

OREGON NON-RESIDENT WAGE ADJUSTMENT FOR DAYS NOT WORKED IN OREGON CHEAT SHEET

Use this guide to calculate the correct amount of OR wages to report as excluded from OR taxation when TP's W-2 incorrectly reports OR wages in Box 16. TP may telecommute or otherwise have worked regularly in both OR and WA. The idea is to see how much of the wages reported in Box 16 is actually attributable to work done in OR. We "pull" the amount NOT attributable to work done in OR from W-2 wages shown in Box 16.

Total # Paid days in 2024 = 262 (assumes TP worked all year in Oregon Monday – Friday). Note: the starting point for the calculation may be different for a given TP if they (1) didn't work in Oregon or year and/or (2) didn't work a standard Monday – Friday schedule.

STEP 1: Taxpayer info:

Total # days paid: _____

Minus # Paid vacation days _____

Minus # Paid sick days _____

Minus # Paid holidays _____

Equals Total # paid days actually worked everywhere _____ (A)

Total # paid days actually worked in Oregon * _____ (B) get from client

*Exclude vacation sick, or holidays falling on a normal OR work day

STEP 2: (B) divided by (A) = (C) Ratio of # of paid days actually worked in OR to total # paid days actually worked everywhere. **Carry to 3 rounded decimal places (eg., .2568 = .257 or 25.7%)**

STEP 3: W-2 Box 1 wages x (C) = (D) Wages correctly attributable to work performed in Oregon.

STEP 4: W2 Box 16 wages – (D) = adjustment required

Enter (D) in Taxslayer as follows:

- Oregon return > Income Subject to Tax > Amount to adjust state wages pulled from federal [W-2 Box 16 entries]

Check the wages in the Oregon column to be sure (D) is reflected .

Example: 262 Paid days in 2024;

25 Paid holidays/sick days/vacation days from taxpayer

237 paid days (worked somewhere (262 – 25)

78 paid days actually worked in Oregon per the taxpayer

W-2 Box 1 & Box 16 = \$36,000

- Wages taxable to Oregon: $78/237 = .329 \times \$36,000 = \$11,844$

- Adjustment required: $\$36,000$ (W2 Box 16) - $\$11,844 = \$24,156$

- Amount to adjust state wages pulled from federal (W-2 Box 16)

- Reported taxable wages to Oregon in the Oregon column, line 1 \$11,844

ALWAYS CHECK THE RETURN TO MAKE SURE THE CORRECT WAGES ARE REFLECTED.