2018 OREGON PY INSTRUCTIONS

INCOME

OREGON INCOME TAX REFUND:
Oregon **does not tax** federally taxable refunds of its own state income tax. Oregon **does tax** federally taxable refunds of other states' income taxes. The federally taxable amount of all state tax refunds flows automatically to form 40P, line 10, federal column. Oregon statute requires that if a taxable amount of OR tax refund is included in the federal column, the same amount must also be included on line 10 in the state column. Input the taxable OR income tax refund as follows:

OR return > Income Subject to Tax > OR portion of State & Local Income Tax Refund.

However, a subtraction of the federally taxable OR refund is needed, since it isn't taxed by OR.*(SEE SUBTRACTIONS [Code 325]).

INCORRECT OREGON WAGES ON W-2
Oregon wages automatically flow from W-2 entries to the OR40P. If wages inaccurately reported on W2:

a) TP gets a corrected W-2 from employer which is used to prepare or amend the return.
b) TP can't get a corrected W-2:
  1. Employer provides other written documentation of corrected wages. Enter the corrected information and e-file the return. TP keeps a copy of the documentation in case questioned later.
  2. Employer refuses company out of business, etc. Figure correct amount of OR wages. Use OR P17 for info or the OR40P instructions. Enter the correct OR income and efile the return. Ensure that the TP understands & agrees with the calculations. Give the TP the calculation paperwork for his records in case questioned later.

EXCLUSION OF WAGES FROM OREGON INCOME FOR DAM WORKERS (Bonneville, McNary, John Day, & the Dalles only).
Ensure the TP meets the criteria to claim the exclusion as required in OR P.17. If eligible:

OR return > Basic Information > Special Processing> Drop-down list > DAM WORKER.

Only wages received while a NR are excludable from Oregon income. Usually, the state section of the W-2 will separate out wages earned while an OR resident and wages earned while an OR NR (WA resident).
If this is the case, your W-2 OR income & withholding entries will automatically flow correctly to the OR 40P.

If the state section of the W-2 does not separate the wages earned by state, figure the amount of wages earned while an OR NR in one of the following ways, and exclude only these from OR income.

1. Figure the exclusion amount from paystubs, or, if not possible,
2. If TP is paid monthly:
   $\frac{\text{\# months worked at dam as a NR}}{\text{total \# months worked at dam}}$ X total dam income = exclusion amount, or,
3. If TP is paid more often:
   $\frac{\text{\# days worked at dam while a NR}}{\text{total \# days worked at dam}}$ X total dam income = exclusion amount, or
4. Use any other reasonable and defendable method to figure excludable wages.

Ensure that the TP understands and agrees with the calculations. Give calculations to TP for his records. Then enter calculated amount as follows:

OR return > Income Subject to Tax > Amount to adjust state wages pulled from federal return.

EXCLUSION OF WAGES FROM OREGON INCOME FOR WATERWAY WORKERS
Ensure the TP meets the criteria to claim the exclusion as required in OR P.17. If eligible:

OR return > Basic Information > Special Processing> Drop-down list > WATERWAY WORKER.

Only wages received while a NR are excludable from Oregon income. Usually, the state section of the W-2 will separate out wages earned while an OR resident and wages earned while an OR NR (WA resident).
If this is the case, your W-2 OR income & withholding entries will automatically flow correctly to the OR 40P.

If the state section of the W-2 does not separate the wages earned by state, figure the amount of wages earned while an OR NR in one of the following ways, and exclude only these from OR income.

1. Figure the exclusion amount from paystubs, or, if not possible,
2. If TP is paid monthly:

$$\frac{\text{\# months worked on the river as a NR}}{\text{total \# months worked on the river}} \times \text{total dam income = exclusion amount, or,}$$

3. If TP is paid more often:

$$\frac{\text{\# days worked on the river while a NR}}{\text{total \# days worked on the river}} \times \text{total dam income = exclusion amount, or}$$

4. Use any other reasonable and defendable method to figure excludable wages.

Ensure that the TP understands and agrees with the calculations. Give calculations to TP for his records. Then enter calculated amount as follows:

OR return > Income Subject to Tax > Amount to adjust state wages pulled from federal return.

SELF-EMPLOYMENT/BUSINESS INCOME [Loss is Out of Scope] * (See ADUSTMENTS: SE Tax. See ADDITIONS: PASS-THRU DEDUCTION).
Oregon taxes PY residents on all SE income while an OR resident as well as on all SE income derived from Oregon business activities (Oregon source business income) while a NR.

A) The TP has detailed records of their business transactions, income, expenses, etc.

Step 1) Using the records, determine the amount of business income received from **all sources** while an OR resident and the amount of business expenses incurred while an OR resident.

Step 2) **OR resident business income - OR resident business expenses = OR resident net business income.**

Step 3) Using the TP's records, determine the amount of business income received from **OR source business activity** while an NR and the amount of business expenses incurred from **OR source business activity** while an NR.

Step 4) **OR NR business income - OR NR business expenses = OR NR net business income.**

Step 5) **OR resident net business income (Step1) + Oregon NR net business income (Step 4) = Total net business income taxable to OR.**

Step 6) OR Return > Income Subject to Tax > Oregon portion of Business Income or Loss. Enter the total from Step 5)

B) Without actual business records, invoices, or receipts, the TP will need to provide a reasonable estimate of how much of the gross business income claimed on Sch. C was received while an OR resident and how much was received from Oregon business activity while a NR. Adding these two figures together yields the **total gross business income taxable to OR.**

If the TP can also provide a reasonable estimate of how much business expense was incurred while an OR resident and how much was incurred in connection to Oregon business activity while a NR, total the two amounts to yield the **<u>total Oregon related business expense</u>**. Then:

<u>Total business income taxable to OR – total OR related business expense =</u> <u>Total net business income taxable to OR</u>. Enter this total:

OR Return > Income Subject to Tax > Oregon portion of Business Income or Loss

If the TP can't come up with a reasonable estimate of the business expense break down according to residency, but does provide a reasonable approximation of Oregon resident gross business income and Oregon nonresident gross business income from OR business activity, we can still find the Oregon portion of business income to input on the OR40P. This requires numerous steps:

<u>Here is the resident stuff that will be added to the nonresident stuff:</u>

Calculate **<u>the net business income while an OR resident</u>**. This is taxable to Oregon.

Step 1) Calculate the ratio of OR resident gross business income to total gross business income:

$$\frac{\text{OR resident gross business income}}{\text{Total gross business income}} = \textbf{OR resident business income percentage}.$$

Step 2) Find the amount of **<u>OR resident business expenses:</u>**

Total business expenses claimed on Sch. C x OR resident business income percentage (Step 1).

Step 3) Find the **<u>OR resident net business income:</u>**

OR resident business income (as provided by the TP) - OR resident business expenses (Step 2).

<u>Here is the nonresident stuff pertaining to OR business activity that will be added to the resident stuff:</u>

Calculate the **<u>net business income from OR business activities while a NR</u>**. This is taxable to OR.

Step 4) Find the **<u>NR business income percentage</u>**: 100% - OR resident business income percentage (Step 1).

Step 5) Find the **<u>total NR business expenses:</u>**

Total business expenses claimed on Sch. C x the NR business income percentage (Step 4).

Step 6) Find the percentage of NR business income from NR Oregon business activity.

$$\frac{\text{OR source NR business income}}{\text{Total NR business income}} = \textbf{\% of NR business income from OR business activity}$$

Step 7) Find the **<u>NR business expenses allocable to OR business activity:</u>**

Total NR business expenses (Step 5) x NR business income from OR business activity % (Step 6).

Step 8) Find the **<u>NR net business income from OR business activity:</u>**

NR business income from OR business activity (as provided by the TP) - NR business expenses allocable to OR business activity (Step 7).

Step 9) OR resident net business income (Step 3) + NR net business income from OR business activity (Step 8) = Total net business income taxable to OR.

Step 10) Enter as follows:

OR return > Income Subject to Tax > Oregon portion of Business Income or Loss

INTEREST AND DIVIDENDS: Interest & dividends from US savings bonds & T-bills are NOT taxable to OR, and they are not included as income on the 40P nor are they subtracted out. However, other interest & dividends reported on the federal return are taxable to OR if received while the TP was an OR resident. To that amount, if any, add interest & dividends from an OR business owned by the TP, or passed through to the TP from an S-corp. or partnership doing business in OR, while a NR. Include this income as follows:

OR Return > Income Subject to Tax > Oregon portion of Taxable Interest/Dividend Income

Interest or dividends from OR municipal bonds are **not** taxable to OR. However, **federally tax-free interest from bonds issued by states and municipalities *other than Oregon* is taxable to OR if received while the TP was an OR resident. These amounts are an addition to OR income** *(See ADDITIONS [Code 158]).

PENSION INCOME

1) REGULAR COMPANY PENSIONS: Oregon taxes pension distributions received while an OR resident.
 OR Return > Income Subject to Tax > Enter Oregon Portion of Pension & Annuities.
 Enter taxable pension distributions received while an OR resident
2) SOCIAL SECURITY INCOME: Not taxed by Oregon. TSO automatically handles.
3) RR RETIREMENT INCOME: Neither tier is taxed by Oregon.
 a) TIER 1 (RRB-1099 – Social Security equivalent) TSO automatically handles.
 b) TIER 2 (RRB – 1099-R- regular pension): ** (See SUBTRACTIONS [Code 330])
4) IRA DISTRIBUTIONS: Oregon only taxes IRA distributions received while an OR resident.
 OR Return > Income Subject to Tax > OR portion of IRA Distributions
5) FEDERAL PENSION INCOME: *(Also see FEDERAL PENSION SUBTRACTION [Code 307]).

Oregon only taxes those federally taxable pension distributions received while an OR resident. Figure the amount received while an OR resident and enter it as follows:

OR return > Income Subject to Tax > Enter the Oregon Portion of Pension & Annuities.

CAPITAL GAINS & THE SALE OF OREGON PROPERTY

Sale of TP's home: Oregon conforms to the exclusion from capital gain allowed on the federal return. (Loss on the sale of TP's home is not allowed on either the federal or the Oregon return).
Oregon income tax withheld from proceeds of the sale of TP's home is considered estimated tax paid.

Federal Return > Payments & Estimates > State Withholding > Estimated Payments
Enter in the appropriate field relative to when was the payment made or withheld.

Add the net capital gain/loss + capital gain distributions from OR sources while a NR to the net capital gain/loss + capital gain distributions from any source while an OR resident. The result is the total net capital gain/loss includable in OR income. (Net loss is limited to $3000). Enter as follows:

OR return > Income Subject to Tax > OR portion of Capital Gain or Loss.

UNEMPLOYMENT INCOME: Oregon taxes all unemployment received from all states while an OR resident plus Oregon unemployment received when a NR resident. Enter the total as follows:

OR return > Income Subject to Tax > OR portion of Unemployment and Other Income Received.

ALIMONY: Oregon only taxes alimony received while an OR resident. Enter as follows:

OR return > Income Subject to Tax > OR portion of alimony received.

<u>GAMBLING WINNINGS INCLUDING OREGON LOTTERY</u> *(See also MODIFICATIONS [Code 604] for gambling losses taken as an itemized deduction).

While an OR resident, OR taxes all gambling winnings of every kind **<u>except</u>** Oregon lottery winnings of $600 or less on a single ticket or play. While an OR NR, the only gambling winnings taxable to OR are OR lottery wins of more than $600 on a single ticket or play. Follow these 2 step directions:

Step 1: OR Return> Income Subject to Tax > OR Unemployment of Other Income
Enter **<u>all</u>** gambling winnings, including **<u>all</u>** OR lottery winnings won **<u>while an OR resident</u>** PLUS the total of **<u>all</u>** Oregon lottery winnings (even those of $600 or less) won **<u>while a NR</u>**.

Step 2: OR Return > Subtractions from Income > unused Other Subtractions >"Oregon lottery winnings" from the drop-down list > "Other Subtraction Amount to be Included in Oregon"
Enter into that box, the total of **<u>all</u>** Oregon lottery wins of $600 or less on a single play or ticket, won **<u>both</u>** while an OR resident and while a NR.

<u>AMERICAN INDIAN</u> [See SUBTRACTIONS Code 300]: Not taxable to OR if TP is an enrolled tribal member, lived in Indian country when income earned, and income is sourced in Indian country.

<u>ADJUSTMENTS</u> [See Cheat Sheet for important help in figuring the NR adjustments formula]

<u>ALIMONY:</u> Add the alimony paid while an OR resident to the allowable amount of alimony paid while a NR. Determine and enter the allowable NR amount using the formula and steps below:

a) Calculate and enter OR deduction. Use the following formula. Numerator includes only <u>**t*axable*** OR source income.</u> Denominator is **<u>total taxable income</u>** from 1040.

<u>OR source income while a NR</u> X Alimony paid while an NR = OR Alimony deduction while an NR
Total Income while a NR

b) Add this amount to the amount of alimony paid while an OR resident. Note the total.

c) OR return > Adjustments to Income Subject to Tax > OR portion of Alimony Paid: Enter b) total.

<u>EDUCATION DEDUCTIONS: STUDENT LOAN INTEREST + EDUCATOR EXPENSE</u>

A) STUDENT LOAN INTEREST: Add the student loan interest paid while an OR resident to the allowable amount of student loan interest paid while a NR. Determine and enter the allowable NR amount using the formula and steps below:

1: a) Manually calculate and enter OR deduction. Use the formula below. Numerator includes only **<u>t*axable* OR source income</u>**. Denominator is **<u>total taxable income</u>** from 1040.

<u>OR source income while a NR</u> X student loan interest = OR student loan interest deduction
Total Income while a NR paid while an NR while an NR

b) Add this amount to the student loan interest paid while an OR resident. Note the total

c) OR return > Adjustments to Income Subject to Tax > OR portion of Education Deductions. Enter the total noted in b).

<u>BUT if there are also EDUCATOR EXPENSES to deduct, read (B) below first….</u>

B) EDUCATOR EXPENSE: OR conforms to the federal requirements of minimum time worked and type of position to be eligible to take this adjustment, as well as the maximum qualified expense allowed. To figure and enter the OR deduction:

1. Combine all qualified educator expenses incurred <u>while an OR resident working anywhere</u> with all qualified educator expenses incurred <u>while a NR working at an eligible Oregon school</u>. Maximum of up to $250 of qualified educator expenses per eligible educator TP allowed.
2. If this is the only education deduction, OR return > Adjustments Subject to Tax > OR portion of Education Deductions: Enter the education expenses in the "Education Deductions" box.

<u>**BUT if TP also has STUDENT LOAN INTEREST to deduct, read (A) above first.**</u>

<u>HEALTH SAVINGS ACCOUNT</u>: Add the HSA contributions made while an OR resident to the allowable amount of HSA contributions made while an NR. Determine and enter the allowable NR amount using the formula and steps below:

a) Calculate and enter OR deduction. Use the formula below. Numerator includes only <u>**t*axable* OR source income**</u>. Denominator is <u>**total taxable income**</u> from 1040.

$$\frac{\text{OR source income while a NR}}{\text{Total Income while a NR}} \times \text{HSA contributions made while an NR} = \text{OR HSA deduction while an NR}$$

b) Add this amount to the total HSA contributions made while an OR resident. Note the total.
c) OR return > Adjustments to Income Subject to Tax > OR portion of HSA Deduction. Enter the total noted in b).

<u>IRA CONTRIBUTIONS:</u> Oregon conforms to federal IRA contribution limits. Add the total IRA contributions made while an OR resident to the allowable NR amount. *<u>Taxable alimony received is considered earned income for the alimony adjustment formula</u>. Determine and enter the allowable NR amount using the formula and steps below:

a) Calculate and enter OR deduction. Use the formula below. Numerator includes only <u>**t*axable* OR source earned income**</u>. Denominator is <u>**total taxable earned income**</u> from the 1040.

$$\frac{\text{OR source } \textbf{earned} \text{ income while a NR}}{\text{Total } \textbf{earned} \text{ income while a NR}} \times \text{IRA contributions made while an NR} = \text{OR IRA deduction while an NR}$$

b) Add this amount to the IRA contributions made while an OR resident. Note the total.
c) OR return > Adjustments to Income Subject to Tax > OR portion of IRA Deduction. Enter b) total.

<u>PENALTY FOR EARLY WITHDRAWAL OF SAVINGS:</u> The same adjustment as taken on the federal return is allowed <u>only to the extent that the penalty relates to deposit account interest taxed by OR.</u>
OR return > Adjustments to Income Subject to Tax > OR portion of Penalty for Early Withdrawal of Savings

<u>SELF EMPLOYMENT TAX</u>: PY residents can take an adjustment for SE tax paid based on the ratio of SE income taxable to OR and total federally taxable SE income.
Determine and enter the allowable OR SE Tax adjustment using the formula and steps below:

a) Calculate and enter the OR deduction. Use the formula:

$$\frac{\text{SE earnings } \textbf{taxed} \text{ by OR}}{\text{Total } \textbf{taxable} \text{ SE earnings}} \times \text{Federal SE tax deduction} = \text{Oregon SE tax deduction}$$

b) OR return > Adjustments to Income Subject to Tax > OR portion of Self-Employment Tax
c) Enter the amount calculated in a).

SUBTRACTIONS

OREGON INCOME TAX REFUND [Code 325]
While Oregon does not tax federally taxable refunds of its own state income tax, Oregon does tax federally taxable refunds of other states' income taxes. However, since Oregon doesn't tax its own state income tax refunds, a subtraction of Oregon income tax refund included in OR income is needed.

OR return > Subtractions from Income > unused Other Subtractions > Oregon Income Tax Refund.

***In both* the Oregon and the Federal boxes,** enter the amount of the **Oregon** tax refund that was taxable on the federal return.

FEDERAL PENSION INCOME SUBTRACTION [Code 307]: Subtraction allowed ONLY if some or all federal service was before 10/1/1991 AND is not a disability pension (1099-R, Box 7, Code 3). If pension is eligible….

Step 1: Open TY2018 Aids on the Task Bar > Calculators > Oregon Federal Pension Subtraction Calculator. It calculates the ratio of months of federal service before 10/1/1991 to total months of federal service. Once calculated, the percentage is the same for as long as the pension is paid out. Enter the information as appropriate. Press Calculate. Note the result.

Step 2: While an OR resident, federally taxable pension distributions received are taxable to OR, and have been already been entered as Income Subject to Tax in the State section. Use the percentage from Step 1 and complete the following worksheet to see how much should be entered as subtractions to income in the Federal & Oregon boxes in TSO.

Here's the worksheet:

Federal column entry

1. Federal pension included in the Federal column of 40P, line 16F ____________
2. OR Federal Pension Subtraction % ____________
3. Multiply line 1 by line 2 ____________ Enter this amount in the Federal Box

Oregon column entry

1. Federal pension included in the OR column of OR 40P, line 16 ____________
2. OR Federal Pension Subtraction % ____________
3. Multiply line 1 by line 2 ____________ Enter this amount in the Oregon Box

OR Return > Subtractions from Income Subject to Tax > Federal Pension Subtraction > Amount of Pension eligible for the Federal Pension Income Subtraction. Enter the calculated subtractions in the boxes.

FEDERAL INCOME TAX LIABILITY: Handled by TaxSlayer.

RR RETIREMENT BOARD BENEFITS TIER 2 (RRB 1099-R) [Code 330] Not taxable to OR.

OR return > Subtractions from Income > Other Subtractions > RR Retirement Board Benefits.

Enter the Tier 2 benefits that were taxable on the federal return.

SCHOLARSHIP AWARDS USED FOR HOUSING EXPENSES: [Code 333] Oregon allows a subtraction for scholarships used for housing expenses if the scholarship was taxable on the federal return.

OR return > Subtractions from Income > Other Subtractions > "Scholarship Awards used for Housing Expenses.". Enter the scholarship awards used for housing expenses that were federally taxable.

SPECIAL OREGON MEDICAL SUBTRACTION (SOMS) [Code 351]: Can be taken on the OR return for a TP age 64 or older on 12/31/17 who has out-of-pocket, unreimbursed medical expenses. If the TP is eligible for the special OR medical subtraction, complete a 1040 Sch. A even if the standard deduction is better for the TP on the federal return.

Overview: Basically allows a subtraction of all or some of the eligible TP's unreimbursed medical expenses. If Sch. A is used, the subtraction is the lesser of eligible TP's allowable percentage of medical expenses disallowed for deduction from Sch. A, line 3 (7.5% of AGI is expense for which no tax benefit is received) or the maximum allowable medical subtraction from the table in OR Pub 17/ OR 40P. If Sch. A isn't used, the subtraction is the lesser of the eligible TP's total unreimbursed medical expenses or the maximum allowable medical subtraction from the table in OR Pub 17/OR 40P.

(8)

To determine the allowable SOMS, use the SOMS calculator on the Google drive, the worksheet in OR Pub 17/ OR 40P, or TSO. Here are the TSO instructions:

Step 1) Total each eligible TP's eligible out-of-pocket, unreimbursed medical expenses.
Step 2) OR Return > Subtractions from Income > Special Oregon Medical Subtraction > Enter the medical expenses from Step 1 for each eligible TP into the appropriately marked box.

TSO should correctly calculate the SOMS for each eligible TP. If both spouses are eligible for the subtraction, their individual allowable subtractions are added together, and the total entered on the OR-ASC-NP, Section 3, in both the Federal and the State columns.

To check the accuracy of the calculations from any of these, manually calculate the SOMS.
To calculate manually:

Step 1) Total each eligible TP's out-of-pocket, unreimbursed medical expenses.
Step 2) Divide the total out-of-pocket, unreimbursed medical expenses of each eligible TP by the total medical expenses from line 1, Sch. A, to get a medical expense ratio for each qualifying TP.
Step 3) Multiply the disallowed medical expense (7.5% of AGI) on line 3,Sch. A, by the percentage from Step 2) for each eligible TP.
Step 4: For each eligible TP, compare the figure from Step 3 with the maximum allowable SOMS amount from the table in OR Pub 17, which is based on federal filing status and AGI. Choose the lesser of the two amounts. Note the amount.
Step 5: If there are 2 eligible TPs, add together the allowable SOMS found in Step 3. Note the total.
Step 6) OR Return > OR-ASC-NP, Section 3, Code 351. SOMS entry should match the manually calculated SOMS figure and be entered in both the Federal and the Oregon columns.

AMERICAN INDIAN: [Code 300]: If TP meets all qualifications, > OR Return > Subtractions from Income >Tribal Exempt Income Subtraction Sch. OR-EIS. Answer all questions in both the Tribal Information and the Exempt Income sections for each TP claiming OR exemption from income tax for qualified earnings

ADDITIONS [reserved]

INTEREST ON STATE AND LOCAL GOVERNMENT BONDS OUTSIDE OF OREGON [Code 158]
Federally tax-free interest from bonds issued by states and municipalities *other than* OR that is received while the TP was an OR resident, is taxable to OR only if received while the TP was an OR resident. To create the addition:

Federal return > Income > Interest & Dividends > Tax Exempt Interest > Taxable State Interest > Add Interest Items > State –Oregon > Enter the bond interest from states/municipalities other than OR.

MODIFICATIONS

GAMBLING LOSSES CLAIMED AS AN ITEMIZED DEDUCTION [Code 604]
To calculate the addition:

Step 1: Subtract the total of OR Lottery winnings of $600 or less on a single ticket or play (since these aren't taxable to OR) from the total of all gambling winnings taxable to OR. The result equals the net gambling winnings taxable to OR, which is the maximum that can be deducted as gambling loss on the OR return.

Step 2: Subtract the net gambling winnings taxable to OR from Step 1 (the maximum deductible gambling loss allowed as a deduction on the OR return) from the gambling losses claimed on Sch. A. The result is the disallowed excess gambling loss write-off taken on the federal return and carried to the OR return as part of itemized deductions.

Step 3: To add back in (or reduce) the amount of gambling losses included on the OR return:
OR return > Other Deductions > unused Other Deductions or Modifications > Gambling losses claimed as an itemized deduction > Other Deduction or Modification Amount. Enter the amount of disallowed excess gambling losses calculated in Step 2 as a NEGATIVE (-) number.

FOREIGN TAX: [Modification 603]: Should be the same as the foreign tax credit taken on the federal return; however, if federal AGI > $125K OR the foreign tax credit on the federal return + the federal tax liability shown on the OR return > $6550, refer to OR Pub 17 for reduction of modification instructions. Another option is to claim the foreign taxes paid as an itemized deduction on the federal return to avoid this limitation. Otherwise, >OR Return > Other Deductions > unused Other Deductions or Modifications > Foreign Tax. Enter the allowable amount as a negative number (-).

CREDITS

POLITICAL CONTRIBUTIONS: [Code 809] Can be to political party, a candidate to be voted on in OR, or a PAC certified in OR. Must be in money (not goods or services). Must be reduced by any "swag" received. Credit limited to $50 per TP on the return. Phase out at federal AGI >$200K MFJ.

OR > Credits > Standard Credits > unused Other Standard Credits > Political Contributions.
Enter amount contributed up to limitation.

RETIREMENT INCOME: [Code 811] TP must be 62 or older & receiving retirement income taxable to OR. Household income must be < $22,500 ($45,000 MFJ), Social Security &/or Tier 1 RR Retirement are less than $7500 ($15,000 if MFJ), and household income + Social Security and Tier 1 RR Retirement benefits is
less than $22,500 ($45,000 if married filing jointly).**See OR Pubs for worksheet to calculate allowable credit**

OR Return > Standard Credits > Other Standard Credits > Retirement Income > Enter amount.

EARNED INCOME TAX CREDIT: TSO automatically calculates this refundable credit.

EXEMPTION CREDIT: TSO handles automatically.
Exemption credit disallowed if the Federal AGI (Income – Adjustments) on OR 40P exceeds $100K if filing single or MFS or $200K if filing MFJ, HOH, or QW with dependent child.

WORKING FAMILY HOUSEHOLD & DEPENDENT CARE CREDIT: [Code 895] TSO handles this refundable credit automatically. TP must have earned income for the year, and have paid for dependent care during

(9)

the year for one or more qualifying individuals so that TP or spouse could work or look for work. The caregiver can't be TP's spouse or any person TP claims as a dependent. If caregiver is TP's child, child must be 19 or older at the end of the tax year. TP cannot claim the same medical expenses as an itemized deduction AND as the basis for the WFHDC. TP must have filed federal form 2441 to claim the WFHDC credit on the OR40P. *See OR Pub 17 & WFHDC worksheet for additional important details.*

OR return > Credits > Refundable Credits > Do you qualify for the Oregon WFHDC Credit? > Yes/No.