	\$810	\$924.5	7.0%
2015	1,711,180	1,298,840	75.9%	\$980	\$1,267.1	37.1%
2016	1,751,140	1,189,860	67.9%	\$910	\$1,078.6	-14.9%
2017	1,785,350	1,347,650	75.5%	\$1,050	\$1,420.2	31.7%
2018	1,819,170	1,171,210	64.4%	\$950	\$1,107.3	-22.0%
2019	1,889,720	1,561,810	82.6%	\$1,460	\$2,275.3	105.5%
2020	1,919,410	1,245,340	64.9%	\$1,080	\$1,347.1	-40.8%
2021	1,898,660	1,507,320	79.4%	\$1,510	\$2,283.2	69.5%
2022	1,880,060	1,318,260	70.1%	\$1,300	\$1,714.0	-24.9%
2023	1,928,700	1,729,080	89.7%	\$3,300	\$5,702.4	232.7%

Exhibit 40 cont.—Refunds—Historical
Full-Year Resident Returns—Tax Years 2012 to 2023

Part-Year Residents and Nonresidents

Part-Year Resident Returns

Exhibits 41 through 44 on the next few pages show information on taxpayers who were residents in Oregon for only part of calendar year 2023 for two groups: those moving to Oregon and those moving out of Oregon. Exhibit 41 below and on the next page shows the total number of taxpayers (joint returns count as two taxpayers) moving into or out of Oregon in tax years 2012 to 2023, based on the address reported on the return. The number of part-year resident taxpayers moving to Oregon ranged between roughly 50,000 and 75,000 during this period. Since 2021, the number of taxpayers moving out of Oregon exceeded those moving in.

**Exhibit 41—Taxpayers* Moving into and out of Oregon—Historical
Part-Year Resident Returns—Tax Years 2012 to 2023**

Tax Year	Taxpayers Into Oregon	Annual Growth Rate	Taxpayers Out of Oregon	Annual Growth Rate	Net Change in Taxpayers
2012	50,940	4.4%	44,790	7.5%	6,160
2013	58,460	14.8%	46,630	4.1%	11,830
2014	64,410	10.2%	47,940	2.8%	16,480
2015	73,380	13.9%	50,450	5.2%	22,940
2016	71,880	-2.1%	54,640	8.3%	17,240
2017	69,820	-2.9%	59,490	8.9%	10,330
2018	70,490	1.0%	60,400	1.5%	10,090
2019	70,290	-0.3%	62,810	4.0%	7,480
2020	63,220	-10.1%	60,220	-4.1%	3,000
2021	69,870	10.5%	77,200	28.2%	-7,330
2022	66,330	-5.1%	69,620	-9.8%	-3,290
2023	55,330	-16.6%	58,940	-15.3%	-3,610

*Joint returns count as two taxpayers

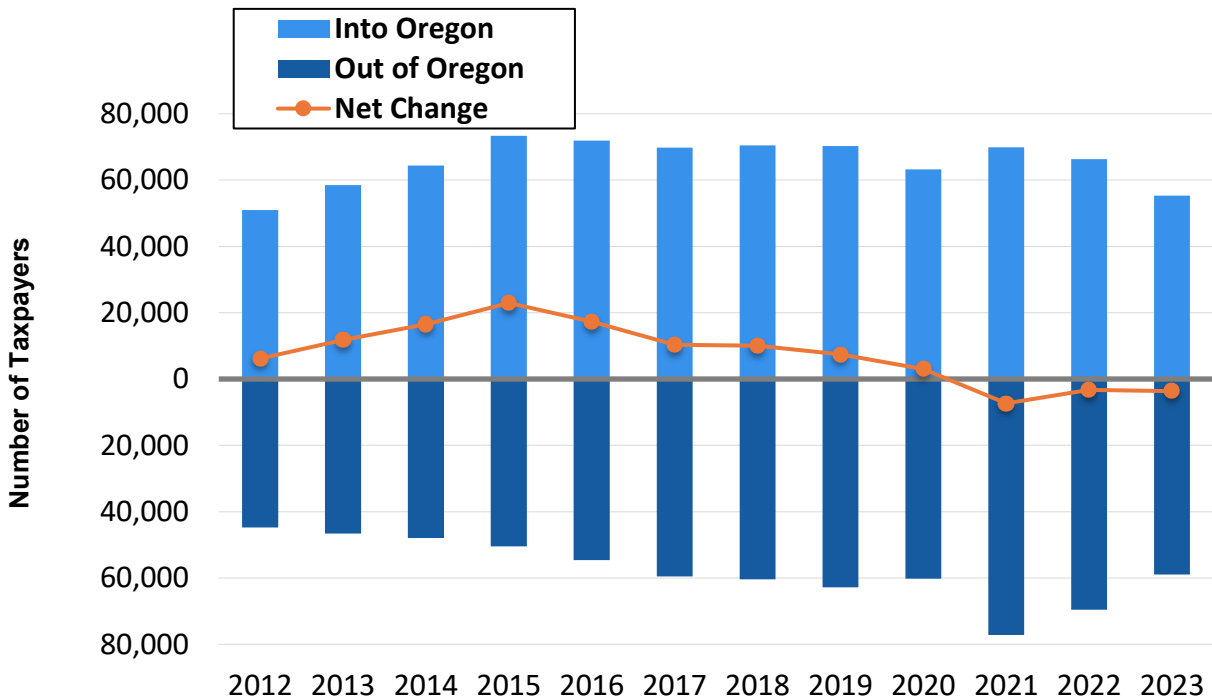
**Exhibit 41 Cont.—Taxpayers* Moving into and out of Oregon—Historical
Part-Year Resident Returns—Tax Years 2012 to 2023**


Exhibit 42 on the following page, shows the number and share of in-migrants (taxpayers—joint returns count as two) by county of destination for selected tax years. In 2023, as in previous years, in-migrants moved to counties roughly in proportion to current county populations. The three counties of the Portland metropolitan area, Multnomah, Washington, and Clackamas, contain 43 percent of the state’s population and attracted 48 percent of in-migrant income tax filers. Lane and Deschutes counties were the next most popular destinations.

Exhibit 42—Taxpayers Moving into Oregon by County of Destination, Part-Year Resident Returns with an Oregon Address Tax—Years 2013, 2022, and 2023

County	2013		2022		2023		County Share of 2023 Population
	Number of Returns	Share of Total	Number of Returns	Share of Total	Number of Returns	Share of Total	
Baker	180	0.3%	230	0.3%	210	0.4%	0.4%
Benton	1,460	2.5%	1,730	2.6%	1,510	2.7%	2.3%
Clackamas	5,020	8.6%	5,270	7.9%	4,290	7.8%	10.0%
Clatsop	650	1.1%	790	1.2%	730	1.3%	1.0%
Columbia	450	0.8%	520	0.8%	380	0.7%	1.3%
Coos	770	1.3%	950	1.4%	780	1.4%	1.5%
Crook	210	0.4%	260	0.4%	300	0.5%	0.6%
Curry	410	0.7%	460	0.7%	420	0.8%	0.6%
Deschutes	3,620	6.2%	4,920	7.4%	4,440	8.0%	4.8%
Douglas	1,110	1.9%	1,380	2.1%	1,080	2.0%	2.6%
Gilliam	<30	<0.1%	<30	<0.1%	<30	<0.1%	<0.1%
Grant	90	0.2%	90	0.1%	60	0.1%	0.2%
Harney	110	0.2%	100	0.2%	80	0.1%	0.2%
Hood River	370	0.6%	370	0.6%	310	0.6%	0.6%
Jackson	3,010	5.1%	3,080	4.6%	2,740	5.0%	5.2%
Jefferson	210	0.4%	250	0.4%	190	0.3%	0.6%
Josephine	1,140	2.0%	1,110	1.7%	1,000	1.8%	2.1%
Klamath	800	1.4%	920	1.4%	780	1.4%	1.6%
Lake	120	0.2%	80	0.1%	100	0.2%	0.2%
Lane	4,310	7.4%	5,350	8.1%	4,740	8.6%	9.0%
Lincoln	780	1.3%	900	1.4%	760	1.4%	1.2%
Linn	1,090	1.9%	1,280	1.9%	1,130	2.0%	3.1%
Malheur	310	0.5%	470	0.7%	360	0.7%	0.7%
Marion	2,660	4.6%	3,180	4.8%	2,820	5.1%	8.2%
Morrow	90	0.2%	140	0.2%	110	0.2%	0.3%
Multnomah	15,180	26.0%	17,350	26.2%	13,950	25.2%	18.8%
Polk	810	1.4%	1,090	1.6%	840	1.5%	2.1%
Sherman	<30	<0.1%	<30	<0.1%	<30	<0.1%	<0.1%
Tillamook	290	0.5%	320	0.5%	290	0.5%	0.6%
Umatilla	840	1.4%	850	1.3%	780	1.4%	1.9%

Exhibit 42 Cont.—Taxpayers Moving into Oregon by County of Destination Part-Year Resident Returns with an Oregon Address Tax—Years 2013, 2022, and 2023

County	2013		2022		2023		County Share of 2023 Population
	Number of Returns	Share of Total	Number of Returns	Share of Total	Number of Returns	Share of Total	
Union	310	0.5%	300	0.5%	290	0.5%	0.6%
Wallowa	90	0.2%	80	0.1%	90	0.2%	0.2%
Wasco	310	0.5%	310	0.5%	280	0.5%	0.6%
Washington	10,700	18.3%	11,120	16.8%	8,520	15.4%	14.3%
Wheeler	<30	<0.1%	<30	<0.1%	<30	<0.1%	<0.1%
Yamhill	930	1.6%	1,050	1.6%	960	1.7%	2.6%
Total	58,460	100%	66,330	100%	55,330	100%	100%

Exhibit 43, on the following page, shows the number of income taxpayers moving out of Oregon for selected tax years by state of destination. In 2023, taxpayers moved out of Oregon to all 49 other states, Washington, D.C., some U.S. territories, and several other countries. The most frequent destinations were the border states of Washington and California, which attracted almost 37 percent of all out-migrant income taxpayers.

Exhibit 43—Taxpayers Moving out of Oregon by Destination Part-Year Resident Returns with Out-of-State Address—Tax Years 2013, 2022, and 2023

State	2013		2022		2023	
	Number of Returns	Share of Total	Number of Returns	Share of Total	Number of Returns	Share of Total
Alabama	160	0.3%	330	0.5%	310	0.5%
Alaska	680	1.5%	590	0.8%	510	0.9%
Arizona	2,720	5.8%	4,420	6.3%	3,730	6.3%
Arkansas	220	0.5%	470	0.7%	360	0.6%
California	8,640	18.5%	10,270	14.8%	8,870	15.0%
Colorado	1,790	3.8%	2,250	3.2%	1,940	3.3%
Connecticut	130	0.3%	260	0.4%	200	0.3%
Delaware	40	0.1%	60	0.1%	40	0.1%
Florida	1,120	2.4%	2,620	3.8%	1,900	3.2%
Georgia	470	1.0%	870	1.2%	750	1.3%
Hawaii	710	1.5%	750	1.1%	700	1.2%
Idaho	2,310	5.0%	3,220	4.6%	2,920	5.0%
Illinois	660	1.4%	1,080	1.6%	960	1.6%
Indiana	360	0.8%	570	0.8%	530	0.9%
Iowa	250	0.5%	380	0.5%	330	0.6%
Kansas	260	0.6%	380	0.5%	320	0.5%
Kentucky	190	0.4%	370	0.5%	340	0.6%
Louisiana	220	0.5%	250	0.4%	200	0.3%
Maine	130	0.3%	220	0.3%	220	0.4%
Maryland	260	0.6%	380	0.5%	370	0.6%
Massachusetts	450	1.0%	640	0.9%	530	0.9%
Michigan	490	1.1%	870	1.2%	760	1.3%
Minnesota	540	1.2%	840	1.2%	820	1.4%
Mississippi	80	0.2%	170	0.2%	110	0.2%
Missouri	430	0.9%	810	1.2%	690	1.2%
Montana	800	1.7%	1,510	2.2%	1,030	1.7%
Nebraska	220	0.5%	300	0.4%	190	0.3%
Nevada	1,340	2.9%	1,570	2.3%	1,520	2.6%
New Hampshire	100	0.2%	180	0.3%	150	0.3%
New Jersey	210	0.5%	370	0.5%	300	0.5%

Exhibit 43 Cont.—Taxpayers Moving out of Oregon by Destination Part-Year Resident Returns with Out-of-State Address—Tax Years 2013, 2022, and 2023

State	2013		2022		2023	
	Number of Returns	Share of Total	Number of Returns	Share of Total	Number of Returns	Share of Total
New Mexico	400	0.9%	650	0.9%	570	1.0%
New York	880	1.9%	1,330	1.9%	1,120	1.9%
North Carolina	670	1.4%	1,330	1.9%	1,080	1.8%
North Dakota	300	0.6%	210	0.3%	160	0.3%
Ohio	500	1.1%	810	1.2%	740	1.3%
Oklahoma	310	0.7%	720	1.0%	540	0.9%
Pennsylvania	440	0.9%	950	1.4%	710	1.2%
Rhode Island	50	0.1%	90	0.1%	100	0.2%
South Carolina	220	0.5%	680	1.0%	500	0.8%
South Dakota	150	0.3%	330	0.5%	220	0.4%
Tennessee	350	0.8%	1,300	1.9%	970	1.6%
Texas	2,180	4.7%	5,060	7.3%	3,790	6.4%
Utah	1,050	2.3%	1,470	2.1%	1,320	2.2%
Vermont	90	0.2%	200	0.3%	170	0.3%
Virginia	500	1.1%	870	1.2%	740	1.3%
Washington	11,100	23.8%	14,390	20.7%	12,820	21.8%
West Virginia	60	0.1%	100	0.1%	110	0.2%
Wisconsin	440	0.9%	710	1.0%	570	1.0%
Wyoming	250	0.5%	460	0.7%	280	0.5%
Washington, D.C.	120	0.3%	180	0.3%	130	0.2%
Outside U.S.	590	1.3%	800	1.1%	740	1.3%
Total	46,630	100%	69,620	100%	58,940	100%

Oregon Adjusted Gross Income and Tax Liability

Exhibits 44a below, and 44b, 44c, 44d on the following pages, show the total Oregon adjusted gross income as reported by part-year residents for tax years 2012 to 2023, including the two groups of those who moved into Oregon and those who move out of Oregon. Additionally, Exhibit 44a shows the total Oregon tax liability of all part-year residents.

Exhibit 44a—Oregon AGI and Personal Income Tax Liability—Historical All Part-Year Resident Returns—Tax Years 2012 to 2023

Tax Year	Number of Returns	Annual Growth Rate	Average OR AGI (\$)	Total OR AGI (\$ millions)	Annual Growth Rate of Total OR AGI	Average Tax Liability (\$)	Total Tax Liability (\$ millions)
2012	72,213	5.8%	\$27,040	\$1,952.6	12.2%	\$1,700	\$122.8
2013	79,352	9.0%	\$27,070	\$2,148.2	9.1%	\$1,690	\$134.0
2014	85,499	7.2%	\$28,150	\$2,407.0	10.8%	\$1,820	\$155.5
2015	94,610	9.6%	\$28,720	\$2,717.5	11.4%	\$1,840	\$174.4
2016	97,291	2.8%	\$29,830	\$2,902.6	6.4%	\$1,940	\$188.6
2017	99,682	2.4%	\$31,930	\$3,182.9	8.8%	\$2,100	\$208.9
2018	101,387	1.7%	\$34,380	\$3,485.7	8.7%	\$2,420	\$245.1
2019	104,318	2.8%	\$34,990	\$3,649.8	4.5%	\$2,420	\$253.0
2020	96,873	-7.7%	\$37,680	\$3,650.4	0.0%	\$2,670	\$258.4
2021	114,510	15.4%	\$43,770	\$5,012.7	27.2%	\$3,170	\$362.5
2022	106,422	-7.6%	\$44,360	\$4,721.3	-6.2%	\$3,150	\$334.8
2023	90,942	-17.0%	\$44,460	\$4,043.3	-16.8%	\$3,130	\$284.7

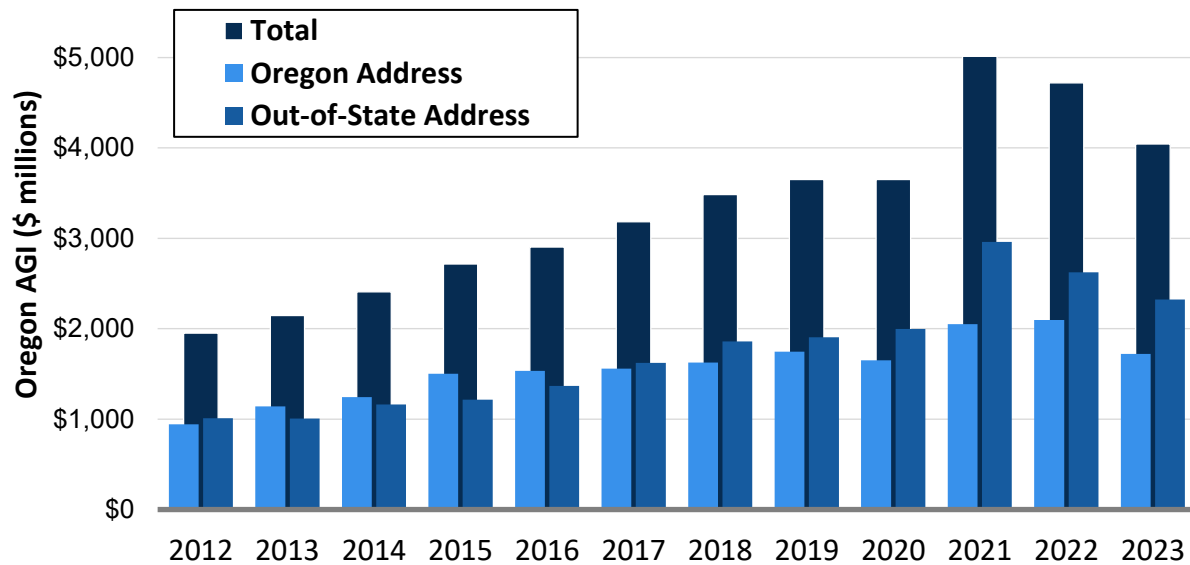
**Exhibit 44b—Oregon AGI—Historical—Part-Year Resident
Returns with Oregon Address—Tax Year 2012 to 2023**

Tax Year	Number of Returns	Annual Growth Rate of Number	Average OR AGI (\$)	Total OR AGI (\$ millions)	Annual Growth Rate of Total OR AGI
2012	38,440	4.5%	\$24,540	\$943.2	7.2%
2013	44,000	12.6%	\$25,950	\$1,141.9	17.4%
2014	48,890	10.0%	\$25,440	\$1,243.6	8.2%
2015	55,960	12.6%	\$26,860	\$1,503.5	17.3%
2016	55,160	-1.5%	\$27,840	\$1,535.7	2.1%
2017	53,930	-2.3%	\$28,920	\$1,559.9	1.6%
2018	54,750	1.5%	\$29,720	\$1,626.9	4.1%
2019	55,190	0.8%	\$31,630	\$1,745.4	6.8%
2020	49,640	-11.2%	\$33,280	\$1,652.3	-5.6%
2021	55,330	10.3%	\$37,090	\$2,052.2	19.5%
2022	52,440	-5.5%	\$39,980	\$2,096.7	2.1%
2023	44,410	-18.1%	\$38,730	\$1,720.0	-21.9%

**Exhibit 44c—Oregon AGI—Historical—Part-Year Resident
Returns with Out-of-State Address—Tax Years 2012 to 2023**

Tax Year	Number of Returns	Annual Growth Rate of Number	Average OR AGI (\$)	Total OR AGI (\$ millions)	Annual Growth Rate of Total OR AGI
2012	33,770	7.3%	\$29,890	\$1,009.4	16.9%
2013	35,350	4.5%	\$28,470	\$1,006.3	-0.3%
2014	36,610	3.5%	\$31,780	\$1,163.4	13.5%
2015	38,650	5.3%	\$31,410	\$1,214.1	4.2%
2016	42,130	8.3%	\$32,440	\$1,366.9	11.2%
2017	45,750	7.9%	\$35,480	\$1,623.0	15.8%
2018	46,640	1.9%	\$39,850	\$1,858.8	12.7%
2019	49,130	5.1%	\$38,760	\$1,904.4	2.4%
2020	47,230	-4.0%	\$42,310	\$1,998.2	4.7%
2021	59,180	20.2%	\$50,030	\$2,960.4	32.5%
2022	53,980	-9.6%	\$48,620	\$2,624.7	-12.8%
2023	46,530	-16.0%	\$49,930	\$2,323.3	-13.0%

Exhibit 44d—Total Oregon AGI—Historical—Part-Year Resident Returns with Oregon Address and Out-of-State Address—Tax Years 2012 to 2023



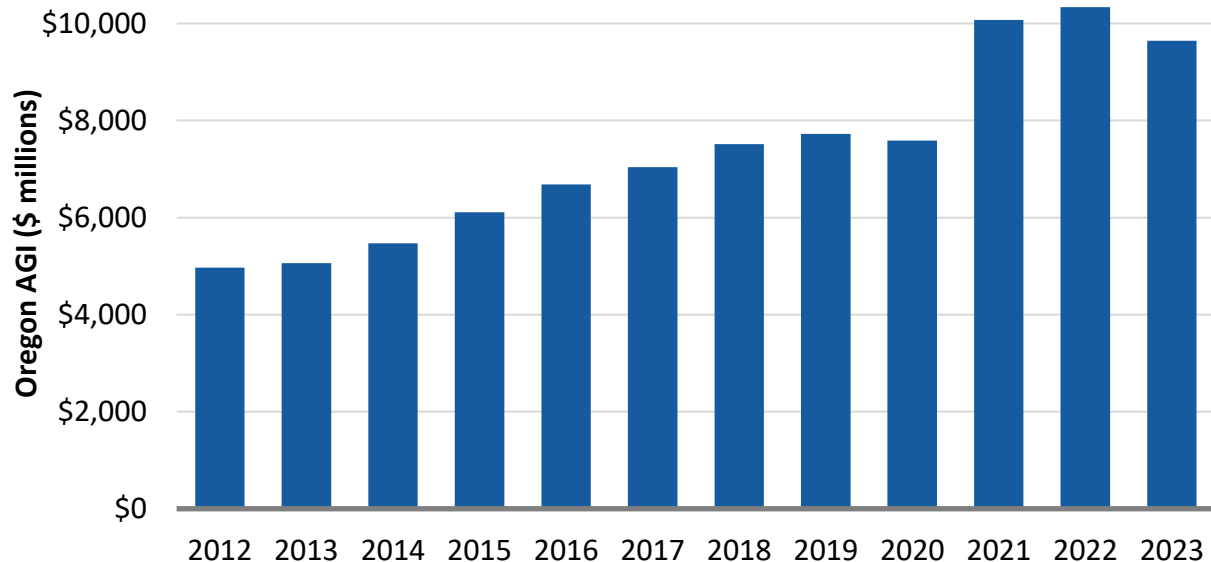
Nonresident Returns

People who are not residents of Oregon but have income that is sourced in Oregon may be required to pay Oregon personal income tax. Exhibits 45 and 46 on the next few pages show information on nonresidents with income from Oregon sources.

Exhibit 45 on the following page shows the number of returns, total Oregon AGI, and total tax liability of nonresidents for tax years 2012 through 2023.

**Exhibit 45—Oregon AGI and Personal Income Tax Liability—Historical
Nonresident Returns—Tax Years 2012 to 2023**

Tax Year	Number of Returns	Annual Growth Rate	Average OR AGI (\$)	Total OR AGI (\$ millions)	Annual Growth Rate of OR AGI	Average Tax Liability (\$)	Total Tax Liability (\$ millions)
2012	161,599	3.0%	\$30,730	\$4,965.4	12.5%	\$1,930	\$311.9
2013	170,579	5.3%	\$29,660	\$5,058.6	1.8%	\$1,880	\$319.9
2014	177,569	3.9%	\$30,790	\$5,467.4	7.5%	\$2,020	\$357.8
2015	187,783	5.4%	\$32,520	\$6,106.7	10.5%	\$2,060	\$386.7
2016	192,309	2.4%	\$34,740	\$6,681.1	8.6%	\$2,200	\$423.0
2017	200,121	3.9%	\$35,160	\$7,036.8	5.1%	\$2,300	\$459.6
2018	208,191	3.9%	\$36,080	\$7,511.8	6.3%	\$2,370	\$492.6
2019	218,652	4.8%	\$35,320	\$7,722.4	2.7%	\$2,390	\$521.8
2020	207,739	-5.3%	\$36,520	\$7,587.2	-1.8%	\$2,510	\$520.7
2021	222,963	6.8%	\$45,180	\$10,072.9	24.7%	\$3,070	\$685.3
2022	227,584	2.0%	\$45,410	\$10,335.7	2.5%	\$3,140	\$715.1
2023	233,073	2.4%	\$41,360	\$9,640.8	-7.2%	\$2,870	\$668.0



Section IV: Characteristics of Filers

Exhibit 46 on the following page shows the number of returns, total Oregon AGI, and total tax liability of nonresidents by state of residence, based on the address reported on the return. There are several things to note. Many of the nonresident returns with an Oregon address are military personnel who are temporarily stationed in Oregon. Residents of the state of Washington account for about 45 percent of nonresident returns. Many of these Washington residents commute to the Portland area for employment. California residents account for about 14 percent of nonresident returns but only 4 percent of total nonresident tax liability.

For many California residents, California also taxes their Oregon-source income. For residents of California as well as residents of Arizona, Indiana, and Virginia, Oregon grants a tax credit for income tax paid to the nonresident's home state on mutually taxed income, which in general, reduces their Oregon personal income tax liability.

Exhibit 46—Oregon AGI and Personal Income Tax Liability by State and Selected Areas Nonresident Returns, Tax Year 2023

State	Number of Returns	Share of Returns	Total OR AGI (\$millions)	Share of Total OR AGI	Total Tax Liability (\$ millions)	Share of Total Tax Liability	Effective Tax Rate
Alabama	560	0.2%	\$11.0	0.1%	\$0.7	0.1%	6.4%
Alaska	1,170	0.5%	\$24.0	0.2%	\$2.1	0.3%	8.6%
Arizona	6,290	2.7%	\$321.9	3.3%	\$21.9	3.3%	6.8%
Arkansas	500	0.2%	\$10.8	0.1%	\$0.9	0.1%	8.0%
California	33,240	14.3%	\$939.5	9.7%	\$29.6	4.4%	3.1%
Colorado	3,720	1.6%	\$110.0	1.1%	\$8.6	1.3%	7.8%
Connecticut	750	0.3%	\$28.6	0.3%	\$2.8	0.4%	9.7%
Delaware	130	0.1%	\$3.3	0.0%	\$0.3	0.0%	9.0%
Florida	5,060	2.2%	\$202.3	2.1%	\$17.7	2.7%	8.8%
Georgia	1,700	0.7%	\$57.8	0.6%	\$4.5	0.7%	7.8%
Hawaii	1,930	0.8%	\$76.9	0.8%	\$6.5	1.0%	8.5%
Idaho	12,720	5.5%	\$546.4	5.7%	\$40.9	6.1%	7.5%
Illinois	2,190	0.9%	\$55.8	0.6%	\$5.5	0.8%	9.9%
Indiana	760	0.3%	\$22.5	0.2%	\$1.2	0.2%	5.5%
Iowa	470	0.2%	\$9.7	0.1%	\$0.7	0.1%	6.7%
Kansas	620	0.3%	\$14.0	0.1%	\$1.1	0.2%	7.5%
Kentucky	480	0.2%	\$13.2	0.1%	\$0.8	0.1%	6.1%
Louisiana	610	0.3%	\$14.9	0.2%	\$1.2	0.2%	7.9%
Maine	270	0.1%	\$8.4	0.1%	\$0.6	0.1%	7.6%
Maryland	850	0.4%	\$46.2	0.5%	\$4.3	0.6%	9.4%
Massachusetts	1,360	0.6%	\$31.9	0.3%	\$2.6	0.4%	8.3%
Michigan	1,220	0.5%	\$33.4	0.3%	\$2.6	0.4%	7.9%
Minnesota	1,280	0.5%	\$59.4	0.6%	\$5.5	0.8%	9.3%
Mississippi	390	0.2%	\$10.6	0.1%	\$0.7	0.1%	6.1%
Missouri	1,090	0.5%	\$45.8	0.5%	\$4.0	0.6%	8.7%
Montana	1,930	0.8%	\$73.7	0.8%	\$5.8	0.9%	7.8%
Nebraska	430	0.2%	\$15.6	0.2%	\$1.1	0.2%	6.7%
Nevada	2,990	1.3%	\$229.0	2.4%	\$19.1	2.9%	8.3%
New Hampshire	300	0.1%	\$4.8	0.1%	\$0.4	0.1%	8.9%
New Jersey	1,280	0.5%	\$31.8	0.3%	\$2.7	0.4%	8.3%

Exhibit 46 Cont.—Oregon AGI and Personal Income Tax Liability by State and Selected Areas Nonresident Returns, Tax Year 2023

State	Number of Returns	Share of Returns	Total OR AGI (\$ millions)	Share of Total OR AGI	Total Tax Liability (\$ millions)	Share of Total Tax Liability	Effective Tax Rate
New Mexico	950	0.4%	\$25.9	0.3%	\$1.9	0.3%	7.2%
New York	3,650	1.6%	\$85.0	0.9%	\$8.5	1.3%	10.0%
North Carolina	1,820	0.8%	\$40.8	0.4%	\$3.0	0.5%	7.4%
North Dakota	230	0.1%	\$28.0	0.3%	\$3.0	0.4%	10.6%
Ohio	1,080	0.5%	\$38.8	0.4%	\$3.1	0.5%	8.0%
Oklahoma	720	0.3%	\$13.1	0.1%	\$0.9	0.1%	7.0%
Oregon	11,240	4.8%	\$485.2	5.0%	\$34.4	5.1%	7.1%
Pennsylvania	1,400	0.6%	\$33.4	0.3%	\$2.6	0.4%	7.7%
Rhode Island	150	0.1%	\$4.2	0.0%	\$0.3	0.0%	7.5%
South Carolina	850	0.4%	\$26.8	0.3%	\$2.0	0.3%	7.5%
South Dakota	440	0.2%	\$13.2	0.1%	\$0.9	0.1%	6.6%
Tennessee	1,530	0.7%	\$178.8	1.9%	\$17.9	2.7%	10.0%
Texas	6,900	3.0%	\$247.7	2.6%	\$20.3	3.0%	8.2%
Utah	3,040	1.3%	\$96.4	1.0%	\$7.4	1.1%	7.7%
Vermont	200	0.1%	\$2.8	0.0%	\$0.2	0.0%	6.3%
Virginia	1,820	0.8%	\$64.2	0.7%	\$4.3	0.6%	6.7%
Washington	104,900	45.0%	\$5,066.1	52.5%	\$350.9	52.5%	6.9%
West Virginia	110	0.0%	\$2.1	0.0%	\$0.1	0.0%	5.8%
Wisconsin	920	0.4%	\$13.5	0.1%	\$1.3	0.2%	9.6%
Wyoming	530	0.2%	\$20.1	0.2%	\$1.5	0.2%	7.5%
Washington, D.C.	310	0.1%	\$13.3	0.1%	\$1.1	0.2%	8.1%
Outside U.S.	4,030	1.7%	\$123.4	1.3%	\$6.4	1.0%	7.3%
Total	233,070	100%	\$9,640.8	100%	\$668.0	100%	6.9%

County Data

This section provides tax information by county to demonstrate how taxpayer characteristics vary by region. Exhibits 47a, 47b, and 47c on the following pages shows a breakdown of the number of all returns filed, total Oregon AGI, total tax liability, and the percent change from 2022 to 2023 of those quantities by county and other selected areas outside of Oregon.

Most counties showed an increase in the number of returns, total AGI, and tax liability. The following Oregon counties led the state in percentage growth:

- Number of returns: Sherman (5.2 percent), Crook (3.7 percent), and Deschutes (3.3 percent).
- Adjusted gross income: Wheeler (11.8 percent) and Morrow (11.7 percent).
- Tax liability: Morrow (12.4 percent) and Grant (11.0 percent).

Exhibits 48 through 52, pages 80-82, are maps showing the average AGI, tax liability, effective tax rate, electronic filing rate, and percent of filers claiming the Oregon earned income credit for full-year resident returns in each county.

The map in Exhibit 48, page 80, shows that the counties with the highest average AGI were Clackamas (\$113,290), Washington (\$107,270), and Deschutes (\$106,810). The counties with the lowest average AGI were Wheeler (\$52,380) and Malheur (\$55,020), and Harney (\$56,620).

The map in Exhibit 49, page 80, shows that the counties with the highest AGI also had the highest tax liabilities, which were Clackamas (\$7,560), Washington (\$7,210), and Deschutes (\$7,030). The counties with the lowest average tax liability were Wheeler (\$2,660), Malheur (\$2,830), and Harney (\$3,190).

The map in Exhibit 50, page 81, shows the effective tax rate (tax divided by AGI) for each county. The counties with the highest effective tax rates were Clackamas, Multnomah, and Washington, all at 6.7 percent. The counties with the lowest effective tax rate were Malheur and Wheller both at 5.1 percent. Because of Oregon's progressive tax bracket structure, populations with a greater income have a higher effective tax rate.

The map in Exhibit 51, page 81, shows the electronic filing rate for each county. The counties with the highest electronic filing rates were Sherman (96.0 percent), Malheur (96.0), and Gilliam (95.9 percent). The top 16 counties are in eastern and/or southern Oregon. The county with the lowest electronic filing rate was Marion (91.6 percent) where the main building of the Oregon Department of Revenue is located.

Exhibit 47a—Distribution of Returns by County and Selected Areas
All Returns—Tax Years 2022 and 2023

County or Area	2022 Number of Returns	2023 Number of Returns	2023 Share of Returns	% Change in Number 2022 to 2023
Baker	6,940	6,970	0.3%	0.3%
Benton	41,490	41,850	1.9%	0.8%
Clackamas	197,100	201,110	8.9%	2.0%
Clatsop	18,400	18,690	0.8%	1.6%
Columbia	23,640	24,030	1.1%	1.6%
Coos	26,940	27,450	1.2%	1.9%
Crook	11,620	12,050	0.5%	3.7%
Curry	10,270	10,280	0.5%	0.1%
Deschutes	100,220	103,540	4.6%	3.3%
Douglas	46,380	47,300	2.1%	2.0%
Gilliam	850	850	<0.1%	0.4%
Grant	2,990	2,970	0.1%	-0.7%
Harney	2,980	3,000	0.1%	0.8%
Hood River	11,790	11,990	0.5%	1.7%
Jackson	99,660	101,390	4.5%	1.7%
Jefferson	10,230	10,470	0.5%	2.4%
Josephine	36,760	37,520	1.7%	2.1%
Klamath	28,100	28,670	1.3%	2.0%
Lake	3,090	3,100	0.1%	0.1%
Lane	169,580	172,980	7.7%	2.0%
Lincoln	22,200	22,780	1.0%	2.6%
Linn	57,230	58,890	2.6%	2.9%
Malheur	10,930	11,050	0.5%	1.1%
Marion	150,230	154,080	6.8%	2.6%
Morrow	4,850	4,950	0.2%	2.1%
Multnomah	384,330	393,100	17.5%	2.3%
Polk	38,080	38,770	1.7%	1.8%
Sherman	810	850	<0.1%	5.2%
Tillamook	12,350	12,670	0.6%	2.6%
Umatilla	31,460	32,290	1.4%	2.6%

**Exhibit 47a Cont.—Distribution of Returns by County and Selected Areas
All Returns—Tax Years 2022 and 2023**

County or Area	2022 Number of Returns	2023 Number of Returns	2023 Share of Returns	% Change in Number 2022 to 2023
Union	11,300	11,550	0.5%	2.2%
Wallowa	3,530	3,600	0.2%	2.0%
Wasco	11,310	11,640	0.5%	3.0%
Washington	281,630	287,120	12.7%	2.0%
Wheeler	550	560	<0.1%	1.1%
Yamhill	46,950	48,320	2.1%	2.9%
Clark Co., WA.	71,550	72,240	3.2%	1.0%
Other Wash.	47,630	48,760	2.2%	2.4%
California	46,320	45,440	2.0%	-1.9%
Idaho	15,680	15,810	0.7%	0.8%
Other	116,240	112,060	5.0%	-3.6%
Total	2,214,160	2,252,710	100.0%	1.7%

**Exhibit 47b—Distribution of Oregon AGI by County and Selected Areas,
All Returns—Tax Years 2022 and 2023**

County or Area	2022 Total OR AGI (\$ million)	2023 Total OR AGI (\$ million)	2023 Share of Total OR AGI	% Change in Total AGI 2022 to 2023
Baker	\$410.3	\$426.7	0.2%	4.0%
Benton	\$3,656.0	\$3,704.5	2.0%	1.3%
Clackamas	\$21,744.1	\$22,516.6	12.1%	3.6%
Clatsop	\$1,393.7	\$1,428.4	0.8%	2.5%
Columbia	\$1,846.6	\$1,934.6	1.0%	4.8%
Coos	\$1,699.3	\$1,764.9	1.0%	3.9%
Crook	\$906.6	\$929.1	0.5%	2.5%
Curry	\$661.9	\$642.4	0.3%	-2.9%
Deschutes	\$9,978.2	\$10,833.2	5.8%	8.6%
Douglas	\$3,034.2	\$3,107.1	1.7%	2.4%
Gilliam	\$57.5	\$57.5	<0.1%	0.0%
Grant	\$168.7	\$185.3	0.1%	9.8%
Harney	\$166.6	\$167.0	0.1%	0.3%
Hood River	\$1,016.8	\$1,060.0	0.6%	4.2%
Jackson	\$7,330.3	\$7,670.6	4.1%	4.6%
Jefferson	\$614.2	\$658.4	0.4%	7.2%
Josephine	\$2,259.1	\$2,336.2	1.3%	3.4%
Klamath	\$1,657.0	\$1,765.5	1.0%	6.5%
Lake	\$173.0	\$181.8	0.1%	5.1%
Lane	\$13,055.4	\$13,530.8	7.3%	3.6%
Lincoln	\$1,498.3	\$1,601.4	0.9%	6.9%
Linn	\$3,758.1	\$4,062.2	2.2%	8.1%
Malheur	\$557.7	\$595.4	0.3%	6.7%
Marion	\$10,855.2	\$11,477.2	6.2%	5.7%
Morrow	\$310.5	\$346.7	0.2%	11.7%
Multnomah	\$34,853.8	\$36,307.5	19.6%	4.2%
Polk	\$2,913.3	\$3,030.6	1.6%	4.0%
Sherman	\$56.4	\$61.4	<0.1%	8.8%
Tillamook	\$948.3	\$937.3	0.5%	-1.2%
Umatilla	\$2,031.7	\$2,174.8	1.2%	7.0%

**Exhibit 47b Cont.—Distribution of Oregon AGI by County and Selected Areas,
All Returns—Tax Years 2022 and 2023**

County or Area	2022 Total OR AGI (\$ million)	2023 Total OR AGI (\$ million)	2023 Share of Total OR AGI	% Change in Total AGI 2022 to 2023
Union	\$737.8	\$790.7	0.4%	7.2%
Wallowa	\$244.4	\$246.8	0.1%	1.0%
Wasco	\$743.6	\$798.4	0.4%	7.4%
Washington	\$28,849.1	\$30,327.1	16.3%	5.1%
Wheeler	\$25.6	\$28.6	<0.1%	11.8%
Yamhill	\$3,895.2	\$4,139.8	2.2%	6.3%
Clark Co., WA.	\$3,711.6	\$3,832.9	2.1%	3.3%
Other Wash.	\$2,330.3	\$2,201.2	1.2%	-5.5%
California	\$2,306.1	\$1,751.2	0.9%	-24.1%
Idaho	\$724.5	\$717.6	0.4%	-1.0%
Other	\$5,582.5	\$5,184.3	2.8%	-7.1%
Total	\$178,763.5	\$185,513.6	100.0%	3.8%

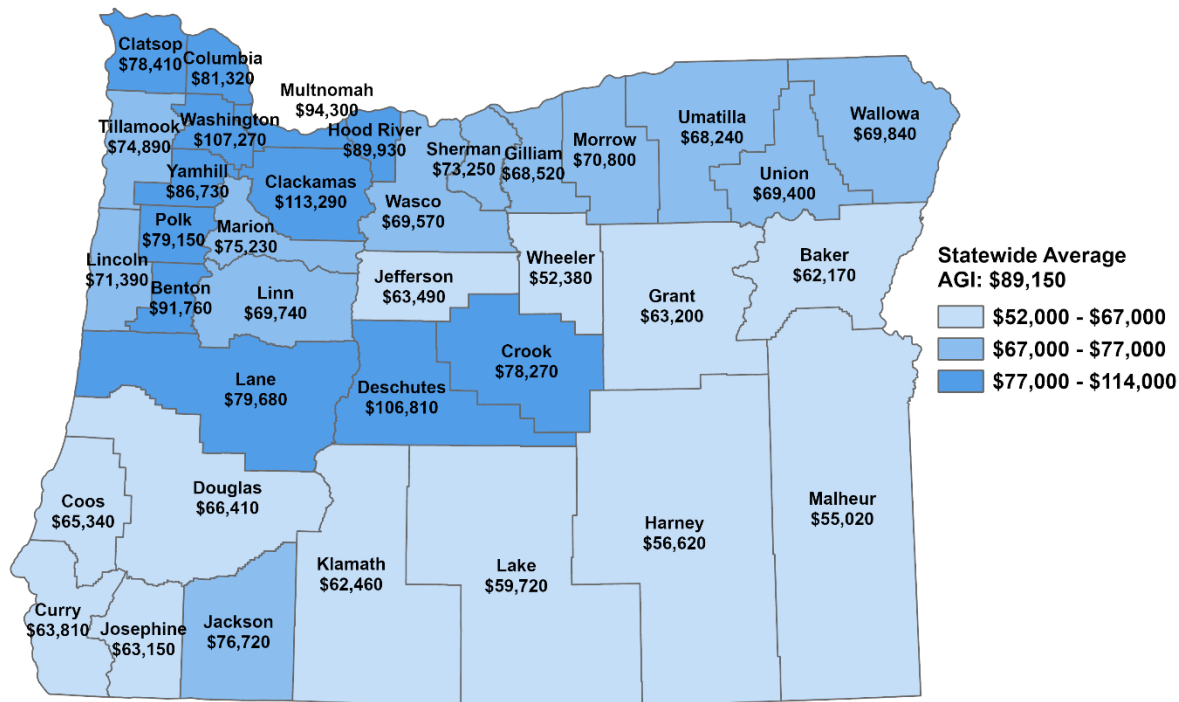
**Exhibit 47c—Distribution of Tax Liability by County and Selected Areas,
All Returns—Tax Years 2022 and 2023**

County or Area	2022 Total Tax Liability (\$ millions)	2023 Total Tax Liability (\$ millions)	2023 Share of Total Tax Liability	% Change in Total Tax Liability 2022 to 2023
Baker	\$23.1	\$23.0	0.2%	-0.3%
Benton	\$238.1	\$234.9	2.0%	-1.3%
Clackamas	\$1,478.9	\$1,503.4	12.7%	1.7%
Clatsop	\$85.8	\$84.2	0.7%	-1.9%
Columbia	\$112.1	\$115.6	1.0%	3.1%
Coos	\$96.8	\$97.0	0.8%	0.3%
Crook	\$56.4	\$55.1	0.5%	-2.4%
Curry	\$37.5	\$34.3	0.3%	-8.4%
Deschutes	\$671.7	\$713.9	6.0%	6.3%
Douglas	\$179.5	\$174.9	1.5%	-2.6%
Gilliam	\$3.5	\$3.3	<0.1%	-4.6%
Grant	\$9.5	\$10.5	0.1%	11.0%
Harney	\$9.8	\$9.4	0.1%	-3.9%
Hood River	\$67.1	\$68.6	0.6%	2.2%
Jackson	\$452.3	\$455.3	3.8%	0.7%
Jefferson	\$33.3	\$35.7	0.3%	7.2%
Josephine	\$128.9	\$128.1	1.1%	-0.6%
Klamath	\$93.3	\$97.5	0.8%	4.5%
Lake	\$9.9	\$10.3	0.1%	4.4%
Lane	\$829.0	\$836.1	7.0%	0.9%
Lincoln	\$84.5	\$88.4	0.7%	4.6%
Linn	\$217.6	\$233.5	2.0%	7.3%
Malheur	\$29.0	\$30.7	0.3%	5.9%
Marion	\$658.9	\$682.9	5.7%	3.6%
Morrow	\$18.5	\$20.8	0.2%	12.4%
Multnomah	\$2,360.8	\$2,425.1	20.4%	2.7%
Polk	\$175.3	\$178.6	1.5%	1.8%
Sherman	\$3.5	\$3.7	<0.1%	6.2%
Tillamook	\$58.6	\$54.7	0.5%	-6.8%
Umatilla	\$118.5	\$124.6	1.0%	5.2%

**Exhibit 47c Cont.—Distribution of Tax Liability by County and Selected Areas,
All Returns—Tax Years 2022 and 2023**

County or Area	2022 Total Tax Liability (\$ millions)	2023 Total Tax Liability (\$ millions)	2023 Share of Total Tax Liability	% Change in Total Tax Liability 2022 to 2023
Union	\$42.5	\$45.2	0.4%	6.4%
Wallowa	\$14.8	\$14.1	0.1%	-4.6%
Wasco	\$43.1	\$45.7	0.4%	6.1%
Washington	\$1,966.3	\$2,042.0	17.2%	3.9%
Wheeler	\$1.4	\$1.5	<0.1%	2.9%
Yamhill	\$240.8	\$251.8	2.1%	4.6%
Clark Co., WA.	\$250.0	\$254.8	2.1%	1.9%
Other Wash.	\$175.5	\$161.5	1.4%	-8.0%
California	\$106.1	\$88.2	0.7%	-16.8%
Idaho	\$53.6	\$52.3	0.4%	-2.4%
Other	\$424.7	\$386.5	3.3%	-9.0%
Total	\$11,660.5	\$11,877.8	100.0%	1.9%

**Exhibit 48—Average Adjusted Gross Income by County
Full-Year Resident Returns—Tax Year 2023**



**Exhibit 49—Average Tax Liability by County
Full-Year Resident Returns—Tax Year 2023**

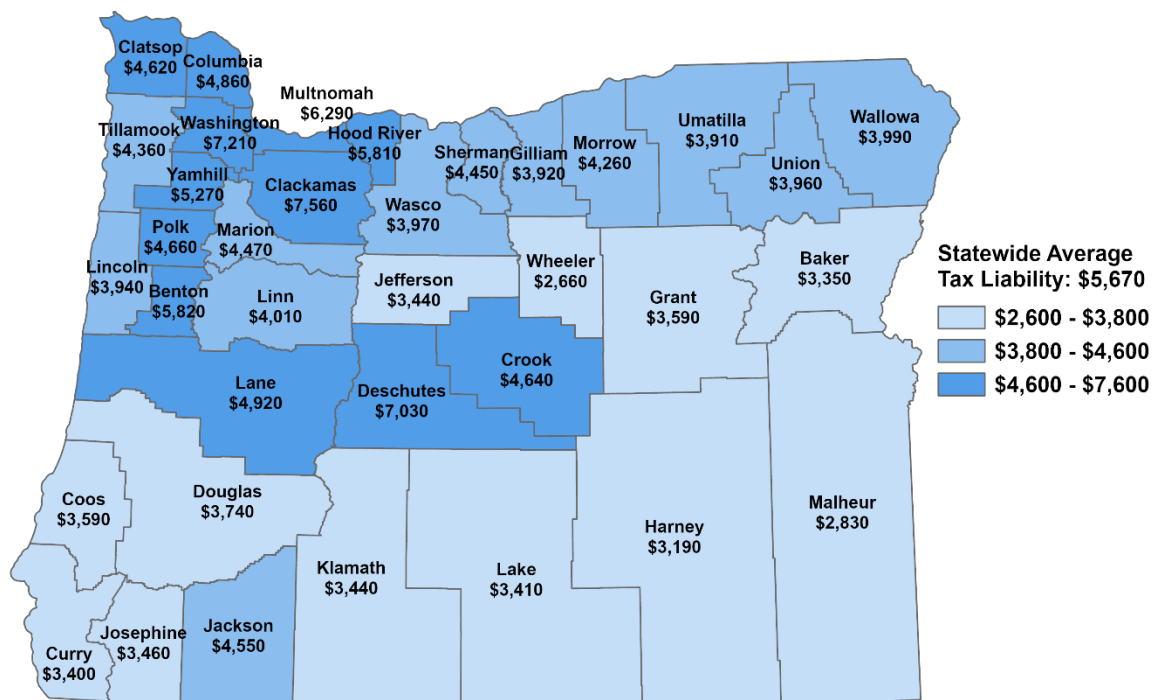
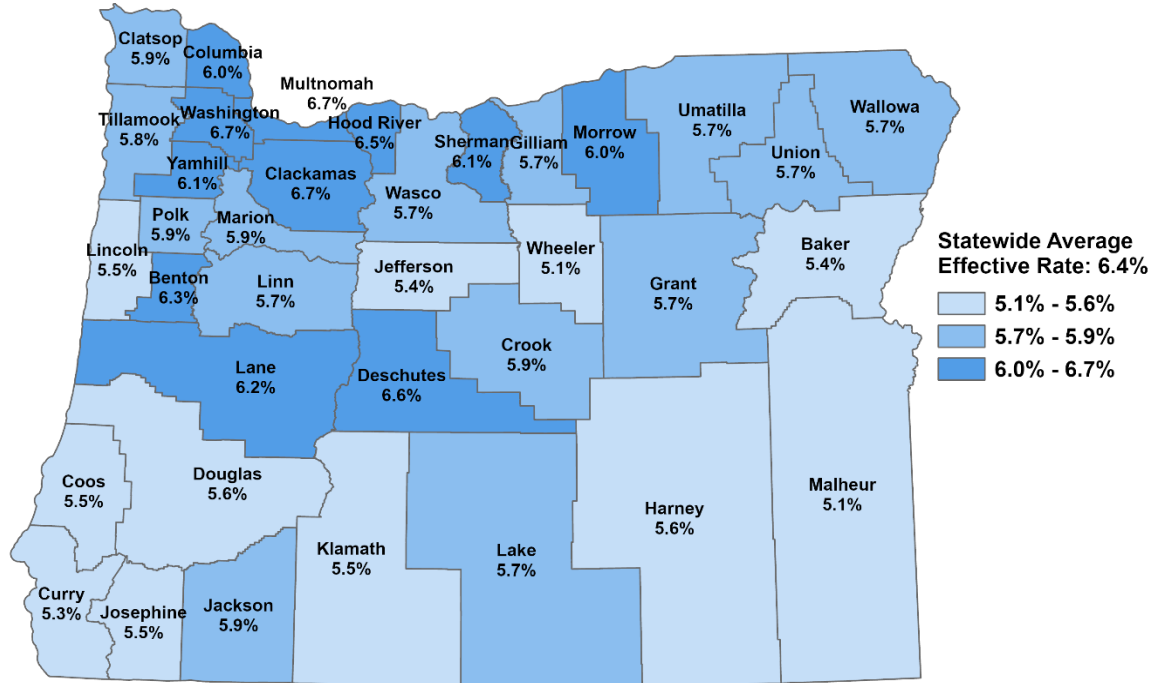
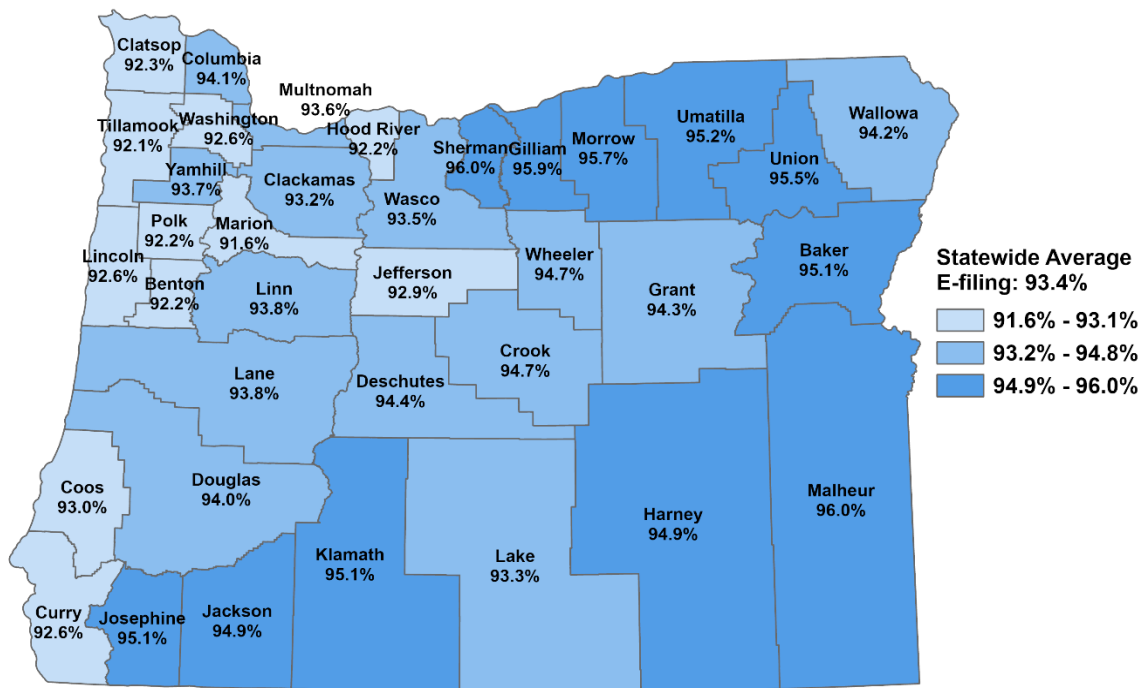


Exhibit 50—Effective Tax Rate* by County Full-Year Resident Returns—Tax Year 2023



*Effective tax rate using Oregon AGI. See page 31.

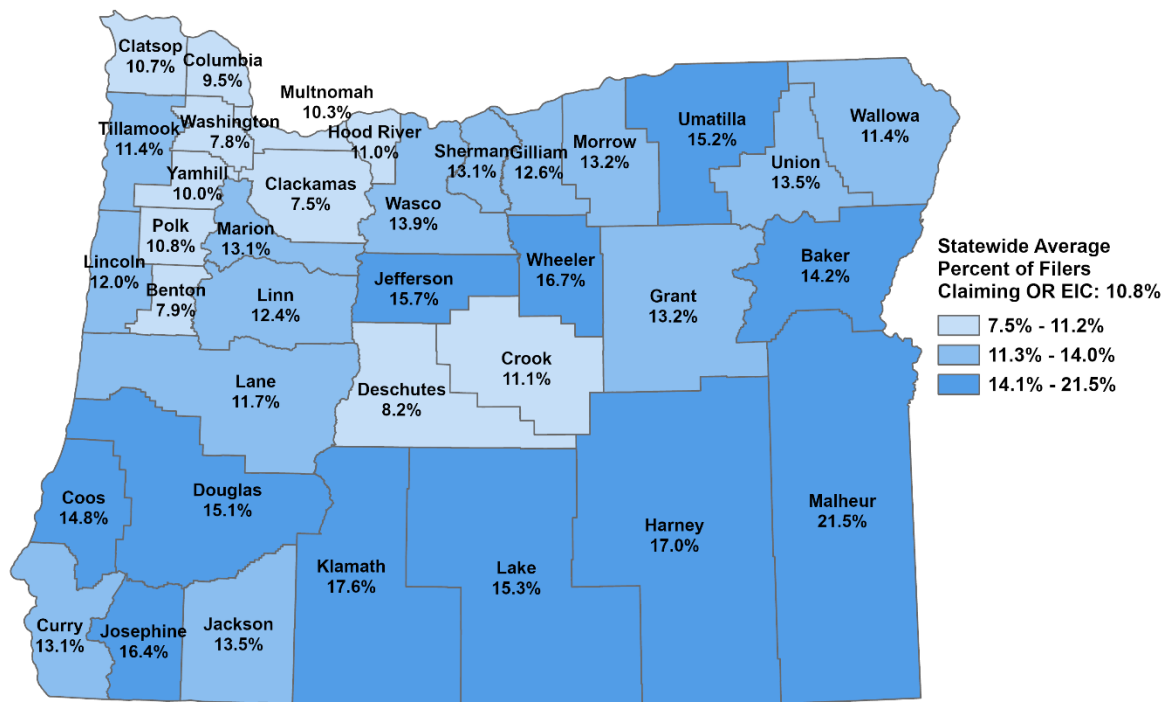
Exhibit 51—Electronic Filing Rate by County Full-Year Resident Returns—Tax Year 2023



Section IV: Characteristics of Filers

The map in Exhibit 52 shows the percentage of filed full-year resident returns claiming the Oregon earned income credit (EIC) for each county. The counties with the highest percentage were Malheur (21.5 percent), Klamath (17.6 percent), and Harney (17.0 percent). The counties with the lowest percentage of returns claiming the Oregon EIC were Clackamas (7.5 percent), Washington (7.8 percent), and Benton (7.9 percent).

**Exhibit 52—Oregon Earned Income Credit (EIC) Claim Rate* by County
Full-Year Resident Returns—Tax Year 2023**



*Claim rate is the percentage of filed full-year resident returns in a given county claiming the Oregon EIC.

Two Percent Surplus Refund (Kicker) History

The 1979 Oregon Legislature passed the “Two percent **kicker**” law, which requires the state to refund excess revenue to **taxpayers** when actual General Fund revenues exceed the forecast amount by more than 2 percent.

Unlike individuals, corporations do not receive a kicker refund. With the passage of Measure 85 in 2012, corporation kicker amounts go to the State School Fund to provide additional funding for K-12 public education, beginning with the 2013-15 biennium. The information included here pertains only to the personal income tax kicker.

Before 1995, taxpayers claimed the refund via a tax credit on the Oregon return for the calendar year that included the date on which the biennium ended. For example, actual revenues exceeded the forecast amount for the 1987–89 biennium, which ended on June 30, 1989, so taxpayers claimed the credit on their tax year 1989 returns. Although actual revenues again exceeded the forecast amount two years later, the Legislature voted to suspend the kicker for the 1989-91 biennium.

The 1995 Oregon Legislature decided to issue taxpayers a check for the refund instead of having taxpayers claim a tax credit on the Oregon return. The amount of the refund was based on tax liability after credits for the first full calendar year of the biennium. The 2007 Oregon legislature changed the basis of the refund to tax before credits. This change particularly increased refunds to filers with large credits relative to their pre-credit liability, especially taxpayers claiming credits for taxes paid to other states. In 2009, the Legislature based the refund on tax before credits except for the credit for taxes paid to another state.

In 2011, the Legislature changed the refund mechanism for the kicker from a refund check back to a credit claimed on the Oregon return. Revenue for the 2021-2023 biennium exceeded the forecast by \$5,619 million, resulting in a refund of 44.28 percent of the taxpayer’s 2022 liability after the credit for taxes paid to another state but before other credits. Taxpayers claimed this kicker refund as a refundable credit on their 2023 tax return.

Exhibit 53 on the following page shows the history of the personal income tax kicker since its inception in 1979.

Appendix A: Two Percent Surplus Refund (Kicker) History

Exhibit 53—Personal Income Tax Kicker History* Biennia 1979-81 to 2021-23

Biennium	Tax Year	Surplus or Shortfall (\$ millions)	Credit or Refund (% of tax liability)
1979-81	1981	-\$141	None
1981-83	1983	-\$115	None
1983-85	1985	\$89	7.70%
1985-87	1987	\$221	16.60%
1987-89	1989	\$175	9.80%
1989-91	1991	\$186	Suspended
1991-93	1993	\$60	None
1993-95	1994/5	\$163	6.27%
1995-97	1996/7	\$432	14.37%
1997-99	1998/9	\$167	4.57%
1999-01	2000/1	\$254	6.02%
2001-03	2002/3	-\$1,249	None
2003-05	2004/5	-\$401	None
2005-07	2006/7	\$1,071	18.60%
2007-09	2008	-\$1,113	None
2009-11	2010	-\$1,050	None
2011-13	2012	\$124	None
2013-15	2014	\$402	5.60%
2015-17	2016	\$464	5.60%
2017-19	2018	\$1,688	17.17%
2019-21	2020	\$1,898	17.34%
2021-23	2022	\$5,619	44.28%

*2025 Oregon Public Finance: Basic Facts, Research Report #1-25, Legislative Revenue Office.

<https://www.oregonlegislature.gov/lro/Documents/Basic%20Facts%202025.pdf>

Data Validation and Statistical Reporting

Information presented in this publication comes from tax year 2023 Oregon personal income tax returns the Oregon Department of Revenue (DOR) received during calendar year 2024. If an amended return for tax year 2023 was received by December 2024, any information from the amended return that changed from the original return is used in the data for the publication. Original or amended returns received later than December 2024 are not included.

Aside from initial adjustments made during return processing, data from audit activity is not included nor accounted for. The department uses considerable data validation to maintain the accuracy of reported information and ensure the internal consistency of individual returns.

Data Validation

Most returns are filed electronically and are initially processed by the DOR computer system automatically. Paper returns, whether submitted with or without a 2-D barcode, are scanned by an imaging system, which went online in late 2018. The imaged version of paper returns is used to retrieve tax information. For paper returns that cannot be read properly by the scanning system, the tax return information must be entered manually. During the initial processing of all returns, returns with errors are identified.

Some of the errors will result in letters to taxpayers or some human intervention to make corrections before final processing. Following return processing, there are additional data checks to identify returns that are not internally consistent. In many cases, the physical returns are inspected to find systematic errors and encode data handling rules for those returns.

To the extent possible, the Research Section modifies inconsistent data in a manner believed to correct errors on the returns. The data handling procedures used for this report are not connected with other DOR business. Examples of the data handling procedures include:

- If the return reports a tax liability that is incorrect given the reported income and tax rates, the reported amount is replaced with the corrected amount.
- If the amount reported for the total of nonrefundable credits exceeds the amount of pre-credit tax liability, the amount used for each credit is calculated by proportionally reducing those credits, so their sum equals the pre-credit tax liability.
- The city reported in the address on a return is screened for spelling and corrected as appropriate. (Reported cities do not always match with officially incorporated cities.)
- If a line on a return is blank, the associated value is set to zero.
- If the date of birth would make a filer's age unreasonable, the age is set to missing. (Age is the taxpayer's age on July 1 of the tax year to match Oregon population data).

If an amount on a return is computed based on other line items (e.g., tax liability depends on income, subtractions, credits, etc.) and data handling alters the line items on which it depends, the amount is recomputed.

Statistical Reporting

Following the finalization of the data handling, the DOR Research Section creates statistical summaries. All summaries are derived from the complete database of returns; they are not based on statistical samples. Means, sums, percentages, etc. are computed using their simple arithmetic definitions (computations are performed using SAS and Excel).

The following are the general rounding guidelines used in this report – return counts to the nearest multiple of 10, total dollar amounts to the nearest \$0.1 million, average dollar amount to the nearest multiple of \$10, and percentages to the nearest 0.1 percent. Due to rounding, the sum of separate quantities may not correspond exactly to some totals.

For summaries associated with claims of certain adjustments, additions, subtractions, or credits, zeros in the data are excluded when calculating means (except as noted). A return is counted as claiming the item if the associated amount is non-zero.

In tables summarizing amounts by AGI quintile, ranking is used to determine in which quintile each return is placed. Due to ties in ranks, the number of returns represented by each quintile may differ slightly.

Additions. Income not taxed by the federal government but taxed by Oregon and federal deductions from AGI that Oregon does not allow.

Adjusted gross income (AGI). *See Federal adjusted gross income or Oregon adjusted gross income.*

Adjustments. Deductions from income subject to federal tax, such as IRA contributions, student loan interest, medical savings account contributions, moving expenses, one-half of self-employment taxes, self-employed health insurance premiums, self-employed SEP contributions, penalties on early withdrawal of savings, alimony paid, certain business expenses, and health savings account contributions. Adjustments are subtracted from total federal income to compute AGI; reported on federal Form 1040, Schedule 1.

Biennium. The period of two fiscal years for which the state budgets are determined. For example, July 1, 2021, to June 30, 2023, is referred to as the 2021–2023 biennium.

Business income. Profit or loss from sole proprietorship business (not partnership and corporate income). Reported on federal Schedule C. *See also Sole proprietorship.*

Capital gains. For tax years 1986 and earlier, this figure indicates the amount after the 60 percent capital gains exemption. Beginning with tax year 1987, this figure indicates 100 percent of the net capital gains. Reported on federal Schedule D.

Charitable checkoff donations. Optional donations by which taxpayers may designate all or part of a tax refund as a contribution to a charity or charities as

listed on Schedule OR-DONATE.

Credits. Total amount of tax credits. Includes personal exemption credit, Oregon earned income credit, working family household and dependent care credit, retirement income credit, credit for elderly and disabled, child and dependent care credit, political contribution credit, credit for taxes paid to another state, and other credits. *See also Earned income credit, Exemption tax credit, Federal earned income credit, Federal education credits, Oregon earned income credit, Personal exemption credit, Retirement income credit, or Working family household and dependent care credit.*

Deductions (itemized or standard). Taxpayers may reduce the amount of taxable income by the greater of the standard deduction or their itemized deductions. For 2023, the standard deduction amounts are \$2,605 for a single filer, \$4,195 for a taxpayer filing as head of household, and \$5,210 for a joint filer. Itemized deductions include deductions for medical expenses, property taxes, home mortgage interest, and gifts to charity.

Earned income credit. *See Federal earned income credit or Oregon earned income credit.*

Effective tax rate. Tax liability divided by taxable income or adjusted gross income.

Exemptions (number of). Total number of exemptions claimed (self, spouse, and dependents plus special exemptions for severely disabled adults and disabled children). Individuals who are claimed as dependents on their parents' returns but who receive separate income claim zero

exemptions on their own returns. *See also Exemption credit.*

Exemption credit. A credit for each exemption claimed on a return, subject to AGI limitations and indexed for inflation. In 2023, the exemption credit was \$236 per exemption.

Farm income. The amount of farm income reported on federal Schedule F. It does not include the farm income of any farm operated as a partnership or corporation. *See also sole proprietorship.*

Federal adjusted gross income (Federal AGI). Total income subject to federal tax minus federal adjustments. For full-year returns, Oregon AGI equals federal AGI.

Federal earned income tax credit (EITC). A federal, refundable income tax credit for low-income working taxpayers. The amount depends on income and the number of dependent children. *See also Oregon earned income credit.*

Federal income. The gross income people receive from all sources that is not exempt from federal income tax. *See also Gross income.*

Federal income tax subtraction. An Oregon subtraction for federal income tax liability. For 2023, the deduction is limited to \$7,800 per return (half if married filing separately) and phased out for higher-income taxpayers.

Federal pension income subtraction. The portion of federal pension income earned before October 1, 1991 that can be subtracted from AGI on the Oregon return.

Filer. An individual who files a personal income tax return. A return is associated with only one filer. For joint returns, the

person listed first on the tax return is the filer.

Full-year resident (FY) returns. Returns filed by full-year Oregon residents (Form OR-40).

Gross income. All income people receive in the form of money, goods, property, and services that is not exempt from federal income tax, including any income from sources outside the United States.

Head of household. Filing status available for unmarried individuals who furnished over half of the cost of maintaining a household for the entire year for at least one qualifying dependent.

Interest on installment sales. Interest on deferred tax on income from certain property sold using the installment method. Added to Oregon tax before credits.

J Tax Brackets. The tax brackets that are used to compute tax for taxpayers with filing statuses married filing jointly, head of household, and qualifying surviving spouse. The income breakpoints for the J brackets are twice that of the S brackets.

Joint. Filing status. *See also Married filing jointly and Registered domestic partners (RDP).*

Kicker. *See State surplus refund.*

Married filing jointly. Filing status available for married couples. The married couple files one return representing the combined income of the two spouses.

Married filing separately. Filing status available for married individuals. Each married individual files a separate return.

Miscellaneous income. Positive and negative income reported on the federal

return as alimony, unemployment, farm, state tax refunds and other income.

Net federal tax. The sum of basic federal tax, alternative minimum tax, tax on IRAs, and other income taxes, minus federal tax credits.

Nonresident (NR) returns. Returns filed by individuals with income earned in Oregon whose permanent homes (domiciles) were outside Oregon for the entire tax year (Form OR-40-N).

Oregon adjusted gross income (Oregon AGI). For full-year resident filers, Oregon AGI is the same as federal AGI. Generally, for nonresidents, Oregon AGI is the component of federal AGI that comes from Oregon sources. For part-year residents, Oregon AGI is the components of federal AGI that come from all sources while a resident of Oregon and any components of federal AGI that come from Oregon sources while a nonresident. *See Federal adjusted gross income.*

Oregon Kids Credit A refundable credit available for low-income taxpayers with dependent age five or younger on their Oregon tax return. In 2023, the maximum amount of the credit is \$1,000 per dependent age 5 or younger with a total maximum amount of \$5,000.

Oregon earned income credit (EIC). A refundable credit equal to a percentage of the federal EITC amount. In 2023, the credit was 12 percent of the federal EITC for taxpayers with a dependent under the age of three, and 9 percent for all others. *See also Federal earned income tax credit.*

Oregon medical subtraction for elderly. A subtraction of up to \$1,800 in eligible

medical expenses per taxpayer or spouse who meets the minimum age requirement, subject to income limitations that are not indexed for inflation. The minimum age was 66 for 2021.

Other income. Income or losses reported on the “other income” line of the federal return. It is derived from a variety of sources such as gambling winnings, activity not for profit, canceled debts, net operating losses, etc.

Pass-through entity (PTE). For purposes of this publication, a business that is typically formed as a partnership or S corporation or treated as such for tax purposes. The income of the business is “passed through” to the partners/shareholders and taxed through the personal income tax. *See also Sole proprietorship, Partnership, and S corporation.*

Partnership. A partnership is a relationship between two or more persons who join to carry on a trade or business, with each person contributing money, property, labor, or skill and each expecting to share in the profits and losses of the business whether or not a formal partnership agreement is made. A partnership does not pay tax on its income but “passes through” any profits or losses to its partners. Partners must include partnership items on their tax or information returns. *See also Pass-through entity.*

Part-year (PY) resident returns. Returns filed by individuals who permanently moved either into or out of Oregon during the tax year (Form OR-40-P).

Qualifying surviving spouse Filing status available for unmarried individuals whose spouse died during the previous two years,

who did not remarry in the current tax year, and who have a child that can be claimed as a dependent.

Quintile (income). A subset of a database that contains 20 percent of all records and is determined by arranging the records from the lowest income to the highest income and then dividing the database into five equally sized subsets.

Registered domestic partners (RDP). Couples who are not married but are registered as domestic partners under Oregon law. RDPs are considered to be married individuals and are not eligible to use the single filing status on an Oregon return. RDPs must complete a federal return as if they were filing as married taxpayers filing jointly or separately and submit it with their Oregon return.

Retirement income credit. A nonrefundable credit that is not indexed for inflation, for filers who meet income and age requirements and have income from pensions, annuities, IRAs, or deferred income compensation plans. Taxpayers 62 or older may qualify. Household income may include nontaxable income; limits are \$45,000 for joint filers and \$22,500 for all others.

Return. A form filed by a taxpayer to report their income and tax. This may refer to the physical or electronic form submitted by the taxpayer. Once the information from the return is entered into the system, this information at the taxpayer level is also referred to as the return. In this publication, this term is used most often to refer to an Oregon personal income tax return.

Returns (number of). The number of returns filed.

S corporation. Refers to corporations electing to be taxed under Internal Revenue Code subchapter “S.” S corporations are pass-through entities, in which the corporation’s income and losses are “passed through” to the S corporation’s shareholders, where they are taxed as personal income. A corporation qualifying under Subchapter S can have no more than 100 shareholders, who must be U.S. citizens or residents. *See also Pass-through entity.*

S Tax Brackets. The tax brackets used to compute tax for taxpayers with filing statuses single and married filing separately.

Single. Filing status for unmarried individuals who do not qualify as head of household or a qualifying surviving spouse.

Sole proprietorship. A business that is owned and run by an individual. With a sole proprietorship, the individual and business are the same. *See also Business income, Farm income, and Pass-through entity.*

Social Security income (federally taxable). Oregon does not tax Social Security income. The taxable portion of Social Security from the taxpayer’s federal return is included in Exhibit 23. The Social Security subtraction is reported in Exhibits 28 and 29.

State surplus refund (kicker). A refund of excess revenue when revenues collected for the biennium are more than two percent higher than was forecast at the time the budget was adopted.

Subtractions. Income that is taxed by the federal government but not taxed by Oregon and Oregon deductions from AGI that are not allowed federally.

Tax Cuts and Job Act (TCJA). The common name of Public Law 115-97, an act passed by Congress at the end of 2017. The TCJA made some major changes to the federal income tax beginning in tax year 2018. With Oregon's connection to the federal income tax, the effect of some of these changes flows through to Oregon's personal income tax. Some examples of these changes with flow-through effects are limitations or eliminations of several federal adjustments and itemized deductions.

Tax due. Amount of remaining tax owed after subtracting tax credits and payments, which include withholding and estimated payments.

Tax filer. *See Filer.*

Tax liability. The amount of tax owed by a taxpayer before accounting for any payments made by the taxpayer. It is the total tax reduced by non-refundable credits and further reduced by any portion of refundable credits, up to the amount of remaining tax.

Taxpayer(s). An individual or individuals represented by a return. In the case of joint returns, there are two taxpayers represented: the filer and the spouse (or registered domestic partner). Dependents listed on taxpayers' returns are not considered taxpayers unless they file their own Oregon personal income tax return.

Tax withheld. Payments of tax withheld by employers from salaries and wages. The amount withheld is based on wages earned during the pay period and the number of withholding allowances claimed. Tax may also be withheld from other income sources such as pensions and IRA distributions.

Taxable income. Oregon AGI plus additions, minus subtractions, minus allowable deductions. The amount of income subject to Oregon tax. Set to zero if negative.

Taxable pensions. Category of income that includes taxable pension income, federally taxable Social Security income, and taxable IRA distributions.

Total tax. The amount of Oregon tax computed from taxable income using the current tax rates before tax credits are subtracted. For some filers, total tax includes tax related to interest on installment sales, farm income averaging, farm capital gains taxed at five percent, or income from qualified sole proprietorships or pass-through entities taxed at reduced rates.

Working family household and dependent care credit. A refundable credit that is available to low-income families with qualifying dependent care expenses. The amount is based on AGI, expenses paid, and household size.

