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Schedule OR-ASC-N/P

Oregon Adjustments for Form 40N and Form 40P Filers

2015

First name and initial	Last name	Social Security number (SSN)
Spouse's first name and initial	Spouse's last name	Spouse's SSN if joint return

Use Schedule OR-ASC-N/P to claim any of the following items that aren't included on Form 40N or Form 40P:

- Adjustments.
- Additions.
- Subtractions.
- Modifications.
- Standard credits.
- Carryforward credits.
- Refundable credits.

Identify the code you're claiming and enter the information requested in the corresponding section.

For more information, refer to the instructions beginning on page 3.

Section 1: Adjustments (codes 002-006).

Code		Amount in federal column		Amount in Oregon column
● 1a	● 1b		● 1c	
● 1d	● 1e		● 1f	
● 1g	● 1h		● 1i	
● 1j	● 1k		● 1l	
● 1m	● 1n		● 1o	
● 1p	● 1q		● 1r	
● 1s	● 1t		● 1u	
● 1v	● 1w		● 1x	
Enter totals on Form 40N/P, lines 27F			27S	

Section 2: Additions (codes 102-160).

Code		Amount in federal column		Amount in Oregon column
● 2a	● 2b		● 2c	
● 2d	● 2e		● 2f	
● 2g	● 2h		● 2i	
● 2j	● 2k		● 2l	
● 2m	● 2n		● 2o	
Enter totals on Form 40N/P, lines 30F			30S	

Section 3: Subtractions (codes 300-358).

Code		Amount in federal column		Amount in Oregon column
● 3a	● 3b		● 3c	
● 3d	● 3e		● 3f	
● 3g	● 3h		● 3i	
● 3j	● 3k		● 3l	
● 3m	● 3n		● 3o	
Enter totals on Form 40N/P, lines 33F			33S	



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Section 4: Modifications (codes 600–650).

	<i>Code</i>		<i>Amount</i>
● 4a		● 4b	
● 4c		● 4d	
● 4e		● 4f	
● 4g		● 4h	
● 4i		● 4j	
Enter total on Form 40N/P, line 43			

Section 5: Standard credits (codes 801–814).

	<i>Code</i>		<i>Amount</i>		<i>State abbreviation (if claiming code 802)</i>
● 5a		● 5b		● 5c	
● 5d		● 5e		● 5f	
● 5g		● 5h		● 5i	
● 5j		● 5k		● 5l	
Enter total on Form 40N line 53; or Form 40P line 52					

Section 6: Carryforward credits (codes 835–865).

	<i>Code</i>		<i>Amount carried forward from the previous year</i>		<i>Amount awarded this year</i>		<i>Credit amount claimed this year</i>
● 6a		● 6b		● 6c		● 6d	
● 6e		● 6f		● 6g		● 6h	
● 6i		● 6j		● 6k		● 6l	
● 6m		● 6n		● 6o		● 6p	
Enter total on Form 40N line 54 or Form 40P line 53							

Section 7: Refundable credits (codes 890–894).

	<i>Code</i>		<i>Amount</i>
● 7a		● 7b	
● 7c		● 7d	
● 7e		● 7f	
● 7g		● 7h	
Enter total on Form 40N line 61; or Form 40P line 60			

— You must include this schedule with your Oregon income tax return —

If you have more items than will fit on a single schedule, provide the codes and amounts on additional schedules and add the total to your tax return. Include all the schedules with your Form 40N or Form 40P.

Round all cents to the nearest dollar. For example, \$99.49 becomes \$99.00, and \$99.50 becomes \$100.00

Note: All credit codes have changed beginning with tax year 2015.

Section 1: Adjustments (codes 002–006)

Adjustments claimed on your federal Form 1040 reduce your federal taxable income. Adjustments to income codes are listed below. For detailed information regarding adjustments to income, see pages 49–53 in the 2015 *Publication 17½* at www.oregon.gov/dor/personal.

Step 1: Complete the table in Section 1 with adjustments you claimed on the 1040 that aren't listed on Form 40N or Form 40P. Fill in the code and federal and state amount reported for each adjustment. The federal and state amounts may be different.

Step 2: Fill in the total of these adjustments to federal and state income. Enter these totals on lines 27F and 27S of Form 40N or Form 40P.

Adjustment codes:

- Certain business expenses of reservists, performing artists, and fee-basis government officials from federal Form 1040, line 24 [code 002].
- Domestic production activities deduction from federal Form 1040, line 35 [code 006].
- Health savings account deduction from federal Form 1040, line 25 [code 003].
- Penalty on early withdrawal of savings from federal Form 1040, line 30 [code 004].
- Any other adjustment reported on Form 1040, line 36 [code 005].

Section 2: Additions (codes 102–160)

Additions are items the federal government doesn't tax but Oregon does. Addition codes are listed below. For detailed information regarding additions, see pages 54–61 in the 2015 *Publication 17½*.

Step 1: Complete the table in Section 2 with the code, the federal amount, and the state amount reported for each addition. The federal and state amount may be different.

Step 2: Fill in the total of all additions to federal and state income. Enter these totals on lines 30F and 30S of Form 40N or Form 40P.

Addition codes:

- Accumulation distribution of a trust [code 132].
- Basis of business assets transferred to Oregon [code 150].
- Business credit—unused [code 122].
- Depletion in excess of property basis [code 151].
- Depreciation difference for Oregon [code 152].
- Disposition of inherited Oregon farmland or forestland [code 106].
- Domestic production activities deduction [code 102].
- Federal depreciation disconnect [code 153].
- Federal election on interest and dividends of a minor child [code 107].
- Federal law disconnect [code 131].
- Fiduciary adjustment from Oregon estates and trusts [code 133].
- Gain or loss on the sale of depreciable property with different basis for Oregon [code 154].
- Individual Development Account non-qualified withdrawal [code 137].
- Interest on state and local government bonds outside of Oregon [code 158].
- Lump-sum distribution from a qualified retirement plan [code 139].
- Net operating loss—non-Oregon source [code 116].
- Oregon 529 College Savings Plan non-qualified withdrawal [code 117].
- Oregon deferral of reinvested capital gain [code 118].
- Partnership and S corporation modifications for Oregon [code 119].
- Passive activity losses [code 155].
- Passive foreign investment company income [code 140].
- Prescription drug plan subsidies [code 123].
- Prior federal subtraction for retirement savings contribution [code 159].
- Suspended losses [code 156].
- Taxes paid to another state (individual and business) [code 148].

Section 3: Subtractions (codes 300–358)

Subtractions are items the federal government taxes but Oregon doesn't. Subtraction codes are listed below. For detailed information regarding subtractions, see pages 62–80 in the 2015 *Publication 17½*.

Step 1: Complete the table in Section 3 with subtractions you're claiming that aren't listed on the return. Fill in the code, the federal amount, and the state amount claimed for each subtraction. The federal and state amount may be different. You can't subtract something in the Oregon column unless it is included in your Oregon income. Generally, the subtraction in the Oregon column will be less than or equal to the subtraction in the federal column.

Step 2: Fill in the total of all subtractions to federal and state income. Enter these totals on lines 33F and 33S of Form 40N or Form 40P.

Subtraction codes:

- American Indian [code 300].
- Basis of business assets transferred to Oregon [code 358].
- Capital Construction Fund (CCF) [code 339].
- Construction worker and logger commuting expenses [code 303].
- Depreciation difference for Oregon [code 354].
- DISC dividend payments [code 352].
- Discharge of indebtedness [code 350].
- Federal business and health coverage credits [code 340].
- Federal education credits (tuition and fees deduction) [code 308].
- Federal gain previously taxed by Oregon [code 306].
- Federal pension income [code 307].
- Fiduciary adjustments from Oregon estates and trusts [code 310].
- Film production labor rebate [code 336].
- Gain or loss on the sale of depreciable property with a different basis for Oregon [code 355].
- Income from a composite return [code 341].
- Individual Development Account contribution [code 314].
- Interest and dividends from U.S. government [code 315].
- Interest from local government bonds [code 317].
- Land donations to educational institutions [code 316].
- Legislative Assembly salary and expenses [code 335].
- Military active duty pay [code 319].
- Mobile home park capital gain [code 338].
- Mobile home tenant payment [code 344].
- Net operating loss [code 321].
- Oregon 529 College Savings Plan deposits [code 324].
- Oregon income tax refund [code 325].
- Oregon investment advantage [code 342].
- Oregon Lottery winnings [code 322].
- Partnership or S corporation modifications for Oregon [code 323].
- Passive activity losses [code 356].
- Previously taxed employee retirement plans [code 327].
- Previously taxed IRA conversions [code 348].
- Public Safety Memorial Fund award [code 329].
- Railroad Retirement Board benefits: tier 2, windfall/ vested dual, supplemental, and railroad unemployment benefits [code 330].
- Scholarship awards used for housing expenses [code 333].
- Special Oregon medical subtraction [code 351].
- Suspended losses [code 357].
- Taxable benefits paid for former RDPs [code 347].
- U.S. government interest in IRA or Keogh distributions [code 331].

Section 4: Modifications (codes 600–650)

Modifications are items that further adjust your Oregon taxable income. Modification codes are listed below. For

detailed information regarding modifications, see pages 54–80 in the 2015 *Publication 17½*.

Step 1: Complete the table in Section 4 with modifications you're claiming that aren't listed on the return. Fill in the code and amount being claimed for each modification. Modifications that are additions to income are reported by clearly placing a minus sign in front of the amount.

Step 2: Fill in the total of all modifications. Enter this number on line 43 of Form 40N or Form 40P.

Modification codes:

- Artists who make a charitable art donation (Form 40P filers only) [code 600].
- Charitable donations not allowed for Oregon [code 650].
- Claim of right income repayments [code 649].
- Contributions to Alternative Fuel Vehicle Fund [code 641].
- Contributions to Child Care Fund [code 642].
- Contributions to Oregon Cultural Trust [code 643].
- Contributions to Oregon Production Investment Fund [code 644].
- Contributions to Renewable Energy Development Fund [code 645].
- Contributions to a University Venture Development Fund [code 646].
- Federal estate tax on income in respect of a decedent [code 605].
- Federal health coverage tax credit [code 609].
- Federal income tax refunds [code 601].
- Federal tax from a prior year [code 602].
- Foreign tax [code 603].
- Gambling losses claimed as an itemized deduction [code 604].
- Individual Development Account donation credit add-back [code 648].
- Mortgage interest credit [code 607].

Section 5: Standard credits (codes 801–814)

Standard credits are nonrefundable credits that can only be claimed on the current year's tax return. Credit amounts awarded and not used in the current tax year will be lost. If you have both standard credits and carryforward credits, standard credits are used first. Standard credit codes are listed below. For detailed information regarding standard credits, see pages 94–105 in the 2015 *Publication 17½*.

Step 1: Complete the table in Section 5 with credits you're claiming that have a code between 801–814. Fill in the code and the amount being claimed for each credit. For prorated credits, first multiply the credit amount by the Oregon percentage (line 35 of Form 40N or Form 40P).

Step 2: If you're claiming a credit for income taxes paid to another state on income that was also taxed by Oregon, use code 802 and enter that state's abbreviation in the corresponding box. If you aren't claiming this credit, leave this box blank.

Step 3: Fill in the total of all standard credits. Enter this amount on Form 40N, line 53 or Form 40P, line 52.

Standard credit codes:

- Elderly or disabled [code 801].[%]
- Income taxes paid to another state (AZ, CA, IN, VA only) [code 802].
- IDA withdrawal for home purchase [code 803].
- Loss of use of limbs [code 804].
- Low-income caregiver credit [code 805].
- Mutually taxed gain on the sale of residential property [code 806].
- Oregon Cultural Trust [code 807].[%]
- Oregon Veterans' Home physicians [code 808].[%]
- Political contribution [code 809].
- Reservation enterprise zone [code 810].[%]
- Retirement income [code 811].
- Rural emergency medical technicians [code 812].[%]
- Rural health practitioners [code 813].[%]
- University Venture Development Fund [code 814].[%]

[%]Prorated credit (multiply by Oregon percentage).

Note: The University Venture Development Fund credit is taken over multiple years. If you are claiming this credit, follow the below examples.

Example 1: Bob and Jerry are married part-year residents and in 2014 contributed \$60,000 to the University Venture Development Fund. They are able to claim a credit (code 814) up to 20 percent of the amount contributed for the next three consecutive years (no more than 60 percent of the contribution) multiplied by their Oregon percentage each year. Bob and Jerry will first determine 60 percent of their contribution and divide it by three [$(\$60,000 \times 0.6) \div 3 = \$12,000$]. This amount will then be multiplied by their Oregon percentage each year. Assuming their Oregon percentage is the same each year, at 75 percent, they can claim a credit up to \$9,000 in 2014 ($\$12,000 \times 0.75$); \$9,000 in 2015 ($\$12,000 \times 0.75$); and \$9,000 in 2016 ($\$12,000 \times 0.75$).

Example 2: In addition to the scenario above, in 2015, Bob and Jerry contributed \$30,000 to the University Venture Development Fund. For that contribution, they can claim up to \$4,500 in 2015; \$4,500 in 2016; and \$4,500 in 2017, using the following calculation [$(\$30,000 \times 0.6) \div 3 \times 0.75$]. For 2015, Bob and Jerry can claim up to \$13,500 (\$9,000 from their 2014 contribution and \$4,500 from their 2015 contribution).

Section 6: Carryforward credits (codes 835–865)

Carryforward credits are nonrefundable credits for which any unused portion in the current tax year may be carried forward to the following tax year. The number of years that the credit can be carried forward to the following year varies according to the carryforward rules of the credit. Carryforward credit codes are listed below. For detailed information regarding carryforward credits, see pages 106–118 in the 2015 *Publication 17½*.

Step 1: Complete the table in Section 6 with credits you're claiming that have a code between 835–865. Fill

in the code being claimed for each carryforward credit.

Step 2: Fill in the amount of the credit that is carried forward from the previous tax year and enter it into the "amount carried forward from the previous year" column, if any.

Step 3: Fill in the credit amount you earned in 2015 and enter it in the "Amount awarded this year" column, if any. For prorated credits, multiply the credit amount by the Oregon percentage (line 35 of Form 40N or Form 40P).

Step 4: Fill in the credit amount you're claiming this year. The credit amount you're claiming this year can't be more than the combined total of the amount carried forward from the previous year and the amount awarded this year. Any excess credit not claimed may be carried forward to the following tax year, if it does not expire according to the carryforward rules of the credit.

Step 5: Fill in the total of all carryforward credits being claimed. Enter this number on Form 40N, line 54 or Form 40P, line 53. The total of all carryforward credits cannot be more than the tax minus the total of all standard credits (Form 40N, line 51 minus lines 52 and 53; or Form 40P, line 50 minus lines 51 and 52). If your carryforward credits are more than the tax minus standard credits, you need to reduce how much you are claiming on one or more of your carryforward credits. If you have more than one carryforward credit, consider claiming the maximum allowed on credits with earlier expirations first.

Example 3: Carey is a part-year resident. She has \$1,700 of unused diesel engine replacement credit originally awarded in 2011. She also qualifies for a 2015 residential energy credit of \$2,500 (this is the amount after being multiplied by her Oregon percentage). Her 2015 tax liability after standard credits is \$4,000. Because 2015 is the last year the diesel engine replacement carryforward can be claimed, she will claim all of the \$1,700 credit. She will also claim \$2,300 of her 2015 residential energy credit. The remaining \$200 (\$2,500 minus \$2,300) can be carried forward for up to five years.

Carryforward credit codes:

- Agriculture workforce housing [code 835].[%]
- Alternative fuel vehicle auction [code 865].
- Biomass production/collection [code 838].[%]
- Business energy [code 839].
- Child and dependent care [code 840].[%]
- Child Care Fund contributions [code 841].
- Crop donation [code 843].[%]
- Diesel engine replacement carryforward [code 844].[%]
- Electronic commerce zone investment [code 845].[%]
- Employer-provided dependent care assistance [code 846].[%]
- Employer scholarship [code 847].[%]

- Energy conservation project [code 849].
- Fish screening devices [code 850].[%]
- IDA donation [code 852].
- Oregon low-income community jobs initiative [code 855].
- Oregon Production Investment Fund [code 856].
- Pollution control facilities [code 857].
- Renewable energy development contributions [code 859].
- Renewable energy resource equipment manufacturing facility carryforward [code 860].
- Residential energy [code 861].[%]
- Riparian land carryforward [code 862].[%]
- Transportation projects [code 863].

[%]Prorated credit (multiplied by Oregon percentage).

For business tax credits available to S corporation shareholders, see pages 94 and 107–119 of the 2015 *Publication 17*^½.

Section 7: Refundable credits (codes 890–894)

Refundable credits can only be claimed on the current year's tax return; however any amount that is more than your tax will be refunded to you. Refundable credit codes are listed below. For detailed information regarding refundable credits, see pages 119–123 in the 2015 *Publication 17*^½.

Step 1: Complete the table in Section 7 with credits you're claiming that have a code between 890–894. Fill in the code and amount being claimed for each refundable credit. For prorated credits, first multiply the credit amount by the Oregon percentage (line 35 of Form 40N or Form 40P).

Step 2: Fill in the total of all refundable credits. Enter this amount on Form 40N, line 61 or Form 40P, line 60.

Refundable credit codes:

- Claim of right [code 890].[%]
- Earned income [code 894].[%]
- Mobile home park closure [code 891].
- Wolf depredation [code 892].[%]
- Working family childcare [code 893].[%]

[%]Prorated credit (multiplied by Oregon percentage).