

OREGON GAMBLING ADJUSTMENTS FOR RESIDENT AND NON-RESIDENT RETURNS

- All gambling winnings are taxable on the federal return. However, not all of those gambling winnings may be taxable to Oregon.
 - Oregon does not tax Oregon Lottery winnings of \$600 or less on a single ticket or play for Resident or Non-Residents.
 - Oregon does not tax Non-Residents on winnings from Oregon Tribal Casinos or for any winnings outside of Oregon. Winnings from Oregon Tribal Casinos ARE taxable to Oregon Residents as are all winnings from outside Oregon.
- On the federal return, gambling losses included as a Sch. A deduction can't be more than the gambling winnings reported as on Schedule 1, Part I line 8b.
- On the Oregon return, gambling losses included in itemized deductions can't be more than gambling winnings taxable to Oregon
- If the TP is both itemizing for Oregon and including gambling losses as an itemized deduction, an add- back to Oregon taxable income may be required. You cannot directly adjust Oregon Schedule A.
 - For Resident returns, the add back to Oregon taxable income is called an Addition [Code 134].
 - For Non-Residents, the add-back is called a Modification [Code 604]

See examples below for each residency status.

ON THE FEDERAL RETURN:

	<u>Winnings</u>		<u>Losses</u>
Washington Casino winning	\$ 600		
Oregon Tribal Casino winning	2000		
Oregon Lottery winnings:			
Ticket A	930		
Ticket B	550		
Ticket C	<u>300</u>		
TOTAL	\$4380	→ Sch 1, line 8b	\$4000 → Schedule A

OREGON CALCULATION FOR RESIDENT RETURNS

Total gambling winnings on federal return	\$4380	Carried to OR-40 line 7 as part of AGI
Non-taxable Oregon Lottery winnings (550+300)	<u>(850)</u>	Subtraction on OR return [Code 322]
Net gambling winnings taxable to Oregon	\$3530	

BUT there are now more losses on Oregon Schedule A than OR taxable winnings

Gambling losses on OR Schedule A	\$4000
Net Oregon taxable winnings	<u>(3530)</u>
Addition required [Code 134]	\$ 470

OREGON CALCULATION FOR NON-RESIDENT RETURNS

Total gambling winnings on federal return	\$4380	
Non-taxable Oregon Lottery winnings (550+300)	(850)	Subtraction on OR return [Code 322]**
Non-taxable Oregon Tribal Casino winnings (2000)	(2000)	
Non-taxable Wa Casino winning	(600)	

Net gambling winnings taxable to Oregon \$ 930

Oregon sourced Income (930+550+300)* \$1780 Oregon Return>Income subject to tax

* ALL Oregon Lottery winnings are reported as Oregon sourced income

** Subtraction required in both Oregon AND federal column for Oregon Lottery winnings <=\$600 on a single ticket or play.

BUT there are now more losses on Oregon Schedule A than OR taxable winnings

Gambling losses on OR Schedule A	\$4000
Net Oregon taxable winnings	<u>(930)</u>

Modification required [Code 604] \$3070