

2023 OR NR INSTRUCTIONS INDEX

INCOME

Oregon income tax refund	Page 1
Incorrect W-2 wages	Page 1
Interstate Air Carrier worker wage exclusion	Page 1
Dam worker wage exclusion	Page 2
AMTRAK worker wage exclusion	Page 2
Interstate Waterway worker wage exclusion	Page 2
Self-Employment & Business income	Page 2
Interest from U.S. Savings Bonds & Treasury Obligations	Page 3
Other interest & dividends	Page 3
Regular company pension income	Page 3
Social Security income	Page 3
RR Retirement Board income	Page 3
IRA distributions	Page 3
Federal pension income	Page 3
Capital gains & the sale of Oregon property	Page 3
Unemployment income	Page 3
Gambling winnings	Page 3
Scholarship awards used for housing expenses	Page 4
American Indian income	Page 4

ADJUSTMENTS:

Alimony paid adjustment	Page 4
Student loan interest adjustment	Page 4
Educator expenses adjustment	Page 4
HSA adjustment	Page 4
SEHI adjustment	Page 5
IRA contribution adjustment	Page 5
Penalty for early withdrawal of savings adjustment	Page 5
S/E tax paid adjustment	Page 5

SUBTRACTIONS

Oregon income tax refund	Page 5
Federal pension income subtraction	Page 5
RR Retirement benefits Tier 2	Page 6
Scholarship awards used for housing expenses	Page 6
Special OR Medical Subtraction (SOMS)	Page 6
Interest & Dividends from U.S. Savings Bonds & T-Bills	Page 6
American Indian income	Page 7
OR lottery winnings of \$600 or less on a single ticket or play	Page 7
Paid Leave Oregon (PFML)	Page 7

DEDUCTIONS

Itemized vs. Standard Deductions	Page 7
Federal Income Tax Liability	Page 7

MODIFICATIONS

Gambling losses claimed as an itemized deduction	Page 7
Federal income tax refund	Page 8
Foreign tax paid	Page 8

CREDITS

Earned income tax credit	Page 8
Earned income tax credit with ITIN	Page 8
Exemption credit	Page 8
Political contribution credit	Page 8
Retirement income credit	Page 9
Working Family & Dependent Care credit	Page 9
Oregon 529 College Savings Plan Contribution credit	Page 9
ABLE Account Contribution credit	Page 9
Oregon Surplus credit (Kicker)	Page 9
Oregon Kids Credit	Page 10

TY 2023 OREGON NONRESIDENT INSTRUCTIONS

INCOME

OREGON INCOME TAX REFUND

Oregon taxes other states' federally taxable income tax refunds. Oregon does not tax federally taxable refunds of its own state income tax. The federally taxable amount of all state income tax refunds automatically flows to form 40N, line 10F. Oregon statute requires that if a taxable amount of OR tax refund is included on the 40N on line 10F, the same amount must also be included on line 10S. Here's the data entry path to put the amount on line 10:

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

NOTE: Because the OR income tax refund is NOT taxable to OR, subtract out the federally taxable OR refund from both the OR & the federal columns. See SUBTRACTIONS [Code 325].

INCORRECTLY REPORTED OREGON WAGES ON W-2 Cheat Sheet Available

Oregon wages automatically flow from W-2 entries to the 40N in both the federal & OR columns.

If OR wages are inaccurately reported in Box 16 on the W-2:

a) TP should try to get a corrected W-2 from the 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 needed later.
2. Employer refuses company out of business, etc. Figure correct amount of OR wages using OR Pub 17 or the Wage Adjustment Cheat Sheet. Using the data entry path below, enter the amount to adjust OR wages. Ensure that the TP understands & agrees with the calculations. Give the TP the calculation paperwork for his records in case needed later. Make a note in TSO of how calculations were done.

c) NR telecommuters:

Wages entered from the W-2, Box 16 flow automatically to the 40N, income section, line 7. If these wages are incorrectly reported by the employer, they need to be adjusted to reflect OR tax law which states that NR telecommuters who work for an OR employer are only taxed on income earned from work performed in OR plus income from paid sick days, paid vacation days, and paid holidays.

Because you will be creating a discrepancy between the OR wages reported on the W-2 and the corrected OR wages that will be shown on the return, the TP is required to request a signed statement from the employer verifying the number of days worked in OR and the total number of days worked everywhere. To calculate the correct amount to adjust the OR wages, use OR Pub 17 or the Wage Adjustment Cheat Sheet. Once calculated, enter the amount to adjust OR wages using the following data entry path:

OR return > Income Subject to Tax > Amount to adjust state wages pulled from the federal return > enter \$

EXCLUSION OF WAGES FROM OREGON INCOME FOR INTERSTATE AIR CARRIER WORKERS

Oregon wages automatically flow from W-2 state entries to the 40N. For eligible NR's, wages from interstate air carrier jobs aren't considered OR source income and aren't taxed by OR. Before excluding wages from OR income, check the exclusion eligibility requirements in OR Pub 17. Then do this 2-step process:

OR Return > Basic Information > Special Processing> Drop-down list > mark AIR CARRIER WORKER

OR Return > Income Subject to Tax > Amount to adjust state wages pulled from the federal return > Enter the amount from the W-2, Box 16 (State wages).

EXCLUSION OF WAGES FROM OREGON INCOME FOR DAM WORKERS

(Bonneville, McNary, John Day, & the Dalles dams only).

Oregon wages automatically flow from W-2 state entries to the 40N. For eligible NR's, wages from dam worker jobs aren't considered OR source income and aren't taxed by OR. Before excluding wages from OR income, check the exclusion eligibility requirements in OR Pub 17. Then do this 2-step process:

OR Return > Basic Information > Special Processing> Drop-down list > mark DAM WORKER

OR Return > Income Subject to Tax > Amount to adjust state wages pulled from the federal return > Enter the amount from the W-2, Box 16 (State wages).

EXCLUSION OF WAGES FROM OREGON INCOME FOR CERTAIN AMTRAK ACT WORKERS

Oregon wages automatically flow from W-2 state entries to the 40N. For eligible NR's, wages from interstate Amtrak Act jobs aren't considered OR source income and aren't taxed by OR. Before excluding wages from OR income, check the exclusion eligibility requirements in OR Pub 17. Then do this 2-step process:

OR Return > Basic Information > Special Processing> Drop-down list > mark AMTRAK WORKER

OR Return > Income Subject to Tax > Amount to adjust state wages pulled from the federal return > Enter the amount from the W-2, Box 16 (State wages).

EXCLUSION OF WAGES FROM OREGON INCOME FOR WATERWAY WORKERS (Columbia & Snake rivers only).

Oregon wages automatically flow from W-2 state entries to the 40N. For eligible NR's, wages from interstate waterway jobs aren't considered OR source income and aren't taxed by OR. Before excluding wages from OR income, check the exclusion eligibility requirements in OR Pub 17. Then do this 2-step process:

OR Return > Basic Information > Special Processing> Drop-down list > mark WATERWAY WORKER

OR Return > Income Subject to Tax > Amount to adjust state wages pulled from the federal return > Enter the amount from the W-2, Box 16 (State wages).

SELF-EMPLOYMENT/BUSINESS INCOME Cheat sheet available (Also see S/E TAX ADJUSTMENT, later).

Net self-employment/business income is taxable to OR to the extent that it is OR source.

1. From TP's records, determine the amount of gross business income and how much of the business expense claimed on Sch .C are from OR business activities.
2. Subtract the OR business expense from the OR gross business income to get net OR source business income and enter it as follows:

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

If TP doesn't know how much business expense is attributable to OR business activity, calculate the ratio of OR source gross business income to total gross business income. Apply that percentage to the total business expense claimed on Sch. C to give you the OR portion of total business expense. Start with the formula:

1.
$$\frac{\text{OR source gross business income}}{\text{Total gross business income}} = \text{OR percentage (\% of gross business income)}$$
2. Total business expenses from Sch. C X OR % of gross business income = OR business expense.
3. OR gross business income – OR business expense = OR net business income. Enter it as follows:
OR Return > Income Subject to Tax > Oregon portion of Business Income or Loss

INTEREST FROM US SAVINGS BONDS/TREASURY OBLIGATIONS

Federally taxable interest from US Savings Bonds and T-Bills is not OR source income and not taxable to OR. Do not include it in OR income. However, if federally taxable, see SUBTRACTIONS [Code 315].

OTHER INTEREST AND DIVIDENDS

No other federally taxable interest or dividend income is taxable to OR unless sourced from an OR business owned by the TP, or passed through from an S-corp. or partnership doing business in OR. In that case:

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

PENSION INCOME

- 1) REGULAR COMPANY PENSIONS: Distributions are not taxable to OR and are not considered OR source income even if they're from an OR company or were accumulated while TP lived or worked in OR. Do not include them in OR income.
- 2) SOCIAL SECURITY INCOME: Not OR source income and not taxable to OR. Do not enter in OR income.
- 3) RR RETIREMENT INCOME: Not OR source income. Neither tier is taxable to OR. Do not include them in OR income. However, federally taxable amounts of Tier 1 and Tier 2 benefits are subtracted from federal income on the OR return.
 - a) TIER 1 (RRB-1099: Social Security equivalent): Subtraction automatically handled.
 - b) TIER 2 (RRB-1099R: regular pension): If federally taxable, subtract from federal income column. see SUBTRACTIONS [Code 330].
- 4) IRA DISTRIBUTIONS: Not OR source income. Not taxable to OR. Do not include in OR income.
- 5) FEDERAL PENSION INCOME: Not OR source income. Not taxable to OR even if the retirement account was accumulated while TP resided or worked in OR. However, depending on dates of service, OR allows a subtraction from the federal column of a portion of the federally taxable pension. See FEDERAL PENSION SUBTRACTION [Code 307].

CAPITAL GAINS & THE SALE OF OREGON PROPERTY

Sale of TP's home: Oregon conforms to the federal exclusion from capital gain on the sale of a primary residence. Loss on the sale of a primary residence is not allowed on the federal or the OR return. Net gain/loss on the sale of other OR property and assets (net loss limited to \$3000) is taxable to OR.

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

Oregon income tax withheld from proceeds of the sale of TP's home is considered estimated tax paid.

Federal Return > Payments & Estimates > State Estimated Payments > Enter the amount of state withholding in the date field when the payment was withheld > Choose State > Oregon.

UNEMPLOYMENT INCOME: OR taxes NRs only Oregon source unemployment income. Data entry path:

OR Return > Income Subject to Tax > Unemployment and Other Income > Enter OR unemployment income.

GAMBLING WINNINGS INCLUDING OREGON LOTTERY *

Oregon does not tax NRs on gambling winnings of any kind except for OR lottery winnings of more than \$600 on an individual ticket or play. However, all OR lottery winnings of any amount must be included in OR income. To input correctly on the OR return:

OR Return > Income Subject to Tax > Oregon Unemployment and Other Income > Enter all OR lottery winnings.

(Continued on next page)

Since OR lottery winnings of \$600 or less on a single ticket or play are not taxable to OR, a subtraction is needed. See SUBTRACTIONS [Code 322].

NOTE: If TP itemizes deductions for OR and claims gambling losses as a deduction on Sch. A, an addition of claimed gambling losses greater than the gambling winnings taxable to OR is needed. See MODIFICATIONS [Code 604]

SCHOLARSHIP AWARDS USED FOR HOUSING EXPENSES: Automatically flows to the 40N from W-2, Box 16, if OR source; however, is not taxable to OR. See SUBTRACTIONS [Code 333]

AMERICAN INDIAN: 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. See SUBTRACTIONS [Code 300].

ADJUSTMENTS

Enter ALL income data first.

NONRESIDENT ADJUSTMENTS CHEAT SHEET AVAILABLE

ALIMONY:

Calculate the allowable OR NR alimony deduction using the formula below. The numerator is the amount from the 40N, line 20S. The denominator is the amount from the 40N, line 20F.

$$\frac{\text{OR source income while a NR}}{\text{Total Income while a NR}} \times \text{Alimony paid while an NR} = \text{OR NR alimony deduction}$$

OR Return > Adjustments to Income Subject to Tax > OR portion of Alimony Paid > Enter OR NR deduction

EDUCATION DEDUCTIONS: STUDENT LOAN INTEREST + EDUCATOR EXPENSES = FINAL TAXSLAYER ENTRY

STUDENT LOAN INTEREST: (Cannot exceed the federal allowable adjustment deduction)

Calculate the OR allowable NR student loan interest deduction using the formula below. The numerator is the amount on the 40N, line 20S. The denominator is the amount on the 40N, line 20F.

$$\frac{\text{OR source income while an NR}}{\text{Total income while an NR}} \times \frac{\text{Student loan interest}}{\text{paid while an NR}} = \text{OR NR student loan interest deduction}$$

EDUCATOR EXPENSES: OR conforms to the federal tax law as to eligibility to take this adjustment and up to \$300 maximum deduction for qualified expenses per educator TP. Furthermore, only educator expenses incurred while working in an eligible OR school are allowed to be taken on the 40N as an OR adjustment.

NOTE: If TP has both student loan interest AND educator expenses, add them together first. Then enter data:

OR Return > Adjustments to Income Subject to Tax > OR portion of Education Deductions >
Enter the sum of student loan interest + educator expenses

HEALTH SAVINGS ACCT:

Calculate the allowable OR NR HSA deduction using the formula below. The numerator is the amount on the 40N, line 20S. The denominator is amount on the 40N, line 20F.

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

OR Return > Adjustments to Income Subject to Tax > OR portion of HSA Deduction > Enter OR HSA deduction

SELF-EMPLOYMENT HEALTH INSURANCE PREMIUMS: The deduction can only be taken on the 40N for health insurance premiums paid by an OR business. The deduction is limited to earned income from the trade or business for which the plan was established. If eligible for the OR SEHI adjustment, a deduction of 100% of the total premiums paid by an OR business from which OR S/E income was received while a NR is allowed.

OR Return > Adjustments to Income Subject to Tax > OR portion of S/E Health Insurance Premiums.

IRA CONTRIBUTIONS: Same contribution limitations and definitions for earned income as federal tax law. Note that the formula uses EARNED income, not ALL income! **Taxable alimony rec'd is considered earned income!

Calculate the allowable OR NR IRA contributions deduction using the formula below:

$$\frac{\text{OR source taxable earned income while a NR}}{\text{Total taxable earned income while a NR}} \times \text{IRA contribution made while a NR} = \text{OR NR IRA deduction}$$

OR Return > Adjustments to Income Subject to Tax > OR portion of IRA Deduction > Enter the OR NR deduction

PENALTY FOR EARLY WITHDRAWAL OF SAVINGS: Deductible only for accounts paying interest taxable to OR.

SELF EMPLOYMENT TAX:

Calculate the allowable OR NR self-employment tax deduction using the formula below:

$$\frac{\text{S/E earnings taxed by OR}}{\text{Total taxable SE earnings}} \times \text{Federal S/E tax deduction} = \text{OR NR S/E tax deduction}$$

OR Return > Adjustments to Income Subject to Tax > OR portion of S/E tax deduction > Enter OR NR deduction

SUBTRACTIONS

If not listed individually on their own lines on the 40N, subtractions flow to Sch. OR-ASC-NP, section 3, then to the 40N, line 33, "Total Subtractions from Sch. OR-ASC-NP"

OREGON INCOME TAX REFUND [Code 325]: Oregon doesn't tax its own state income tax refunds. If there is a taxable OR income tax refund, a subtraction is needed.

OR Return > Subtractions from Income > Other Subtractions > Oregon Income Tax Refund.
Enter the federally taxable OR refund in both the Oregon and Federal boxes.

FEDERAL PENSION INCOME SUBTRACTION [Code 307] Cheat Sheet Available

Subtraction allowed ONLY if some or all federal service was before 10/1/1991 AND the distribution is not a disability pension (F. 1099-R, Box 7, Code 3).

Use the Bogart Oregon Federal Pension Subtraction Calculator (<https://ortaxvolunteers.org/tools>) to calculate the amount of the federal pension subtraction. Enter the information in the yellow section of the form. Click "calculate." Note the dollar amount of the calculated exclusion to be entered in TaxSlayer.

The percentage of taxable distribution to exclude is the ratio of months of federal service before 10/1/1991 to total months of federal service. The percentage stays the same for as long as distributions continue, including distributions to subsequent beneficiaries.

(Cont'd next page)

Because none of the federal pension is taxable to NRs, there is no federal pension entry in the OR income column on the 40N. Therefore, there is no pension to subtract from OR income. (Hokey pokey theory). However, since at least some of the pension is federally taxable, enter the calculated federal exclusion:

OR Return > Subtractions from Income Subject to Tax > Federal Pension Subtraction > Federal box entry only

RR RETIREMENT BOARD BENEFITS TIER 2: [Code 330] Not OR source income or taxable to OR. To create the federal subtraction:

OR Return > Subtractions from Income > Other Subtractions > RR Retirement Board Benefits.
In the Federal box only, enter the federally taxable amount of Tier 2 benefits.

SCHOLARSHIP AWARDS USED FOR HOUSING EXPENSES: [Code 333] Oregon allows a subtraction for federally taxable scholarships used for housing expenses included on the 1040 as wages and automatically flow to the 40N, income section, line 7. Here's the data entry path:

OR Return > Subtractions from Income > Other Subtractions > Scholarship awards used for housing expenses > Enter the federally taxable amount of these awards in the Federal box only; however, if also included in OR income, enter the amount taxable to OR in the Oregon box.

SPECIAL OREGON MEDICAL SUBTRACTION (SOMS) [Code 351]: SOMS Cheat Sheet is a must-read resource. OR allows a subtraction of some or all of an eligible (age 66 or older on 12/31/23) TP's unreimbursed QMEs for which no tax benefit has been taken on the OR return (i.e. the SEHI adjustment).

- "Eligible means age 66 or older on 12/31/2023
- Eligible QMEs are the same as those allowed on the federal return Sch. A
- A TP under 66 years old and dependents of any age are NOT eligible for SOMS

"No tax benefit" also means that either the TP

- a) didn't itemize at all, or
- b) did itemize but didn't use medical expenses as an itemized deduction, or
- c) did itemize, but 7.5% of their federal AGI was not usable as deductible medical expenses on OR Sch. A.

Create the subtraction:

Step 1: Total each eligible TP's unreimbursed QMEs including those that have been deducted elsewhere on the return EXCEPT for the SEHI expenses claimed as an adjustment on the 1040, Sch. 1, Part 2, line 17. TaxSlayer correctly sorts out and excludes QMEs deducted on the 1040, Sch. A, line 4.

Step 2: OR Return > Subtractions from Income > SOMS > QMEs. Enter the total QMEs from Step 1 into the appropriate box for each eligible TP.

TaxSlayer will correctly calculate the SOMS subtraction, enter the result on Sch. OR-ASC-NP, Section C, Subtractions, with code 351, and on the 40N, line 33, in both the federal and the OR columns, under "Total Subtractions from Sch. OR-ASC-NP, line C7".

INTEREST/ DIVIDENDS FROM US SAVINGS BONDS/TREASURY OBLIGATIONS [Code 315]: Not OR source income. Not taxable to OR. Do not enter as OR income. However, to mirror how this interest is handled on the FY OR return, a subtraction from federal income is needed on the 40N, Sch. OR-ASC-NP, Subtractions. TaxSlayer automatically handles when this type of interest is entered in federal income from Box 3 on the 1099-INT.

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

OREGON LOTTERY WINNINGS [Code 322]: OR Lottery winnings of \$600 or less on a single ticket or play aren't taxable to OR. To make the subtraction for the total of all OR lottery wins of \$600 or less on a single ticket or play, use the data entry path:

OR Return > Subtractions from Income > Other subtractions > Oregon lottery winnings > Enter other subtraction amount. In both the Federal and Oregon boxes enter the total of all OR lottery winnings of \$600 or less on a single ticket or play.

PAID LEAVE OREGON (OR PFML) [Code 386]: OR began paying benefits to OR workers for medical, family, or safe leave on or after September 3, 2023 through the state's Paid Leave Oregon program. Most benefits are taxable, except for the portion that comes from the TP's own contributions. How the nontaxable portion of benefit income is treated on the federal return determines whether or not a subtraction from income on the OR return can be taken. See the Paid Leave Oregon cheat sheet for details if the TP received Paid Leave Oregon benefits.

ADDITIONS:

Additions flow to Sch. OR-ASC-NP, section 2, and to the OR-40-N, line 30, "Total additions from Sch. OR-ASC-NP"

DEDUCTIONS:

ITEMIZED VS STANDARD DEDUCTIONS

- Itemized deductions automatically flow from the federal Sch. A to the OR Sch. A except for OR state income tax/ state sales tax entry, neither of which is allowed as an itemized deduction for OR. The total of itemized deductions on OR. Sch. A is automatically entered on the 40N, line 37.
- TaxSlayer automatically enters the TP's applicable standard deduction on the 40N, line 38.
- TaxSlayer chooses the greater of line 37 or line 38 and automatically enters it on line 39.

Both deductions are multiplied by the OR percentage before being subtracted from taxable income

FEDERAL INCOME TAX LIABILITY: Adjusted for certain credits & subject to the OR percentage. TaxSlayer handles.

MODIFICATIONS:

Modifications flow to Sch. OR-ASC-NP, section D, and then to the 40N, line 41, "Total modifications from Sch. OR-ASC-40NP".

GAMBLING LOSSES CLAIMED AS AN ITEMIZED DEDUCTION: [Code 604]: Cheat sheet available

Gambling losses claimed as a deduction of OR Sch. A cannot be greater than gambling winnings taxable to OR. Since gambling losses automatically flow from the federal Sch. A to the OR Sch. A, there may be an excess of federally deductible gambling losses that pass through as OR deductions.

While you cannot adjust the gambling losses claimed on the Sch. A, you can ensure that gambling losses for OR don't exceed taxable OR gambling winnings. Do this by adding back the excess gambling losses that passed through from federal Sch. A.

Use the instructions for the addition of excess gambling losses claimed against taxable OR gambling winnings found on the Gambling Losses as an OR Addition or Modification cheat sheet to calculate the addition. Then enter the add back using the data entry path:

OR return > Other Deductions > Drop down menu > Gambling losses claimed as an itemized deduction. Enter as a positive number (TaxSlayer will correctly treat it as a negative number on the 40N, Modifications section).

FEDERAL INCOME TAX REFUND: [Code 601]: OR allows a subtraction from income of federal tax liability (up to limitation) multiplied by the TP's OR percentage. A federal tax refund received as a result of an audit or an amended federal return may result in an excess tax benefit having been received in the prior year. If it does, an addition of the amount of the excess tax benefit must be included in the current year's return. Changes in income or adjustments on the federal return may trigger changes in OR income and adjustments, and also change the OR percentage, affecting the amount of the federal tax liability subtraction.

Calculate the corrected OR percentage and then figure the excess tax benefit to be added back:
 $(\text{Original federal tax liability} \times \text{original OR percentage}) - (\text{Corrected federal tax liability} \times \text{revised Oregon percentage}) =$
Excess tax benefit received
OR Return > Other Deductions > Other deductions/modifications > Federal Income Tax Refunds
Enter the calculated excess tax benefit received as a negative number (-).

FOREIGN TAX CREDIT: [Code 603]: The credit is handled as a modification on the OR NR return and is usually the same amount as shown on the federal return. Here's the data entry path:

OR Return > Other Deductions > Other Deductions/Modifications > Foreign Tax. Enter the foreign tax as a + number.

The "credit" will be on Sch. OR-ASC-NP, section D, Modifications, with code 603, and also on line D7 as part of total modifications in that section. The line D-7 total also be on line 41, "Total modifications from Sch. OR-ASC-NP".

This total is multiplied by the TP's OR percentage before being subtracted from OR income.

NOTE: TaxSlayer will automatically reduce the amount of your foreign tax modification entry if the TP's federal AGI > \$125K or the foreign tax credit on the federal return + the federal tax liability on the OR return > the maximum federal tax liability subtraction. If the TP is itemizing for OR, another option is to claim foreign taxes paid on OR Sch. A instead, if it's more beneficial.

CREDITS

Credits not listed individually on their own lines on the 40N flow first to Sch. OR-ASC-NP and then to "total" lines on the 40N proper as follows:

Standard credits > Sch. OR-ASC-NP Section E > line E16 > line 50 "Total standard credits from Sch. ASC-NP"

Carryforward credits > Sch. OR-ASC-NP Section F > line F9 > line 53 "Total carryforward credits from Sch. ASC-NP"

Refundable credits > Sch. OR-ASC-NP Section H > line H7 > line 63 "Total refundable credits from Sch. ASC-NP".

EARNED INCOME TAX CREDIT & EARNED INCOME TAX CREDIT - ITIN: TaxSlayer automatically calculates the credit for eligible TPs. The credit is multiplied by the TP's OR percentage. TPs who don't qualify for the federal EITC for reasons other than ITINs also do not qualify for OR EITC.

EXEMPTION CREDIT: Automatically handled. \$236 per eligible person listed on the return, multiplied by the OR percentage. Credit reduced to \$0 if the federal AGI exceeds \$100K/\$200K (S or MFS/MFJ, HOH, QSS) limits.

POLITICAL CONTRIBUTIONS: [Code 809] Can be to political party, a candidate to be voted on in OR, or a PAC certified in OR. Count only money contributions, and reduce these by any swag received in return. Credit limited to a maximum of \$50 per TP on the return. Phase out at federal AGI > \$200K MFJ.

OR Return > Credits > Standard Credits > Other Standard Credits > Political Contributions.

Enter each TP's amount contributed up to the 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). You will rarely have a TP who qualifies for this credit.

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

WORKING FAMILY HOUSEHOLD & DEPENDENT CARE CREDIT: [Code 895] TaxSlayer automatically handles. The rules for the OR WFHDC credit are the same as those for the federal CDC credit. In addition, to be eligible for the OR WFHDC Credit, TP must file federal form 2441 and have an AGI (federal or Oregon, whichever is greater) at or below the allowable limit for their household size (# persons) per the WFHDC AGI Limits table in OR Pub 17. This credit is subject to the TP's OR percentage before being applied to income.

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

OREGON 529 COLLEGE SAVINGS PLAN CONTRIBUTIONS CREDIT: [Code 896] There is no limit to how much a TP can contribute to a plan, but only up to \$170/\$340 is "considered" when calculating the credit. The amount of the credit ranges from 5% -100% of the amount contributed (up to the maximum "considered" based on AGI and the TP's filing status. The credit is the lesser of a percentage of the contribution based on AGI or the actual contribution amount up to \$170 (S/MFS)/(\$340 MFJ/HOH/QSS). Here's the data entry path:

OR return > Credits > Refundable Credits > OR 529 Plans > Enter the amount of the contribution.

From your contribution entry, TaxSlayer will calculate the amount of the credit based on the AGI, filing status, & contribution parameters and subject to the TP's OR percentage. The credit flows to Sch. OR-ASC, section F, Refundable Credits with code 896, is combined with other refundable credits on line F7, and then moves to the 40N, line 38 "Total Refundable Credits from Sch. OR-ASC.

OREGON ABLE ACCOUNT CONTRIBUTIONS CREDIT: [Code 897] The maximum contribution per TP to the beneficiary's account is \$17K, but only \$170/\$340 is "considered" when calculating the credit. The amount of the credit ranges from 5% -100% of the amount contributed (up to the maximum "considered" based on AGI and the TP's filing status. The credit is the lesser of a percentage of the contribution based on AGI or the actual contribution amount up to \$170 (S/MFS)/(\$340 MFJ/HOH/QSS). Here's the data entry path:

OR return > Credits > Refundable Credits > ABLE Accounts Contributions > Enter the amount of the contribution.

From your contribution entry, TaxSlayer will calculate the amount of the credit based on the AGI, filing status, & contribution parameters and subject to the TP's OR percentage. The credit flows to Sch. OR-ASC, section F, Refundable Credits with code 897, is combined with other refundable credits on line F7, and then moves to the 40N, line 38 "Total Refundable Credits from Sch. OR-ASC.

OREGON SURPLUS (KICKER) CREDIT: A fully refundable credit available to all OR NRs who had a tax liability in 2022 on the 40N on line 47 (tax liability before credits). The credit is 44.28% (.4428) of the amount on the 2022 40N, line 47. The amount of the kicker can also be found on the OR DOR website, "What's my Kicker." TP must have certain data from the 2022 OR return in order to enter the necessary data to claim the kicker. In addition, if the TP claimed a credit for taxes paid to another state on their 2022 OR return, the amount of the credit must be subtracted from the TP's tax liability before calculating the kicker. Counselor must check the 2022 return to see if this credit was taken, before entering data for the 2023 kicker.

OR return > Credits > Refundable Credits > OR Surplus Credit (Kicker) > Enter required information

OREGON KIDS' CREDIT: Available to all OR FY residents & to OR NRs who work in OR. Fully refundable. Worth \$1000 per dependent child under age 6 (up to 5 children maximum) who is listed on the OR return. The credit phases out to -0- when the TP's AGI \geq \$30K. For NRs, the final credit is multiplied by the TP's OR percentage before being applied to the tax liability on the return. Whether TaxSlayer handles calculating and entering this credit is TBD.