

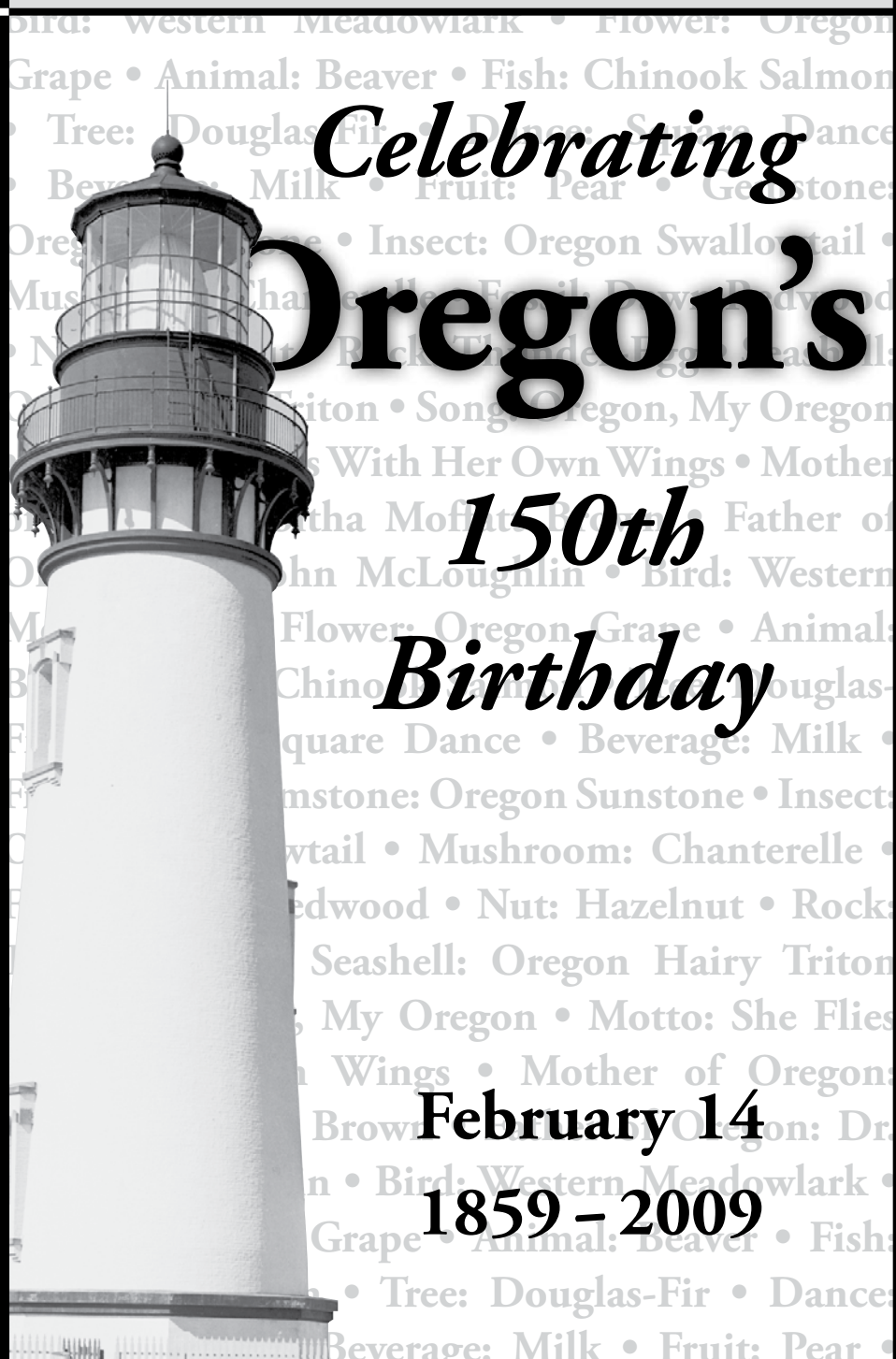
**2008**

# **Oregon Income Tax**

**Part-Year Resident/Nonresident**

Form 40N, Form 40P,

Schedule WFC-N/P, and instructions



## ***Celebrating Oregon's 150th Birthday***

**February 14  
1859 – 2009**

**Get your refund in  
4 to 10 days!**

See page 3

**File your taxes  
wherever you are**

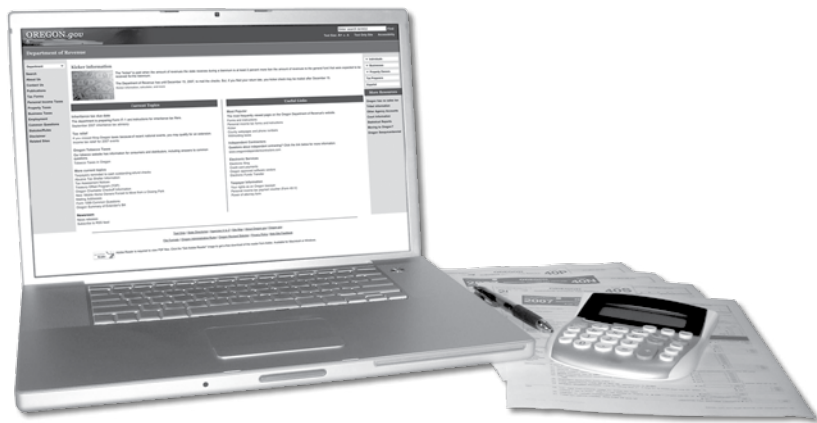
File electronically.

It's fast, secure, and oh, so  
easy! See page 2.

**Is your income less  
than \$50,000?**

If it is, you might qualify  
for free e-filing. Find out at  
our website.

**[www.oregon.gov/DOR](http://www.oregon.gov/DOR)**



# E-services

## Electronic filing—fast, secure, and accurate

E-file is the fastest way to file your return and receive your refund. The speed and accuracy of computers allow electronic returns to be processed faster than paper returns, greatly reducing errors and delays. E-file uses secure technology to ensure the safety of your personal information once it is transmitted to the IRS and the Department of Revenue.

Oregon participates in the IRS Federal/State E-file program. This program allows you to electronically file **both** your federal and Oregon returns at the same time. If you have already filed your federal return, you may still electronically file your Oregon return.

If you haven't tried e-file yet, why not this year? Join more than a million other Oregon taxpayers who electronically file their Oregon returns.

### You may be eligible for free e-file

Several tax preparation software providers offer free online electronic tax filing. For free online tax preparation programs, go to our website at [www.oregon.gov/DOR/1000](http://www.oregon.gov/DOR/1000).

### Direct deposit = faster refunds

If you have a refund, the department can deposit it directly into your bank account. This option is quick and secure. See the instructions on page 39 to direct deposit your refund.

### Electronic payments from your checking or savings account

You can pay your current year income taxes, 2009 estimated income taxes, any prior year tax due, and amended return taxes directly from your checking or savings account. Go to our website for more information.

### Credit card payments

You can also pay your current year income taxes, 2009 estimated income taxes, any prior year tax due, and amended return taxes with your Discover, MasterCard, or Visa credit card. See page 37 for more information.

### More information about e-filing

Go to our website at [www.oregon.gov/DOR/PERTAX](http://www.oregon.gov/DOR/PERTAX). Click on "Publications" and download *Electronic Filing For Oregon*.

## Getting started

You can take advantage of e-file in one of three ways:

### 1. Ask your tax preparer.

If your tax preparer is an authorized IRS e-file provider, your preparer can electronically file your federal and Oregon returns. Many Tax-Aide and Tax Counseling for the Elderly (TCE) sites set up by the IRS are authorized IRS e-file providers.

### 2. Online tax preparation software.

You can file your federal and state returns from your home computer, from work, or from a library using Oregon-approved online tax preparation sites. Go to our website at [www.oregon.gov/DOR/1001](http://www.oregon.gov/DOR/1001) for a list of tax preparation sites that can assist in preparing your federal and Oregon returns.

### 3. Off-the-shelf software.

With a computer, internet access, and the right software, you can file your federal and Oregon returns yourself. Ask your local software retailer about software programs offering the IRS's Federal/State E-file program. Make sure the program supports Oregon tax forms. For a list of approved tax software products and vendors, go to our website at [www.oregon.gov/DOR/ESERV](http://www.oregon.gov/DOR/ESERV) and click on "Approved software vendors."



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## How long will it take to get my refund?

Once the department begins processing returns, your return will be processed in the time frames listed. If you claim the Working Family Credit (WFC) or your return needs additional review for another reason, your return will take longer to process. Return processing time frames:

<b>If you e-file your return</b>	4–10 business days
<b>If you mail your return before April 1</b>	
• With 2-D barcode	1–2 weeks
• Without 2-D barcode	4–6 weeks
<b>If you mail your return on or after April 1</b>	
• With 2-D barcode	2–4 weeks
• Without 2-D barcode	6–8 weeks

To check if your refund has been issued, go to [www.oregonrefund.com](http://www.oregonrefund.com).

You will need to enter your Social Security number, filing status, and the refund you requested on your return (Form 40N or 40P, line 89).

The system will tell you if we are still processing your return or if we have recently finished processing it and are issuing your refund. Please wait until after the time listed before contacting us.

**Your return and tax owed are due April 15, 2009. See page 37 for payment options.**

## New information

**Registered domestic partners (RDPs).** If you and your partner entered into an Oregon **registered** domestic partnership in 2008, you will have the same rights and responsibilities as married filers. For more information, download the publication *Registered Domestic Partners in Oregon* from our website.

**Important!** Civil unions, domestic partnerships, and same-sex marriages established in other states are **not** recognized in Oregon.

**Federal tax liability subtraction.** The federal tax subtraction limit has increased to \$5,600 (\$2,800 if married/RDP filing separately). **Note:** The tax rebates (economic stimulus payments) from the IRS in 2008 may reduce your 2008 federal tax subtraction. See page 28.

**Standard deduction amounts.** The standard deduction amounts have changed. See page 27.

**Schedule OR-ASC-N/P.** Schedule OR-A-N/P, *Oregon Adjustments for Form 40P and Form 40N Filers*, has been renamed Schedule OR-ASC-N/P.

**Withholding from sales of Oregon property by a nonresident.** Nonresidents who sell Oregon property are subject to withholding on gain from the sale. Certain authorized agents must withhold tax and send it to the Department of Revenue on behalf of the transferor. For more information, download the

publication *Withholding of Real Property Conveyances* (form 150-101-183) from our website. See line 61 instructions on page 34.

**529 Oregon College Savings Network.** The subtraction for contributions to a 529 Oregon College Savings Network account in 2008 has increased to \$4,000 for joint returns and \$2,000 for all other returns.

**Earned income credit.** You can now claim 6 percent of your federal earned income credit for Oregon purposes. See page 34 for more details.

**TRICARE provider credit.** A credit of up to \$2,500 is available for physicians participating in their first year in the TRICARE system.

**Oregon Veterans' Home physicians' credit.** A credit of up to \$5,000 is available for physicians who provide medical care to residents of the Oregon Veterans' Home.

**Charitable checkoff.** You can now donate all or part of your refund to Oregon Food Bank. See page 39.

**Oregon National Guard Youth Challenge Program.** Income earned by employees of the Oregon National Guard Youth Challenge Program is exempt up to a maximum of \$6,000.

Please visit our website or contact us for more details concerning the new information listed above.

## Important reminders

**Payment options.** You can pay your tax due directly from your checking or savings account or by credit card. See page 37.

**Direct deposit.** The Department of Revenue can deposit your refund directly into your account at most banks or other financial institutions. For direct deposit, contact your bank to make sure your deposit will be accepted and to get your correct routing and account numbers. The Department of Revenue is not responsible if your bank rejects your deposit. If the deposit is rejected, we will issue a paper check. See page 39.

**Use blue or black ink only.** Please use blue or black ballpoint ink for easier reading and faster processing. Equipment used to scan documents and checks cannot read gel ink or certain colors of ink, especially red or purple; using them will delay the processing of your return.

**Federal law.** Oregon is tied to the federal definition of taxable income.\* Oregon will automatically adopt any future federal law changes to the definition of taxable income.

\* There are two exceptions:

- Internal Revenue Code (IRC) section 139A for federal subsidies for prescription drug plans, and
- IRC section 199 for income attributable to domestic production activities, also known as qualified production activity income (QPAI).

Income under these sections is exempt from tax on the federal return. If you have either of these types of income, you will have an addition on your Oregon tax return. See page 19.

**Filing extension.** Use Form 40-EXT to obtain an automatic six-month extension of time to file your 2008 Oregon return. See page 7.

# General information

## Should I file an Oregon return?

You must file an Oregon income tax return if your Oregon source income and income received while an Oregon resident is more than your standard deduction.

If your Oregon income is less than your standard deduction, you're not required to file a return for Oregon.

**Full-year residents.** Oregon taxes your income from all sources.

**Part-year residents.** Oregon taxes your income from all sources earned or received while you were an Oregon resident. Oregon also taxes your income from Oregon sources while you were a nonresident.

**Nonresidents.** Oregon taxes only your income from Oregon sources.

## Filing thresholds

You must file an Oregon income tax return if:

Your filing status is:	Age:	And your Oregon income is more than:
Can be claimed on another's return	Any	\$900*
Single	Under 65	\$1,865
	65 or over	\$3,065
Married/RDP filing jointly	Both under 65	\$3,735
	One 65 or over	\$4,735
Married/RDP filing separately	Both 65 or over	\$5,735
If spouse/RDP claims standard deduction	Under 65	\$1,865
	65 or over	\$2,865
If spouse/RDP itemizes deductions	Any	\$0
Head of household	Under 65	\$3,005
	65 or over	\$4,205
Qualifying widow(er)	Under 65	\$3,735
	65 or over	\$4,735

\* The larger of \$900 or your earned income plus \$300, up to your standard deduction amount for your filing status.

## What does income from Oregon sources include?

Oregon income includes income shown on your federal return for services performed in Oregon.

If you have wages from an Oregon employer and you performed services for your employer in Oregon and another state while you were a nonresident, and you

Oregon wages are not stated separately on your W-2, compute your Oregon source income using the following formula:

$$\frac{\text{Days actually worked in Oregon}}{\text{Days actually worked everywhere}} \times \frac{\text{Total wages (line 8F)}}{\text{Total wages (line 8S)}} = \frac{\text{Oregon wages (line 8S)}}{\text{Total wages (line 8F)}}$$

**Do not** include holidays, vacation days, and sick days as actual work days. **However, you must** include sick pay, holiday pay, and vacation pay in total wages. You **must** attach an explanation from your employer. If Oregon is the only state you worked in, do not use this formula; all your earnings are taxable and must be reported in the Oregon column.

**Example:** Savannah lives in Idaho but works in Oregon. Of her 260 total days paid, she worked 138 days in Oregon and 92 days from her home in Idaho. She received 14 days vacation pay, eight days sick pay, and eight days holiday pay. She earned \$50,000 in wages. She figured the amount subject to Oregon tax as follows:

Total days paid	260
Less: Vacation days	(14)
Sick days	(8)
Holidays	(8)
Total days worked everywhere	230

$$\frac{\text{Days actually worked in Oregon (138)}}{\text{Days actually worked everywhere (230)}} \times \frac{\$50,000}{\text{(Total wages)}} = \$30,000$$

Savannah's compensation reported in the federal column, Form 40N, line 8F is \$50,000 and in the Oregon column, Form 40N, line 8S is \$30,000.

### The following are considered other income from Oregon sources:

- Businesses, partnerships, limited liability companies taxed as partnerships, and S corporations located or doing business in Oregon—income (losses).
- Unemployment compensation received because of an Oregon job.
- Severance pay received because of an Oregon job.
- Oregon farm income (losses).
- Oregon estate and trust income (losses).
- Oregon State Lottery winnings.
- Sale of Oregon property income (losses).
- Rents and royalties for use of Oregon property.
- Community property income. If you're a resident of Oregon and your spouse is a resident of a state with community property laws, you may be taxed on part of your spouse's income. Community property laws in the state where your spouse lives determine if you're taxed on any of your spouse's income. You



may need more information from the state where your spouse lives. Go to our website to download the publication *Married Persons Filing Separate Returns* and for links to other states' tax websites.

### What income is not included in Oregon sources?

- Interest and dividends. However, if they're from an Oregon business you own, received during the part of the year you were a resident or passed through from an S corporation or partnership doing business in Oregon, you must include them in Oregon income.
- Interstate transportation wages from an interstate railroad company, interstate motor carrier, air carrier, or motor private carrier. You must be a nonresident and have regularly assigned duties in more than one state. Download the publication *Amtrak Act (Interstate Transportation Wages)* from our website or contact us to order it.
- Oregon retirement income received while you were a nonresident unless you were domiciled in Oregon. See "Pensions and annuities" on page 17.
- Waterway or hydroelectric dam compensation, if you're a nonresident:
  - Working as crew or pilot on a vessel on a river between Oregon and another state, or
  - Working on a dam that spans a river between Oregon and another state.
- Military pay of a nonresident.
- Winnings from tribal gaming centers in Oregon.

## Residency

**Am I a resident, nonresident, or part-year resident?**  
The following will help you decide:

- **You're a full-year Oregon resident**, even if you live outside Oregon, if **all** of the following are true:
  - You think of Oregon as your permanent home, and
  - Oregon is the center of your financial, social, and family life, and
  - Oregon is the place you intend to come back to when you're away.

### You're still a full-year resident if:

- You temporarily moved out of Oregon, or
- You moved back to Oregon after a temporary absence.

You may also be considered a full-year resident if you spent more than 200 days in Oregon during 2008 or you're a nonresident alien as defined by federal law.

- **You're a nonresident** if your permanent home was outside Oregon all year.

- **You're a part-year resident** if you moved into or out of Oregon during 2008. You're **not** considered a part-year resident if:
  - You temporarily moved out of Oregon, or
  - You moved back to Oregon after a temporary absence.

**Special-case Oregon residents.** If you're an Oregon resident and you meet **all** the following conditions, you're considered a nonresident for tax purposes:

- You're an Oregon resident who maintained a permanent home outside Oregon the entire year, and
- You didn't keep a home in Oregon during any part of 2008, and
- You spent less than 31 days in Oregon during 2008.

**Important!** A recreational vehicle (RV) is not considered a permanent home outside of Oregon.

**Oregon residents living abroad.** Usually, you're considered a nonresident if you qualify for the federal earned income exclusion or housing exclusion for United States residents living abroad.

## Filing status

Generally, you must use the same filing status for your Oregon and federal returns.

**Exception for registered domestic partners (RDPs).** As an RDP, you are no longer eligible to use the single filing status. For Oregon, you are generally required to use one of the following filing statuses: registered domestic partners filing jointly or registered domestic partner filing separately.

For more information, download the publication *Registered Domestic Partners in Oregon* from our website or contact us to order it.

### Exceptions for married persons when each spouse has a different residency status:

- **Full-year resident and part-year resident.** You may file separate Oregon returns. If you file separate returns for Oregon, you **must** use the married filing separately status. The full-year resident will file Form 40, and the part-year resident will file Form 40P. If you choose to file a joint return for Oregon, use Form 40P.
- **Full-year resident and nonresident.** You may file separate Oregon returns. If you file separate returns for Oregon, you **must** use the married filing separately status. The full-year resident will file Form 40, and the nonresident will file Form 40N. If you choose to file a joint return for Oregon, use Form 40N.
- **Part-year resident and nonresident.** You may file separate Oregon returns. If you file separate returns for Oregon, you **must** use the married filing separately status. The part-year resident will file Form 40P, and

the nonresident will file Form 40N. If you choose to file a joint return for Oregon, use Form 40N.

**Need more information?** Download the publication *Married Persons Filing Separate Returns* from our website or contact us to order it.

## Military personnel

**Nonresidents stationed in Oregon.** Oregon does not tax your military pay while you're stationed in Oregon. File Form 40N if you or your spouse/RDP had income from other Oregon sources or to claim a refund of Oregon tax withheld from your military pay.

**Residents stationed outside Oregon.** If you meet the requirements on page 6 for special-case Oregon residents or Oregon residents living abroad, file Form 40N. File Form 40 from the *Full-Year Resident* tax booklet if you don't meet the listed requirements.

**Residents stationed in Oregon.** If you're an Oregon resident stationed in Oregon, file Form 40 from the *Full-Year Resident* tax booklet.

**Need more information?** For more information on military personnel and the military active duty pay subtraction, download the publication *Military Personnel Filing Information* from our website or contact us to order it.

## Filing for a deceased person

You must file a final personal income tax return for a person who died during the calendar year if the person would have been required to file. See "Should I file an Oregon return?" on page 5. If a return is filed, please check the "deceased" box on the return. If you've been appointed personal representative or you filed a small estate affidavit, sign the return "as personal representative" and have the spouse or RDP sign if a joint return. If there is no personal representative for a joint return, only the surviving spouse or RDP needs to sign. For more information, download *Survivor's Information* from our website or contact us to order it.

Are you filing a return and claiming a refund for someone who is now deceased and there is no court-appointed personal representative? If so, file Form 243, *Claim to Refund Due a Deceased Person*, with the return. This will allow us to issue the refund check in your name. Download the form from our website or contact us to order it.

## What form do I use?

**Use Form 40N if any ONE of the following is true:**

- You're a nonresident, or
- You're a special case Oregon resident (see "Special case Oregon residents" on page 6), or

- You and your spouse or RDP are filing jointly and one (or both) of you is a nonresident, or
- You meet the military personnel nonresident requirements explained on this page, or
- You qualified as an Oregon resident living abroad for the entire year.

**Use Form 40P if any ONE of the following is true:**

- You're a part-year resident, or
- You are filing jointly and one of you is a part-year resident and the other is a full-year resident, or
- You are filing jointly and both of you are part-year Oregon residents, or
- You qualified as an Oregon resident living abroad for part of the year.

**Use Form 40 or 40S if any ONE of the following is true:**

- You're a full-year resident, or
- You and your spouse or RDP are both full-year residents filing jointly.

Forms 40 and 40S are included in the *Full-Year Resident* booklet. Download the booklet from our website or contact us to order it.

## When should I file my return?

The filing deadline for calendar year 2008 is **April 15, 2009**. If you cannot pay all or any of your tax by the due date, it's important to file your return anyway to avoid a late-filing penalty.

Returns for other tax periods are due by the 15th day of the fourth month after the close of your tax year.

## What if I need more time to file?

If you need more time to file, you can request an extension. Complete an Oregon extension form, Form 40-EXT, if:

- You're making a tax payment to Oregon and you cannot file your Oregon return by April 15, 2009, or
- You're filing an extension for Oregon only.

Extensions must be filed by the due date of the return, April 15, 2009.

If you received a federal extension and you're expecting an Oregon refund, do **not** use Form 40-EXT. Oregon will allow you the same extension. Be sure to check box 7b on your Oregon return. Do **not** attach a copy of your federal extension to your Oregon return. Keep a copy of your federal extension with your records.

If you need to complete Form 40-EXT, download the form from our website or contact us to order it.

**An extension does not mean more time to pay!**

You must pay all tax you expect to owe when you file your extension. If you don't pay all the tax due when

you request an extension, you'll owe interest on any unpaid tax after April 15, 2009, until the date of your payment. The 2009 interest rate is 6 percent per year. If the tax is not paid within 60 days of the date of our billing notice, the interest rate increases to 10 percent per year. You may also owe a late-payment penalty.

If you cannot pay all of the tax you expect to owe, pay what you can. Call us as soon as possible to set up a payment plan to reduce penalties and interest.

### Were you stationed in a designated combat zone?

If you were stationed in a designated combat zone and received additional time to file your 2008 federal return and pay your 2008 tax, Oregon allows the same amount of time to file and pay. **Write "Combat zone" in blue or black ink at the top left corner of your return.**

## Penalties

You will owe a 5 percent late-payment penalty on any 2008 tax not paid by April 15, 2009 even if you have filed an extension. See page 34.

If you file more than three months after the due date or extension due date, a 20 percent late-filing penalty will be added, so you will owe a total penalty of 25 percent of any unpaid tax.

**Exception:** For information about penalty exceptions, go to our website and view *Computing Interest on Tax You Owe*.

A 100 percent penalty is charged if you do not file a return for **three consecutive years** by the due date of the third year, including extensions. The penalty is 100 percent of the unpaid tax for each of the three years.

## 2009 estimated tax

Estimated tax is the amount of tax you expect to owe after credits and Oregon tax withheld when you file your 2009 Oregon individual income tax return.

Oregon estimated tax laws are not the same as federal estimated tax laws. Use Oregon instructions to decide if you need to make estimated tax payments for 2009.

### Who must make estimated tax payments?

In most cases, people who **expect to owe \$1,000 or more** on their 2009 Oregon income tax return after credits and withholding must make estimated payments. You may need to make estimated payments if:

- You're self-employed and don't have Oregon tax withheld from your income.
- You received Oregon Lottery single ticket winnings of less than \$5,000. (Note: Single ticket winnings of \$5,000 or more are subject to Oregon withholding.)

- You receive income such as pensions, interest, or dividends; Oregon tax is not withheld; and you expect to owe tax of \$1,000 or more.
- You're a wage earner and expect to owe tax of \$1,000 or more on your 2009 return. You may want to increase the amount your employer withholds from your Oregon wages. Download the publication *Oregon Income Tax Withholding* from our website or contact us to order it.

### When do I pay?

Estimated tax due dates for 2009 taxes are April 15, 2009\*; June 15, 2009; September 15, 2009; and January 15, 2010.

If paying with a check or money order, send your payment with Form 40-ESV, *Oregon Estimated Income Tax Payment Voucher*. Download the publication from our website or contact us to order it. If making an electronic payment from your checking or savings account or paying by credit card, see page 37.

\* Please send your 2009 estimated tax payment and Oregon Form 40-ESV in a separate envelope from your 2008 Oregon income tax return. This will help us credit your payment more efficiently.

## Interest on underpayment of estimated tax

You may owe interest on underpayment of estimated tax if:

- You owe \$1,000 or more on your return after credits and withholding, or
- You paid less than 90 percent of the tax due on each estimated tax payment due date.

For Form 40N or Form 40P, line 69 instructions, see page 37.

## What if I'm self-employed?

If you're self-employed and do business in **Multnomah, Clackamas, or Washington counties**, you may need to file Form TM, *TriMet Self-Employment Tax Return*. If you're self-employed and do business in **Lane County**, you may need to file Form LTD, *Lane Transit District Self-Employment Tax Return*. Go to our website to download the forms, or contact us to order either form.

## Frequently asked questions

### Is my tax return private information?

Yes. All information provided on the return is confidential. Any Oregon Department of Revenue employee who gives out confidential information without your permission may be convicted of a Class C felony.



### **I'm moving. Will my refund check be forwarded to me?**

Yes. If you move after you file your return, give us your new address. Download a Change of Address form from our website or contact us. Remember to file a change of address form with your local post office.

### **What tax records do I need to keep?**

You need to keep:

- Complete copies of all your federal and state returns, including **"as if"** returns, even if you use a tax practitioner or file electronically.
- All original receipts, cancelled checks, statements, and other records you used to prepare your return. Save these records for at least **three years** from the **due date** of the return or three years from the **date you file** your return, whichever is **later**. If your return is **reviewed during processing or audited**, the law says you must show **proof** of your income and expenses.
- All records from the sale, purchase, or exchange of property and investments. Keep these records for at least three years after you report the gain or loss on the property or investment.

For more information, download the publication *Record-Keeping Requirements* from our website or contact us to order it.

### **What if I need to change my Oregon return after filing?**

File an amended return. Use Form 40N or Form 40P to change (amend) your return. Check the amended return box in the upper left corner of the form. You must also complete and attach the *Oregon Amended Schedule* to your amended return. Download the schedule and instructions from our website or contact us to order it.

Generally, you're allowed three years from the due date of the return to file an amended return to claim a refund. To amend a prior year return, use Form 40N or Form 40P for that year and the *Oregon Amended Schedule*. To order prior year tax booklets or for assistance, please contact us.

### **What if I'm audited by the IRS or another state?**

If the IRS or another state makes changes that increase your Oregon taxable income, file an amended return to report and pay additional tax. If the changes reduce Oregon taxable income, you have two years from the date of the audit report to file an amended return to claim a refund. Include a copy of the audit report with your amended return.

## **Instructions for Forms 40N and 40P**

### **Step 1: Fill out your federal form.**

Your Oregon tax is determined using the ratio of your Oregon source income to your entire federal income. **Fill out your federal return first**, then your Oregon return. You must attach a copy (front and back) of your federal Form 1040, 1040A, 1040EZ, 1040NR, or 1040NREZ to your Oregon tax return. **Do not attach any federal schedules.** We may ask for copies of schedules or additional information later.

See "What tax records do I need to keep?" above.

**Registered domestic partners (RDPs):** To correctly figure your Oregon tax liability, you must complete a federal Form 1040 income tax return **"as if"** you were married filing jointly or married filing separately. Use the information you calculated on the **"as if"** federal return to complete your Oregon income tax return, unless otherwise indicated.

### **Step 2: Select the appropriate form.**

To decide whether to use Form 40N or 40P, see page 7.

### **Step 3: Fill out the Oregon form.**

#### **Residency**

Enter the dates you were an Oregon resident during 2008. For example, "01/01/2008 to 04/15/2008," or "03/01/2008 to 12/31/2008."

#### **Fiscal year filers only**

Write the end date of your fiscal year in the space. **Write "Fiscal year" in blue or black ink at the top left corner of your return.**

#### **Name and address**

Type or clearly print your name, Social Security number, date of birth, complete mailing address, and daytime telephone number on your return. If you are married or an RDP filing separately do not fill in your spouse's or RDP's name and SSN here. Enter it on line 3 instead. If the taxpayer died in 2008 or 2009, please check the "deceased" box next to their name.

**Social Security number (SSN).** The request for your SSN is authorized by Section 405, Title 42, of the United States Code. You **must** provide this information. It will be used to establish your identity for tax purposes only.

**Individual taxpayer identification number (ITIN).** If the IRS issued you an ITIN because you don't have a Social Security number, enter your ITIN wherever your SSN is requested.

If you don't have an ITIN, you need to request one from the IRS. In this case, **write "Applied for" wherever your SSN is requested, or leave blank**, and file your return by April 15, 2009. Do **not** attach your ITIN application (federal Form W-7) to your Oregon tax return. For a copy of Form W-7, go to the IRS website at [www.irs.gov](http://www.irs.gov) or call the IRS toll-free at 1-800-829-1040. When the IRS issues you an ITIN, send a copy of your ITIN letter to the Oregon Department of Revenue.

**Date of birth.** Enter the month, day, and year you were born. For example, "12/23/1976."

## Check the boxes

### Filing status

**1** – **5** Check the box next to your filing status. If you file as **head of household**, enter the name of a person who qualifies you for head of household filing status next to box 4. Please enter only one name.

Generally, you must use the **same filing status** you used on your federal return.

**Exception for registered domestic partners (RDPs).** As an RDP, you are no longer eligible to use the single filing status. For Oregon, you are generally required to use one of the following filing statuses: registered domestic partners filing jointly or registered domestic partner filing separately.

**Exceptions for married persons when each spouse has a different residency status.** See page 6 for more information.

If you're **married or an RDP filing separately**, fill in your spouse's or RDP's first name, last name (first four letters only), and Social Security number under box 3a or 3b. Do **not** fill in your spouse's or RDP's name or Social Security number in the heading of the return.

### How to file separate returns for Oregon

If you **file separate returns for Oregon only**, report your own share of federal adjusted gross income (AGI) and deductions. Also, report your share of any Oregon additions or subtractions using this formula to determine your percentage:

$$\frac{\text{Your share of federal AGI}}{\text{Joint federal AGI}} = \text{Your percentage (not to exceed 100\%)}$$

**Write "MFS for Oregon only" in blue or black ink at the top left corner of your return.** Attach the following to **both** Oregon returns:

- A federal Form 1040, 1040A, 1040EZ, 1040NR, or 1040NR-EZ prepared **"as if"** you had filed married filing separately, and
- A copy of the joint Form 1040, 1040A, 1040EZ, 1040NR, or 1040NR-EZ you **actually** filed with the IRS.

If possible, mail both spouses' Oregon returns in the **same** envelope. Do **not** staple the returns together.

For more information, download the publication *Married Persons Filing Separate Returns* from our website or contact us to order it.

### Exemptions

**6a & 6b Yourself and spouse/RDP.** Check "Yourself" and other boxes that apply. **If someone else can claim you as a dependent (even if they did not), do not check "Yourself;"** instead enter -0- in the total box on 6a unless you have a severe disability.

**Severely disabled.** Did you have a severe disability at the end of 2008? If so, you may claim an additional exemption credit. This credit is different from the exemption credit for a child with a disability. You may claim the severely disabled exemption even if someone else can claim you as a dependent. You're considered to have a severe disability if **any** of the following apply:

- You permanently lost the use of one or both feet, or
- You permanently lost the use of both hands, or
- You are permanently blind, or
- You have a permanent condition that, without special equipment or outside help, limits your ability to:
  - Earn a living, or
  - Maintain a household, or
  - Transport yourself.

Special equipment doesn't include items such as eye-glasses, contact lenses, ordinary crutches, or hearing aids. Deafness alone does not qualify.

You don't qualify for this exemption if:

- You have a temporary disability from an injury or illness and are expected to recover, or
- Your condition keeps you from doing your former work but doesn't prevent you from doing other kinds of work without special equipment.

If you have a permanent severe disability, your physician must write a letter describing your disability. Keep the letter with your permanent records in case we request a copy.

If you qualify, check the "Severely disabled" exemption box on line 6a. If your spouse or RDP qualifies, check the "Severely disabled" exemption box on line 6b. You and your spouse or RDP may also qualify for the loss of use of limbs credit. For more information, please contact us.

*Continued on page 15*

Amended Return <input type="checkbox"/> <b>Form 40N</b> <b>OREGON</b> <b>Individual Income Tax Return</b> <b>FOR NONRESIDENTS</b>		2008		For office use only	
Oregon resident: From mm / dd / yyyy To mm / dd / yyyy			Fiscal year ending		K F P J
Last name		First name and initial <input type="checkbox"/> Deceased		Social Security No. (SSN) - -	
Spouse's/RDP's last name if joint return		Spouse's/RDP's first name and initial if joint return <input type="checkbox"/> Deceased		Spouse's/RDP's SSN if joint return - -	
Current mailing address				Telephone number ( )	
City		State	ZIP code	Country	
If you filed a return last year, and your name or address is different, check here <input type="checkbox"/>					
<b>Filing Status</b> 1 <input type="checkbox"/> Single 2a <input type="checkbox"/> Married filing jointly 2b <input type="checkbox"/> Registered domestic partners (RDP) filing jointly 3a <input type="checkbox"/> Married filing separately: Spouse's name _____ Spouse's SSN _____ 3b <input type="checkbox"/> Registered domestic partner filing separately: Partner's name _____ Partner's SSN _____ 4 <input type="checkbox"/> Head of household: Person who qualifies you 5 <input type="checkbox"/> Qualifying widow(er) with dependent child			<b>Exemptions</b> 6a Yourself ..... Regular <input type="checkbox"/> ..... Severely disabled <input type="checkbox"/> ..... 6a 6b Spouse/RDP ... Regular <input type="checkbox"/> ..... Severely disabled <input type="checkbox"/> ..... b 6c All dependents First names ..... c 6d <b>Disabled</b> children only (see instructions) ..... d <b>Total</b> ..... 6e		
Check all that apply →		<b>7a You were:</b> <input type="checkbox"/> 65 or older <input type="checkbox"/> Blind <b>Spouse/RDP was:</b> <input type="checkbox"/> 65 or older <input type="checkbox"/> Blind		<b>7b</b> <input type="checkbox"/> You filed an extension	
		<b>7c</b> <input type="checkbox"/> You have federal Form 8886, REIT, or RIC		<b>7d</b> <input type="checkbox"/> You filed Oregon Form 24	
		<b>7e</b> <input type="checkbox"/> If there is a kicker refund, I want to donate mine to the State School Fund			

		Federal column (F)		Oregon column (S)	
INCOME	8 Wages, salaries, and other pay for work. <b>Staple all Forms W-2 below</b> .....	8F	.00	8S	.00
	9 Taxable interest income from federal Form 1040, line 8a.....	9F	.00	9S	.00
	10 Dividend income from federal Form 1040, line 9a.....	10F	.00	10S	.00
	11 State and local income tax refunds from federal Form 1040, line 10.....	11F	.00	11S	.00
	12 Alimony received from federal Form 1040, line 11.....	12F	.00	12S	.00
	13 Business income or loss from federal Form 1040, line 12.....	13F	.00	13S	.00
	14 Capital gain or loss from federal Form 1040, line 13.....	14F	.00	14S	.00
	15 Other gains or losses from federal Form 1040, line 14.....	15F	.00	15S	.00
	16 IRA distributions from federal Form 1040, line 15b.....	16F	.00	16S	.00
	17 Pensions and annuities from federal Form 1040, line 16b.....	17F	.00	17S	.00
	18 Rents, royalties, partnerships, etc., from federal Form 1040, line 17.....	18F	.00	18S	.00
ADJUSTMENTS TO INCOME	19 Farm income or loss from federal Form 1040, line 18.....	19F	.00	19S	.00
	20 Unemployment and other income from federal Form 1040, lines 19 through 21 ...	20F	.00	20S	.00
	21 Total income. Add lines 8 through 20.....	21F	.00	21S	.00
	22 IRA or SEP and SIMPLE contributions, federal Form 1040, lines 28 and 32.....	22F	.00	22S	.00
	23 Education deductions from federal Form 1040, lines 23, 33, and 34.....	23F	.00	23S	.00
	24 Moving expenses from federal Form 1040, line 26.....	24F	.00	24S	.00
	25 Deduction for self-employment tax from federal Form 1040, line 27.....	25F	.00	25S	.00
	26 Self-employed health insurance deduction from federal Form 1040, line 29.....	26F	.00	26S	.00
	27 Alimony paid from federal Form 1040, line 31a.....	27F	.00	27S	.00
	28 Other adjustments to income. Identify: •28x <input type="checkbox"/> •28y \$ <input type="checkbox"/> Schedule 28z <input type="checkbox"/> .....	28F	.00	28S	.00
	29 Total adjustments to income. Add lines 22 through 28.....	29F	.00	29S	.00
30 Income after adjustments. Line 21 minus line 29.....	30F	.00	30S	.00	
ADDITIONS	31 Interest on state and local government bonds outside of Oregon.....	31F	.00	31S	.00
	32 Federal election on interest and dividends of a minor child.....	32F	.00	32S	.00
	33 Other additions. Identify: •33x <input type="checkbox"/> •33y \$ <input type="checkbox"/> Schedule attached 33z <input type="checkbox"/> .....	33F	.00	33S	.00
	34 Total additions. Add lines 31 through 33.....	34F	.00	34S	.00
	35 Income after additions. Add lines 30 and 34.....	35F	.00	35S	.00
SUBTRACTIONS	36 Social Security and tier 1 Railroad Retirement Board benefits included on line 20F ..	36F	.00		
	37 Other subtractions. Identify: •37x <input type="checkbox"/> •37y \$ <input type="checkbox"/> Schedule attached 37z <input type="checkbox"/> .....	37F	.00	37S	.00
	38 Income after subtractions. Line 35 minus lines 36 and 37.....	38F	.00	38S	.00
	39 <b>Oregon percentage.</b> Line 38S ÷ line 38F (not more than 100.0%)•39 <input type="text"/> %				

40 Amount from front of form, line 38S ( <b>Oregon</b> amount).....		40		.00
<b>DEDUCTIONS AND MODIFICATIONS</b>	41 Itemized deductions from federal Schedule A, line 29 .....	• 41		.00
	42 State income tax or sales tax claimed as itemized deduction.....	• 42		.00
	43 Net Oregon itemized deductions. Line 41 minus line 42 .....	• 43		.00
	44 Standard deduction from page 27 .....	• 44		.00
	45 2008 federal tax liability ( <b>\$0-\$5,600; see instructions</b> for the correct amount)....	• 45		.00
	46 Other deductions and modifications. Identify: •46x <input type="checkbox"/> •46y \$ <input type="text"/> Schedule 46z <input type="checkbox"/> • 46	• 46		.00
	47 Deductions and modifications X Oregon percentage. See page 30.....	• 47		.00
48 Deductions and modifications <b>not</b> multiplied by the Oregon percentage. See page 30 • 48			.00	
49 Total deductions and other modifications. Add lines 47 and 48 .....	• 49		.00	
50 Oregon taxable income. Line 40 minus line 49.....	• 50		.00	
<b>OREGON TAX</b>	51 <b>Tax.</b> See page 30 for instructions. Enter tax here .....	• 51		.00
	Check if tax is from: 51a <input type="checkbox"/> Tax charts or • 51b <input type="checkbox"/> Form FIA-40N or • 51c <input type="checkbox"/> Worksheet FCG			
	52 Interest on certain installment sales.....	• 52		.00
	53 Total tax before credits. Add lines 51 and 52 .....	OREGON TAX → • 53		.00
<b>NONREFUNDABLE CREDITS</b> Attach proof →	54 <b>Exemption credit.</b> See instructions, page 31 .....	• 54		.00
	55 Credit for income taxes paid to another state. State: •55y <input type="checkbox"/> Schedule 55z <input type="checkbox"/> • 55	• 55		.00
	56 Other credits. Identify: •56x <input type="checkbox"/> •56y \$ <input type="text"/> Schedule attached 56z <input type="checkbox"/> • 56	• 56		.00
	57 Total non-refundable credits. Add lines 54 through 56 .....	• 57		.00
	58 Net income tax. Line 53 minus line 57. If line 57 is more than line 53, enter -0- .....	• 58		.00
<b>PAYMENTS AND REFUNDABLE CREDITS</b> Attach Schedule WFC-N/P if you claim this credit	59 Oregon income tax withheld from income. <b>Attach Forms W-2 and 1099</b> .....	• 59		.00
	60 Estimated tax payments for 2008 and payments made with your extension .....	• 60		.00
	61 Tax withheld from pass-through entity and real estate transactions .....	• 61		.00
	62 Earned income credit. See instructions, page 34 .....	• 62		.00
	63 <b>Working family child care credit</b> from WFC-N/P, line 21 .....	• 63		.00
	Number from WFC-N/P, line 5 •63a <input type="checkbox"/> Amount from WFC-N/P, line 18 •63b \$ <input type="text"/>			
	64 Mobile home park closure credit. Attach Schedule MPC.....	• 64		.00
	65 Total payments and refundable credits. Add lines 59 through 64 .....	• 65		.00
	66 <b>Overpayment.</b> Is line 58 <b>less</b> than line 65? If so, line 65 minus line 58 .....	OVERPAYMENT → • 66		.00
	67 <b>Tax to pay.</b> Is line 58 <b>more</b> than line 65? If so, line 58 minus line 65 .....	TAX TO PAY → • 67		.00
68 Penalty and interest for filing or paying late. See instructions, page 34.....	68		.00	
69 Interest on underpayment of estimated tax. <b>Attach Form 10 and check box</b> <input type="checkbox"/> • 69			.00	
Exception # from Form 10, line 1 •69a <input type="checkbox"/> Check box if you annualized •69b <input type="checkbox"/>				
70 Total penalty and interest due. Add lines 68 and 69 .....	70		.00	
71 <b>Amount you owe.</b> Line 67 plus line 70 .....	AMOUNT YOU OWE → • 71		.00	
72 <b>Refund.</b> Is line 66 more than line 70? If so, line 66 minus line 70 .....	REFUND → • 72		.00	
<b>CHARITABLE CHECKOFF DONATIONS, PAGE 38</b> I want to donate part of my tax refund to the following fund(s)	73 <b>Estimated tax.</b> Fill in the part of line 72 you want applied to <b>2009</b> estimated tax • 73			.00
	Oregon Nongame Wildlife • 74			.00
	Alzheimer's Disease Research • 76			.00
	AIDS/HIV Education & Services • 78			.00
	Habitat for Humanity • 80			.00
	American Diabetes Association • 82			.00
	SMART • 84			.00
	Charity code •86a <input type="checkbox"/> •86b <input type="checkbox"/>			.00
	Child Abuse Prevention • 75			.00
	Stop Dom. & Sexual Violence • 77			.00
OR Military Financial Assist. • 79			.00	
OR Head Start Association • 81			.00	
Oregon Coast Aquarium • 83			.00	
SOLV • 85			.00	
Charity code •87a <input type="checkbox"/> •87b <input type="checkbox"/>			.00	
88 Total. Add lines 73 through 87. Total can't be more than your refund on line 72 .....	• 88		.00	
89 <b>NET REFUND.</b> Line 72 minus line 88. This is your net refund .....	NET REFUND → • 89		.00	
<b>DIRECT DEPOSIT</b>	90 For direct deposit of your refund, see the instructions on page 39.		• <b>Type of Account:</b> <input type="checkbox"/> Checking or <input type="checkbox"/> Savings	
	• Routing No. <input type="text"/>	• Account No. <input type="text"/>		

**Important: Attach a copy of your federal Form 1040, 1040A, 1040EZ, or 1040NR. Do not attach other federal schedules.**

Under penalty for false swearing, I declare that the information in this return and attachments is true, correct, and complete.			
Your signature	Date	Signature of preparer other than taxpayer	• License No.
X		X	
Spouse's/RDP's signature (if filing jointly, BOTH must sign)	Date	Address	Telephone No.
X			

Amended Return <input type="checkbox"/> <b>Form 40N</b> <b>OREGON</b> <b>Individual Income Tax Return</b> <b>FOR NONRESIDENTS</b>		2008		For office use only	
Oregon resident: From mm / dd / yyyy To mm / dd / yyyy			Fiscal year ending		K F P J
Last name		First name and initial <input type="checkbox"/> Deceased		Social Security No. (SSN) - -	
Spouse's/RDP's last name if joint return		Spouse's/RDP's first name and initial if joint return <input type="checkbox"/> Deceased		Spouse's/RDP's SSN if joint return - -	
Current mailing address				Telephone number ( )	
City		State	ZIP code	Country	
If you filed a return last year, and your name or address is different, check here <input type="checkbox"/>					
<b>Filing Status</b> 1 <input type="checkbox"/> Single 2a <input type="checkbox"/> Married filing jointly 2b <input type="checkbox"/> Registered domestic partners (RDP) filing jointly 3a <input type="checkbox"/> Married filing separately: Spouse's name _____ Spouse's SSN _____ 3b <input type="checkbox"/> Registered domestic partner filing separately: Partner's name _____ Partner's SSN _____ 4 <input type="checkbox"/> Head of household: Person who qualifies you 5 <input type="checkbox"/> Qualifying widow(er) with dependent child			<b>Exemptions</b> 6a Yourself ..... Regular <input type="checkbox"/> ..... Severely disabled <input type="checkbox"/> ..... 6a <input type="checkbox"/> 6b Spouse/RDP ... Regular <input type="checkbox"/> ..... Severely disabled <input type="checkbox"/> ..... b <input type="checkbox"/> 6c All dependents First names ..... c <input type="checkbox"/> 6d <b>Disabled</b> children only First names ..... d <input type="checkbox"/> (see instructions) <b>Total</b> 6e <input type="checkbox"/>		
Check all that apply → <b>7a You were:</b> <input type="checkbox"/> 65 or older <input type="checkbox"/> Blind <b>Spouse/RDP was:</b> <input type="checkbox"/> 65 or older <input type="checkbox"/> Blind			<b>7b</b> <input type="checkbox"/> You filed an extension		<b>7c</b> <input type="checkbox"/> You have federal Form 8886, REIT, or RIC
			<b>7d</b> <input type="checkbox"/> You filed Oregon Form 24		<b>7e</b> <input type="checkbox"/> If there is a kicker refund, I want to <b>donate mine</b> to the State School Fund

		Federal column (F)		Oregon column (S)	
INCOME	8 Wages, salaries, and other pay for work. <b>Staple all Forms W-2 below</b> .....	8F	.00	8S	.00
	9 Taxable interest income from federal Form 1040, line 8a.....	9F	.00	9S	.00
	10 Dividend income from federal Form 1040, line 9a.....	10F	.00	10S	.00
	11 State and local income tax refunds from federal Form 1040, line 10.....	11F	.00	11S	.00
	12 Alimony received from federal Form 1040, line 11.....	12F	.00	12S	.00
	13 Business income or loss from federal Form 1040, line 12.....	13F	.00	13S	.00
	14 Capital gain or loss from federal Form 1040, line 13.....	14F	.00	14S	.00
	15 Other gains or losses from federal Form 1040, line 14.....	15F	.00	15S	.00
	16 IRA distributions from federal Form 1040, line 15b.....	16F	.00	16S	.00
	17 Pensions and annuities from federal Form 1040, line 16b.....	17F	.00	17S	.00
	18 Rents, royalties, partnerships, etc., from federal Form 1040, line 17.....	18F	.00	18S	.00
ADJUSTMENTS TO INCOME	19 Farm income or loss from federal Form 1040, line 18.....	19F	.00	19S	.00
	20 Unemployment and other income from federal Form 1040, lines 19 through 21 ...	20F	.00	20S	.00
	21 Total income. Add lines 8 through 20.....	21F	.00	21S	.00
	22 IRA or SEP and SIMPLE contributions, federal Form 1040, lines 28 and 32.....	22F	.00	22S	.00
	23 Education deductions from federal Form 1040, lines 23, 33, and 34.....	23F	.00	23S	.00
	24 Moving expenses from federal Form 1040, line 26.....	24F	.00	24S	.00
	25 Deduction for self-employment tax from federal Form 1040, line 27.....	25F	.00	25S	.00
	26 Self-employed health insurance deduction from federal Form 1040, line 29.....	26F	.00	26S	.00
	27 Alimony paid from federal Form 1040, line 31a.....	27F	.00	27S	.00
	28 Other adjustments to income. Identify: •28x <input type="checkbox"/> •28y \$ <input type="checkbox"/> Schedule 28z <input type="checkbox"/> .....	28F	.00	28S	.00
	29 Total adjustments to income. Add lines 22 through 28.....	29F	.00	29S	.00
30 Income after adjustments. Line 21 minus line 29.....	30F	.00	30S	.00	
ADDITIONS	31 Interest on state and local government bonds outside of Oregon.....	31F	.00	31S	.00
	32 Federal election on interest and dividends of a minor child.....	32F	.00	32S	.00
	33 Other additions. Identify: •33x <input type="checkbox"/> •33y \$ <input type="checkbox"/> Schedule attached 33z <input type="checkbox"/> .....	33F	.00	33S	.00
	34 Total additions. Add lines 31 through 33.....	34F	.00	34S	.00
	35 Income after additions. Add lines 30 and 34.....	35F	.00	35S	.00
SUBTRACTIONS	36 Social Security and tier 1 Railroad Retirement Board benefits included on line 20F ..	36F	.00		
	37 Other subtractions. Identify: •37x <input type="checkbox"/> •37y \$ <input type="checkbox"/> Schedule attached 37z <input type="checkbox"/> .....	37F	.00	37S	.00
	38 Income after subtractions. Line 35 minus lines 36 and 37.....	38F	.00	38S	.00
	39 <b>Oregon percentage.</b> Line 38S ÷ line 38F (not more than 100.0%)•39 <input type="text"/> %				

▲ Carry this ▲  
amount to line 40

40 Amount from front of form, line 38S ( <b>Oregon</b> amount).....		40		.00
<b>DEDUCTIONS AND MODIFICATIONS</b>	41 Itemized deductions from federal Schedule A, line 29 .....	• 41		.00
	42 State income tax or sales tax claimed as itemized deduction.....	• 42		.00
	43 Net Oregon itemized deductions. Line 41 minus line 42 .....	• 43		.00
	44 Standard deduction from page 27 .....	• 44		.00
	45 2008 federal tax liability ( <b>\$0-\$5,600; see instructions</b> for the correct amount)....	• 45		.00
	46 Other deductions and modifications. Identify: •46x <input type="checkbox"/> •46y \$ <input type="text"/> Schedule 46z <input type="checkbox"/> • 46	• 46		.00
	47 Deductions and modifications X Oregon percentage. See page 30.....	• 47		.00
48 Deductions and modifications <b>not</b> multiplied by the Oregon percentage. See page 30 • 48			.00	
49 Total deductions and other modifications. Add lines 47 and 48 .....	• 49		.00	
50 Oregon taxable income. Line 40 minus line 49.....	• 50		.00	
<b>OREGON TAX</b>	51 <b>Tax.</b> See page 30 for instructions. Enter tax here .....	• 51		.00
	Check if tax is from: 51a <input type="checkbox"/> Tax charts or • 51b <input type="checkbox"/> Form FIA-40N or • 51c <input type="checkbox"/> Worksheet FCG			
	52 Interest on certain installment sales.....	• 52		.00
	53 Total tax before credits. Add lines 51 and 52 .....	OREGON TAX → • 53		.00
<b>NONREFUNDABLE CREDITS</b> Attach proof →	54 <b>Exemption credit.</b> See instructions, page 31 .....	• 54		.00
	55 Credit for income taxes paid to another state. State: •55y <input type="checkbox"/> Schedule 55z <input type="checkbox"/> • 55	• 55		.00
	56 Other credits. Identify: •56x <input type="checkbox"/> •56y \$ <input type="text"/> Schedule attached 56z <input type="checkbox"/> • 56	• 56		.00
	57 Total non-refundable credits. Add lines 54 through 56 .....	• 57		.00
	58 Net income tax. Line 53 minus line 57. If line 57 is more than line 53, enter -0- .....	• 58		.00
<b>PAYMENTS AND REFUNDABLE CREDITS</b> Attach Schedule WFC-N/P if you claim this credit	59 Oregon income tax withheld from income. <b>Attach Forms W-2 and 1099</b> .....	• 59		.00
	60 Estimated tax payments for 2008 and payments made with your extension .....	• 60		.00
	61 Tax withheld from pass-through entity and real estate transactions .....	• 61		.00
	62 Earned income credit. See instructions, page 34 .....	• 62		.00
	63 <b>Working family child care credit</b> from WFC-N/P, line 21 .....	• 63		.00
	Number from WFC-N/P, line 5 •63a <input type="checkbox"/> Amount from WFC-N/P, line 18 •63b \$ <input type="text"/>			
	64 Mobile home park closure credit. Attach Schedule MPC.....	• 64		.00
	65 Total payments and refundable credits. Add lines 59 through 64 .....	• 65		.00
	66 <b>Overpayment.</b> Is line 58 <b>less</b> than line 65? If so, line 65 minus line 58 .....	OVERPAYMENT → • 66		.00
	67 <b>Tax to pay.</b> Is line 58 <b>more</b> than line 65? If so, line 58 minus line 65 .....	TAX TO PAY → • 67		.00
68 Penalty and interest for filing or paying late. See instructions, page 34.....	68		.00	
69 Interest on underpayment of estimated tax. <b>Attach Form 10 and check box</b> <input type="checkbox"/> • 69			.00	
Exception # from Form 10, line 1 •69a <input type="checkbox"/> Check box if you annualized •69b <input type="checkbox"/>				
70 Total penalty and interest due. Add lines 68 and 69 .....	70		.00	
71 <b>Amount you owe.</b> Line 67 plus line 70 .....	AMOUNT YOU OWE → • 71		.00	
72 <b>Refund.</b> Is line 66 more than line 70? If so, line 66 minus line 70 .....	REFUND → • 72		.00	
<b>CHARITABLE CHECKOFF DONATIONS, PAGE 38</b> I want to donate part of my tax refund to the following fund(s)	73 <b>Estimated tax.</b> Fill in the part of line 72 you want applied to <b>2009</b> estimated tax • 73			.00
	Oregon Nongame Wildlife • 74			.00
	Alzheimer's Disease Research • 76			.00
	AIDS/HIV Education & Services • 78			.00
	Habitat for Humanity • 80			.00
	American Diabetes Association • 82			.00
	SMART • 84			.00
	Charity code •86a <input type="checkbox"/> •86b <input type="checkbox"/>			.00
	Child Abuse Prevention • 75			.00
	Stop Dom. & Sexual Violence • 77			.00
OR Military Financial Assist. • 79			.00	
OR Head Start Association • 81			.00	
Oregon Coast Aquarium • 83			.00	
SOLV • 85			.00	
Charity code •87a <input type="checkbox"/> •87b <input type="checkbox"/>			.00	
88 Total. Add lines 73 through 87. Total can't be more than your refund on line 72 .....	• 88		.00	
89 <b>NET REFUND.</b> Line 72 minus line 88. This is your net refund .....	NET REFUND → • 89		.00	
<b>DIRECT DEPOSIT</b>	90 For direct deposit of your refund, see the instructions on page 39.		• <b>Type of Account:</b> <input type="checkbox"/> Checking or <input type="checkbox"/> Savings	
	• Routing No. <input type="text"/>	• Account No. <input type="text"/>		

**Important: Attach a copy of your federal Form 1040, 1040A, 1040EZ, or 1040NR. Do not attach other federal schedules.**

Under penalty for false swearing, I declare that the information in this return and attachments is true, correct, and complete.

Your signature	Date	Signature of preparer other than taxpayer	• License No.
X		X	
Spouse's/RDP's signature (if filing jointly, BOTH must sign)	Date	Address	Telephone No.
X			



**6c All dependents.** Enter the number of your dependents in box 6c. Write their first names on the line. In most cases, you must claim the same dependents that are on your federal return. If all first names do not fit on the line, write the names on a statement instead. Number the statement and attach it to your return. Write "STM" and the statement number on line 6c.

**6d Children with a disability.** You may be entitled to an additional personal exemption for your dependent child who has a qualifying disability. To qualify, **all** of the following must be true:

- Your child qualified as your dependent for 2008, **and**
- Your child was eligible for "early intervention services," **or** received special education as defined by the state board of education where the child attends school, **and**
- Your child was considered to have a disability as of December 31, 2008 under the federal Individuals with Disabilities Education Act. Eligible disabilities include:
  - Autism.
  - Deaf-blind.
  - Hearing impairment.
  - Mental retardation.
  - Multiple disabilities.
  - Orthopedic impairment.
  - Other health impairment.
  - Serious emotional disturbance.
  - Traumatic brain injury.
  - Visual impairment.

**Note:** Learning disabilities or communication disorders alone do **not** qualify.

You must get a statement of eligibility that confirms one of the disabilities listed on page 10 and above and a cover sheet from **one** of the following:

- The child's Individualized Education Program (IEP), or
- The child's Individualized Family Service Plan (IFSP).

Keep the statement and cover sheet with your permanent records. Write your disabled child's name on line 6d, "Disabled children only." If the first names of your disabled children do not fit on the line, write the names on a statement instead. Number the statement and attach it to your return. Write "STM" and the statement number on line 6d. Also be sure to include the same child's name on line 6c for "All dependents."

**7a Age 65 or older, or blind.** Check the boxes on line 7a if you or your spouse/RDP were age 65 or older or were blind on December 31, 2008. You're entitled to a larger standard deduction on line 44.

If you or your spouse/RDP are permanently blind, you may also qualify for the severely disabled exemption credit. For box 6a and 6b instructions, see page 10.

**7b Extension.** If you filed for an extension, check box 7b. For more information, see page 7.

**7c Federal Form 8886, REIT, or RIC.** Check box 7c if you filed federal Form 8886, *Reportable Transaction Disclosure Statement* or participated in a real estate investment trust (REIT) or regulated investment company (RIC).

**7d Oregon Form 24.** Did you file federal Form 8824 because you're deferring gain on exchanged property? If so, check the box on line 7d. Also, complete and attach Form 24, *Oregon Like-Kind Exchanges/Involuntary Conversions*. Download the form from our website or contact us to order it.

**7e State School Fund.** If there is a kicker refund, do you wish to donate all your kicker refund to the State School Fund? If so, check box 7e. The fund is used for public elementary and secondary education. The kicker amount, if any, will be determined in the fall of 2009. If you check the box, any kicker refund that you would have received in 2009 based on your 2008 Oregon income tax will be sent directly to the State School Fund. **If you check the box, you cannot change your decision for the 2008 tax year.**

# Form 40N and 40P line instructions

The following instructions are for lines not fully explained on the forms.

**Amended return.** If you're amending your 2008 return, check the box in the upper left corner of Form 40N or Form 40P and attach the *Oregon Amended Schedule*.

**Do not fill in cents.** You must round off cents to the nearest whole dollar. For example, \$99.49 becomes \$99.00 and \$99.50 becomes \$100.00.

The forms have two columns for figures. These are to compare your total federal adjusted gross income (column F) to the portion of your federal adjusted gross income that Oregon taxes (column S).

## Federal column (F) instructions, lines 8F–30F

The first column is labeled "Federal column (F)." For lines 8F–30F of the federal column, fill in the same amounts you reported on your federal return. If you have adjustments on your federal return that are not shown on lines 22–27, see page 18 for instructions on filling out lines 28F and 28S.

**Line 30F, "Income after adjustments," must match your 2008 federal adjusted gross income** from federal Form 1040, line 37; Form 1040A, line 21; Form 1040EZ, line 4; Form 1040NR, line 35; or Form 1040NR-EZ, line 10. If it does not match, check that you transferred the figures from your federal return correctly. If you need help, please contact us.

## Oregon column (S) instructions, lines 8S–30S

The second column is labeled "Oregon column (S)." Use this column to list the amounts from the federal column that Oregon taxes.

**Nonresidents.** Oregon taxes only your income from **Oregon sources**. To compute your Oregon source income, see "What does income from Oregon sources include?" on page 5.

**Part-year residents.** Oregon taxes your income from **all sources** earned or received while you were an Oregon resident. Oregon also taxes your income from **Oregon sources** while you were a nonresident. To compute your Oregon source income, see "What does income from Oregon sources include?" on page 5.

**Full-year residents.** Oregon taxes your income from **all sources**. All amounts included in the federal column should also be included in the Oregon column.

**8S Wages, salaries, and other pay for work.** **Part-year residents**—fill in amounts you earned while an Oregon resident and any amounts you earned working in Oregon while you were a nonresident.

**Full-year residents**—fill in all income included in the federal column.

**Nonresidents**—fill in the amount earned while working in Oregon. If that amount differs from the Oregon wages on your W-2 form, you must attach an explanation from your employer to your return and attach a statement explaining your calculations. If your Oregon wages are not stated separately on your W-2, compute your Oregon source income using the following formula:

$$\frac{\text{Days actually worked in Oregon}}{\text{Days actually worked everywhere}} \times \frac{\text{Total wages (line 8F)}}{\text{wages}} = \frac{\text{Oregon wages (line 8S)}}{\text{wages}}$$

**Do not** include holidays, vacation days, and sick days as days actually worked. **However, you must** include sick *pay*, holiday *pay*, and vacation *pay* in total wages. See the example on page 5. If Oregon is the only state you worked in, do not use this formula; all your earnings are taxable and should be reported in the Oregon column. If line 8S doesn't match your W-2, attach a statement explaining your calculations.

### Exceptions:

- If you're a nonresident with interstate transportation wages, you may qualify for special treatment under the Amtrak Act. Download the publication *Interstate Transportation Wages (Amtrak Act)* from our website or contact us to order it.
- Nonresidents who work on Bonneville, The Dalles, John Day, or McNary dam should exclude this income from the Oregon column. Write the name of the dam you work on at the top left corner of the return. Please use **blue or black ink**.
- Nonresidents who work as crew or pilots on a vessel on the Columbia River or Snake River waterway should exclude this income from the Oregon column. Write "Waterway worker" at the top left corner of the return. Please use **blue or black ink**.
- Nonresident members of the U.S. Armed Forces stationed in Oregon should not enter their military pay in the Oregon column. Military pay of a nonresident is not Oregon source income. Do not report it in the Oregon column on line 8S. Write "Military nonresident" at the top left corner of the return. Please use **blue or black ink**.

**9S Taxable interest income.** Determine the amount of interest income you received from an Oregon business activity while you were a nonresident. Add any interest included on your federal return that you received during the part of the year you were an Oregon resident.

**10S Dividend income.** Determine the amount of dividends received from an Oregon business activity source while you were a nonresident. This includes dividends passed through to you from an S corporation or partnership doing business in Oregon. These are dividends your S corporation or partnership received on the stock of another corporation. Add any dividend income included on your federal return that you received during the part of the year you were an Oregon resident.

**11S State and local income tax refunds.** Enter the amount reported on your federal return that is:

- A refund from Oregon or any other state or locality for which you claimed a deduction on an Oregon return in a prior year, or
- A refund received during the part of the year you were an Oregon resident.

**12S Alimony received.** Fill in alimony you received for the part of the year you were an Oregon resident.

**13S Business income or loss.** Determine the amount of income or loss from an Oregon business activity for the part of the year you were a nonresident. Add all business income or losses incurred during the part of the year you were a resident of Oregon.

**14S Capital gain or loss.** Determine the amount of gain or loss and capital gain distributions from Oregon sources for the part of the year you were a nonresident. Add the amount of your capital gains received and losses incurred during the part of the year you were an Oregon resident. Limit losses to \$3,000 (\$1,500 if married/RDP filing separately).

**15S Other gains or losses.** Determine the amount of gain or loss from Oregon sources for the part of the year you were a nonresident. Add the gain received or loss incurred during the part of the year you were an Oregon resident.

**16S IRA distributions.** Determine the amount of any taxable individual retirement arrangement (IRA) distributions you received while an Oregon resident. Include any amounts you converted from a regular IRA into a Roth IRA while you lived in Oregon. If you lived in another state when you made contributions to your IRA, you may need more information. If so, please contact us.

**17S Pensions and annuities.** Enter the amount of taxable pensions and annuities (including federal pensions) you received while an Oregon resident. Do not include any Railroad Retirement Benefits (RRB-1099-R). If you're domiciled in Oregon, you must also include any Oregon source pensions you received. This is true even though you may qualify as a nonresident under the tests for special case Oregon residents or Oregon residents living abroad. See page 6.

For example, if you lived in Oregon before you retired and have not changed your permanent home to another state, you must report the pension you earned

while you worked in Oregon. If you get a federal pension, you may qualify for a subtraction on lines 37F and 37S. See page 20. If you need help, please contact us.

**18S Rents, royalties, partnerships, limited liability companies, real estate investment trusts (REITs), estates, trusts, etc., from federal Schedule E.** Determine the income you received and losses incurred from Oregon sources during the part of the year you were a nonresident. Add the amount received or incurred during the part of the year you were an Oregon resident. Partners and S corporation shareholders may need more information. If so, please contact us.

**19S Farm income or loss.** Determine the amount of income received or loss incurred from an Oregon farm while you were a nonresident. Add the amount of farm income received or loss incurred during the part of the year you were an Oregon resident.

**20S Unemployment compensation, taxable Social Security, and all other taxable income.** Determine the amount of unemployment compensation and any other taxable income you received during the part of the year you were an Oregon resident. Add unemployment compensation or severance pay received because of an Oregon job, and any other Oregon source income you received while you were a nonresident. Don't include Social Security, Railroad Retirement Board benefits, or Railroad Retirement Board unemployment benefits; Oregon doesn't tax this income.

Include all payments received from the Oregon Lottery in the Oregon column. Oregon Lottery includes Powerball tickets you purchased in Oregon. To determine whether you can subtract some or all of this amount on lines 37F and 37S, see page 20.

## Adjustments to income

**22S IRA or self-employed SEP and SIMPLE contributions.** Oregon follows the federal definition of earned income and compensation used to calculate your IRA and other retirement plan deductions. Determine the amount you paid during the part of the year you were an Oregon resident. Add the amount calculated for the time you were a nonresident.

- **IRA.** Use the following formula to determine your deduction for the part of the year you were a nonresident:

$$\frac{\text{Oregon earned income while a nonresident}}{\text{Total earned income while a nonresident}} \times \frac{\text{IRA contributions made while a nonresident}}{\text{Total earned income while a nonresident}} = \text{Nonresident deduction}$$

This deduction cannot be more than the amount of earned income included in the Oregon column.

- **Self-employed SEP, SIMPLE, and qualified plans.** Use the following formula to determine your allowable deduction for the part of the year you were a nonresident:

$$\frac{\text{Oregon compensation while a nonresident}}{\text{Total compensation while a nonresident}} \times \frac{\text{Contributions made while a nonresident}}{\text{Total income from all sources while a nonresident}} = \text{Nonresident deduction}$$

This deduction cannot be more than the amount of compensation included in the Oregon column.

**23S Education deductions.** The following instructions will help you figure the amount you can claim on your Oregon return.

- **Educator expenses deduction** from federal Form 1040, line 23; or Form 1040A, line 16. For the part of the year you were a nonresident, determine the amount of qualified educator expenses you paid while working in an Oregon elementary or secondary school. Add the qualified educator expenses you paid during the part of the year you were an Oregon resident. Enter the smaller of the result or the amount deducted on your federal return, but no more than \$250 (no more than \$500 if you and your spouse or RDP are filing jointly and both of you were eligible educators).
- **Student loan interest deduction** from federal Form 1040, line 33; or Form 1040A, line 18.

Use the following formula to calculate your deduction for the part of the year you were a nonresident:

$$\frac{\text{Oregon source income while a nonresident}}{\text{Total income from all sources while a nonresident}} \times \frac{\text{Student loan interest paid while a nonresident}}{\text{Total income from all sources while a nonresident}} = \text{Nonresident deduction}$$

Add all interest paid during the part of the year you were an Oregon resident. Enter the result or the amount of student loan interest on line 23S, whichever is less.

- **Tuition and fees deduction** from federal Form 1040, line 34; or Form 1040A, line 19.

Use the following formula to calculate your deduction for the part of the year you were a nonresident:

$$\frac{\text{Oregon source income while a nonresident}}{\text{Total income from all sources while a nonresident}} \times \frac{\text{Qualified tuition and fees paid while a nonresident}}{\text{Total income from all sources while a nonresident}} = \text{Nonresident deduction}$$

Add all qualified education expenses you paid during the part of the year you were an Oregon resident. Enter the result or the amount of tuition and fees deduction on line 23S, but no more than \$4,000.

**Note:** If you were not allowed a federal tuition and fees deduction because you claimed the federal credit, do not claim a deduction on line 23. You may be entitled to a subtraction on line 37. See page 22.

Add the Oregon amounts for your educator expenses deduction, student loan interest deduction, and tuition and fees deduction. Enter the total on line 23S.

**24S Moving expenses.** Fill in moving expenses only if:

- You qualified to take them on your federal return, and
- They are connected with gaining employment in Oregon, or
- You paid the qualified moving expenses after moving to Oregon to take a job in another state.

Otherwise, enter -0-.

**Example 1:** Sofia moved from California to Washington to take a job in Oregon. She may claim her federal moving expenses in **both** the federal and the Oregon columns.

**Example 2:** David left Oregon to take a job in another state. He **cannot** claim any of his moving expenses in the Oregon column. He may **only** claim them in the federal column.

**Example 3:** Camille moved from Michigan to Oregon in May 2008, to begin work in Washington. She paid her moving expenses in June 2008. While the expenses are not related to Oregon employment, Camille can claim them in both columns because they were paid after she became an Oregon resident.

**25S Deduction for self-employment tax.** Use the following formula to determine the amount of your self-employment tax on earnings taxed by Oregon:

$$\frac{\text{Self-employment earnings taxed by Oregon}}{\text{Total self-employment earnings}} \times \frac{\text{Federal deduction for self-employment tax}}{\text{Total self-employment earnings}} = \text{Oregon deduction}$$

The Oregon deduction cannot be more than the federal deduction.

**26S Self-employed health insurance deduction.** Oregon allows a deduction of 100 percent of your health insurance premiums related to your self-employment for the part of the year you were an Oregon resident. Add the health insurance premiums paid by your Oregon business while a nonresident. Your total Oregon deduction cannot be more than your federal deduction.

**27S Alimony paid.** Determine if the alimony you paid to your former spouse or RDP is deductible for federal purposes. If so, use the following formula to calculate your Oregon deduction for the part of the year you were a nonresident:

$$\frac{\text{Oregon source income while a nonresident}}{\text{Total income while a nonresident}} \times \frac{\text{Alimony paid while a nonresident}}{\text{Total income while a nonresident}} = \text{Nonresident deduction}$$

Add to that amount the alimony you paid while you were a resident.

**28F/S Other adjustments to income.** On line 28F (federal column), include any of the other adjustments that you claimed on your federal return. On

line 28S (Oregon column), enter the amount of other adjustments you're entitled to claim for Oregon. Please identify the other adjustment(s) using the numeric code shown. If you have only one "Other adjustment," enter the numeric code on line 28x and the amount on lines 28y and 28F. For example, if you're claiming a \$500 health savings account deduction on your federal return, enter "003" on line 28x and "\$500" on lines 28y and 28F. If you're claiming more than one "Other adjustment," do not enter a code or amount on line 28x or 28y. Instead, check box 28z and attach Schedule OR-ASC-N/P to your return with the numeric codes and amounts for the **federal** column of the adjustments. Enter the total from Schedule OR-ASC-N/P on line 28F. Determine the amount for Oregon and enter it on line 28S.

"Other adjustments" claimed on federal return:

- 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].

**Note:** If you claimed a domestic production activities deduction on your federal return, you will have an addition on your Oregon return. Oregon does not allow this deduction. See "Other additions" instructions on this page.

- 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 to income reported on federal Form 1040, line 36 [code 005].

## Additions

Generally, additions are items not taxed by the federal government, but taxed by Oregon. Additions increase the income taxed by Oregon.

### **(31F/S) Interest and dividends on state and local government bonds outside Oregon.**

**Federal column.** If you didn't include this income in your federal income, fill in the amount of interest and dividends you received from state and local governments outside Oregon.

**Oregon column. Nonresidents**—don't fill in any amount. **Part-year residents**—if you didn't include this income on line 9S or 10S, fill in the amount of interest and dividends you received from state and local governments outside Oregon while you were an Oregon resident.

**(32F/S) Federal election on interest and dividends of a minor child.** Did you report interest or dividends of your minor child on your federal return? If so, you must add to Oregon income the amount subject to the special federal tax.

**Federal column.** Fill in the smaller of line 13 or 14 from federal Form 8814. Add to that any interest or dividends your child received from state and local governments outside Oregon.

**Oregon column. Nonresidents**—don't fill in any amount. **Part-year residents**—fill in interest and dividends received while the minor child was an Oregon resident. Include interest and dividends your child received while an Oregon resident from state and local governments other than Oregon.

**(33F/S) Other additions.** You may need to report one or more other additions explained here. Please identify the addition using the numeric code shown. If you have only one "Other addition," enter the numeric code on line 33x and the amount for the **federal** column on lines 33y and 33F. For example, if you're reporting a \$1,000 addition for a depreciation difference for Oregon, enter "101" on line 33x and "\$1,000" on lines 33y and 33F.

If you're claiming more than one "Other addition," do **not** enter a code or amount on line 33x or 33y. Instead, check box 33z and attach Schedule OR-ASC-N/P to your return with the numeric codes and amounts for the **federal** column of the additions. Enter the total from Schedule OR-ASC-N/P on line 33F. Determine the amount for Oregon and enter it on line 33S. For more information, go to our website or contact us.

- **Depreciation difference for Oregon [code 101].** Is your depreciation for Oregon purposes different from your depreciation for federal purposes? If so, you'll need the Oregon Depreciation Schedule. Part-year residents and nonresidents may need to complete two depreciation schedules. Download the schedule from our website or contact us to order it.
- The following additions apply to only a few people and are not explained in this booklet. Make the additions in **both** the federal and Oregon columns as appropriate. For more information, please contact us.
  - 529 Oregon College Savings Network plan non-qualified withdrawal [code 117].
  - Basis adjustments [code 101].
    - Gain or loss on the sale of depreciable property with different basis for Oregon.
    - Passive activity losses.
  - Business credit, unused [code 122].
  - Business deduction add back for Oregon credits [code 104].
    - Income taxes paid to another state.
    - Self-employed long-term care insurance deductions.
  - Claim of right income repayments [code 103].
  - Disposition of inherited Oregon farmland or forestland [code 106].
  - Domestic production activities deduction [code 102].
  - Fiduciary adjustments [code 100].
    - Accumulation distribution from a trust.
    - Fiduciary adjustments from Oregon estates and trusts.

- Individual Development Account [code 113].
- Net operating loss, non-Oregon source [code 116].
- Oregon deferral of reinvested capital gain [code 118].
- Partnership and S corporation modifications for Oregon [code 119].
- Prescription drug plan subsidies [code 123].
- Specially taxed income under federal law [code 115].
  - Lump-sum distributions from a qualified retirement plan.
  - Passive foreign investment income.

## Subtractions

Generally, subtractions are items the federal government taxes but Oregon does not. Subtractions reduce the income taxed by Oregon.

**36F Social Security and tier 1 Railroad Retirement Board benefits.** Subtract Social Security and tier 1 Railroad Retirement Board benefits **only** if you included them in the federal column on line 20F.

**37F/S Other subtractions.** You may qualify for one or more other subtractions explained in this section. Please identify the subtraction using the numeric code shown. If you have only one “Other subtraction,” enter the numeric code on line 37x and the amount for the **federal** column on lines 37y and 37F. For example, if you’re claiming a \$2,000 military active duty pay subtraction, enter “319” on line 37x and “\$2,000” on lines 37y and 37F.

If you’re claiming more than one “Other subtraction,” do **not** enter a code or amount on line 37x or 37y. Instead, check box 37z and attach Schedule OR-ASC-N/P to your return with the numeric codes and amounts for the **federal** column of the subtractions. Enter the total from Schedule OR-ASC-N/P on line 37F. Determine the amount for Oregon and enter it on line 37S. For more information, go to our website or contact us.

- **Claim of right income repayments [code 302].** Were you taxed in a prior year on income that you’re repaying, such as unemployment compensation? If so, you may be able to subtract the income you repaid. For more information, please contact us.
- **Depreciation difference for Oregon [code 304].** Is your depreciation for Oregon purposes different from your depreciation for federal purposes? If so, you’ll need the Oregon Depreciation Schedule. Part-year residents and nonresidents may need two schedules. Download the schedule from our website or contact us to order it.
- **Federal pension income [code 307].** You may be able to subtract some or all of your federal pension included in 2008 federal income. This includes retirement benefits paid to the retiree or the beneficiary. The subtraction amount is based on the number of months of federal service before and after October 1, 1991:

- **If all your months of federal service were before October 1, 1991,** subtract 100 percent of the taxable amount of federal pension income you reported on your federal return.
- **If you have no months of service before October 1, 1991,** you cannot subtract any federal pension.
- **If your service was both before and after October 1, 1991,** you will subtract a percentage of the taxable federal pension income you reported on your federal return. To determine your percentage, divide your months of service before October 1, 1991, by your total months of service. Round to three places (example:  $.4576 = 45.8$  percent). Once you determine the percentage, it will remain the same year to year. For more than one pension, figure the percentage and subtraction separately for each pension.

**Example:** Delaney began working for the U.S. Forest Service March 31, 1976, and retired January 7, 2008. She worked a total of 381 months; 186 months were worked before October 1, 1991. Delaney moved to Oregon May 31, 2008. She can subtract 48.8 percent ( $186 \div 381$ ) of her taxable federal pension. She will use this percentage for both her federal column and her Oregon column. She will multiply the percentage by the amount in each column to determine the correct subtraction for each column.

On her Form 40P, line 17F, she has \$14,000 and on line 17S she has \$8,910. Her federal pension subtraction for the federal column is \$6,832 ( $\$14,000 \times .488$ ). Her federal pension subtraction for the Oregon column is \$4,348 ( $\$8,910 \times .488$ ). Since she is only claiming one “Other subtraction,” Delaney will enter “307” on line 37x and “\$6,832” on line 37y. Then she will enter “\$6,832” on line 37F and “\$4,348” on line 37S. She will continue to subtract 48.8 percent of her taxable federal pension in future years.

Use the following worksheet to determine your subtraction amount for each column:

### Federal column

- |   |          |
|---|----------|
| 1. Federal pension included in federal column, Form 40N or Form 40P, line 17F.  | 1. _____ |
| 2. Divide months of service before October 1, 1991, by total months of service. Enter the percentage here.  | 2. _____ |
| 3. Multiply line 1 by line 2. Enter here and on Form 40N or Form 40P, line 37y or Schedule OR-ASC-N/P. Use code “307” to identify this subtraction and remember to carry the total of all “Other subtractions” to line 37F. | 3. _____ |



## Oregon column

- |   |          |
|---|----------|
| 4. Federal pension included in Oregon column, Form 40N or Form 40P, line 17S.   | 4. _____ |
| 5. Percentage from line 2.  | 5. _____ |
| 6. Multiply line 4 by line 5. Enter here and on Form 40N or Form 40P, line 37S. | 6. _____ |

To avoid processing delays or adjustments, make sure your federal pension income is on the correct line and attach a copy of your federal return.

### • Interest and dividends on U.S. bonds and notes [code 315].

**Federal column.** On Form 40N or Form 40P, line 37F, fill in interest and dividends from the U.S. government that you included on lines 9F and 10F. Add U.S. government interest and dividends you received through partnerships or grantor trusts. Identify this using code "315" in box 37x or on Schedule OR-ASC-N/P.

#### Examples:

- You can subtract interest from U.S. Series EE, HH, and I bonds and Treasury bills and notes.
- You can subtract interest and dividends paid to you by organizations that invest in U.S. government securities. Check the information on your Form 1099. The payer may have given the percentage of interest and dividends from U.S. government securities. Download the publication *Interest and Dividends on U.S. Bonds and Notes* from our website or contact us to order it.
- You must reduce U.S. government interest and dividends by any interest expense relating to U.S. government obligations you deducted on your federal Schedule A.
- Don't include interest on federal tax refunds in either column.
- If you reported interest or dividends of your minor child on your federal return, you may subtract any U.S. government interest included.

**Oregon column.** If you included interest and dividends from the U.S. government on lines 9S and 10S of the Oregon column, enter the amount on line 37S.

**Note:** When you sell or dispose of a U.S. government obligation, you must include any gain or loss in income.

### • Interest from local government bond [code 317].

**Federal column.** The U.S. government taxes certain types of local government bond interest such as private activity bond interest. If you included interest from Oregon bonds on your federal return, enter "317" in box 37x and the amount in box 37y or on your Schedule OR-ASC-N/P. Remember to carry total subtractions from your Schedule OR-ASC-N/P to line 37F.

**Oregon column.** On line 37S, enter Oregon local government bond interest if you included it in Oregon income on line 9S.

### • Military active duty [code 319]. Did you report U.S. military pay in income on line 8F or 8S? If so, you may qualify for a subtraction.

The Servicemembers Civil Relief Act was signed into federal law on December 19, 2003. According to the act, military pay received by a nonresident, or by a part-year resident while a nonresident of Oregon, cannot be used to compute Oregon tax. This is retroactive and you may be able to amend your prior year return. See *Oregon Amended Schedule* for time limits.

**Federal column. Nonresidents**—you can subtract all your military pay from the wages you reported in the federal column on line 8F.

**Full-year and part-year residents**—you can subtract the following from the wages you reported in the federal column on line 8F:

- All military pay received during the part of the year you were a nonresident, and
- All active duty pay earned outside Oregon during the part of the year you were a resident, and
- Up to \$6,000 active duty pay earned in Oregon during the part of the year you were a resident.

*If you're a member of the Oregon National Guard or reserves, you may be eligible for an additional pay subtraction. See "Oregon National Guard and reserve pay" on page 22.*

**Oregon column. Nonresidents**—don't enter any amount. Military pay of a nonresident is not Oregon source income and should not be reported on line 8S. There is nothing to subtract.

**Full-year and part-year residents**—you can subtract the following from the wages you reported in the Oregon column on line 8S:

- All active duty pay earned outside Oregon during the part of the year you were a resident, and
- Up to \$6,000 active duty pay earned in Oregon during the part of the year you were a resident.
- Oregon National Guard and reserve pay subtraction.

### • Oregon income tax refund included in federal income [code 325]. This subtraction is for Oregon state income tax refunds only. Do **not** include other local, county, or other states' tax refunds.

**Federal column.** Enter your Oregon state income tax refund **only** if you included it on line 11F of the federal column.

**Oregon column.** Enter your Oregon state income tax refund **only** if you included it on line 11S of the Oregon column.

- **Oregon Lottery winnings [code 322].** Oregon does not tax Oregon Lottery winnings of \$600 or less per ticket; however, the federal government does. Oregon Lottery includes Powerball tickets you purchased in Oregon, but does not include winnings from tribal gaming centers in Oregon.

**Federal column and Oregon column.** You can subtract the following from the winnings you reported on lines 20F and 20S:

- Oregon Lottery winnings of \$600 or less from each single ticket or play, and
- Oregon Lottery annual payments from tickets purchased prior to 1998.

**Example 1:** Cheryl had winnings of \$200 playing an Oregon Lottery scratch-off ticket in 2008. This income is included on lines 20F and 20S. Oregon does not tax Oregon Lottery winnings of \$600 or less per single ticket or play. Cheryl can subtract the \$200 she won on the scratch-off ticket from both columns of her return.

**Example 2:** David won two prizes in 2008—\$1,000 playing Oregon Lottery video poker and \$500 playing an Oregon Lottery Keno game. David must include \$1,500 on lines 20F and 20S, however, Oregon will not tax the \$500 he won playing Keno. He can subtract \$500 on his Oregon return in both columns because the winnings were from a single game and below the \$600 limit. He cannot subtract any of the \$1,000 he won playing video poker, because the prize was more than \$600 and is fully taxable to Oregon.

**Note:** Are you claiming gambling losses as an itemized deduction? If so, you may need to reduce your deduction. See instructions for Form 40N or Form 40P, line 46, page 29. If you need help, please contact us.

- **Oregon National Guard and reserve pay [code 319].** You may be eligible for a military service subtraction if you meet **all** of the following conditions:
  - You served as a member of the Oregon National Guard or reserves, and
  - You were required to be away from home overnight, and
  - You were away from home overnight for at least three consecutive weeks.

If you meet **all** the conditions above, you can subtract all of the Oregon National Guard or reserve pay you earned while you met all of the above qualifications. You can subtract the amount from both the federal and Oregon columns.

**Note:** Your military pay subtractions in each column cannot be more than your total military pay included in that column.

- **Railroad Retirement Board benefits [code 330].**

**Federal column.** Enter your tier 2, supplemental, windfall, and vested dual Railroad Retirement

Board benefits included on line 17F. Add railroad unemployment benefits from line 20F.

**Oregon column.** Don't enter any amount. Oregon does not tax Railroad Retirement Board benefits or Railroad Retirement Board unemployment benefits.

- **Tuition and fees deduction [code 308].** Did you claim a Hope or lifetime learning credit on your federal return? If so, you weren't allowed a federal tuition and fees deduction because you claimed the federal credit. Because Oregon does not have credits similar to the Hope or lifetime learning credits, you can take the federal tuition and fees deduction on your Oregon return as a subtraction up to the amount you would have been allowed on your federal return. You can claim the smaller of \$4,000 or your actual expenses. If you were not allowed a deduction on your federal return, you cannot claim this subtraction.

**Federal column.** Enter the amount of the federal tuition and fees deduction you would have claimed on your federal return if you hadn't claimed the federal credit. The maximum deduction you can claim is \$4,000.

**Oregon column.** For the part of the year you were a nonresident, calculate your subtraction using the following formula:

$$\frac{\text{Oregon source income while a nonresident}}{\text{Total income while a nonresident}} \times \frac{\text{Qualified tuition and fees paid while a nonresident}}{\text{Total income while a nonresident}} = \text{Nonresident deduction}$$

Add the amount of qualified education expenses you paid while an Oregon resident. Enter the smaller of the results or the amount you would have deducted on your federal return, but no more than \$4,000.

- **The following subtractions** apply to only a few people and are not explained in this booklet. For more information, go to our website or contact us. Make the subtraction in **both** the federal and Oregon columns as needed if you included the related income in both columns. If you have only one "Other subtraction," enter the numeric code on line 37x and the amount for the **federal** column on lines 37y and 37F. If you're claiming more than one "Other subtraction," do **not** enter a code or amount on line 37x or 37y. Instead, check box 37z and attach Schedule OR-ASC-N/P to your return with the numeric codes and amounts for the **federal** column of the subtractions. Enter the total from Schedule OR-ASC-N/P on line 37F. Determine the amount for Oregon and enter it on line 37S. For more information, go to our website or contact us.
  - 529 Oregon College Savings plan [code 324].
  - American Indian [code 300].
  - Basis adjustments [code 304].
    - Gain or loss on the sale of depreciable property with a different basis for Oregon.

*Continued on page 27*

Amended Return

Form

40P

OREGON

Individual Income Tax Return

2008

FOR PART-YEAR RESIDENTS

For office use only

<b>Oregon resident:</b>		mm	dd	yyyy	mm	dd	yyyy	<b>Fiscal year ending</b>	K	F	P	J
<b>From</b>						<b>To</b>						
Last name		First name and initial				Social Security No. (SSN)			Date of birth (mm/dd/yyyy)			
Spouse's/RDP's last name if joint return		Spouse's/RDP's first name and initial if joint return				Spouse's/RDP's SSN if joint return			Date of birth (mm/dd/yyyy)			
Current mailing address		Telephone number				( )						
City		State		ZIP code		Country		If you filed a return last year, and your name or address is different, check here <input type="checkbox"/>				
<b>Filing Status</b> 1 <input type="checkbox"/> Single 2a <input type="checkbox"/> Married filing jointly 2b <input type="checkbox"/> Registered domestic partners (RDP) filing jointly 3a <input type="checkbox"/> Married filing separately: Spouse's name _____ Spouse's SSN _____ 3b <input type="checkbox"/> Registered domestic partner filing separately: Partner's name _____ Partner's SSN _____ 4 <input type="checkbox"/> Head of household: Person who qualifies you 5 <input type="checkbox"/> Qualifying widow(er) with dependent child		<b>Exemptions</b> 6a Yourself ..... Regular <input type="checkbox"/> ..... Severely disabled <input type="checkbox"/> ..... 6a <input type="checkbox"/> 6b Spouse/RDP ... Regular <input type="checkbox"/> ..... Severely disabled <input type="checkbox"/> ..... b <input type="checkbox"/> 6c All dependents First names ..... c <input type="checkbox"/> 6d <b>Disabled</b> children only First names ..... d <input type="checkbox"/> (see instructions) <b>Total</b> 6e <input type="checkbox"/>										
Check all that apply → <b>7a You were:</b> <input type="checkbox"/> 65 or older <input type="checkbox"/> Blind <b>Spouse/RDP was:</b> <input type="checkbox"/> 65 or older <input type="checkbox"/> Blind		<b>7b</b> <input type="checkbox"/> You filed an extension		<b>7c</b> <input type="checkbox"/> You have federal Form 8886, REIT, or RIC		<b>7d</b> <input type="checkbox"/> You filed Oregon Form 24		<b>7e</b> <input type="checkbox"/> If there is a kicker refund, I want to <b>donate mine</b> to the State School Fund				

		Federal column (F)		Oregon column (S)	
<b>INCOME</b>	8 Wages, salaries, and other pay for work. <b>Staple all Forms W-2 below</b> .....	8F	.00	8S	.00
	9 Taxable interest income from federal Form 1040, line 8a.....	9F	.00	9S	.00
	10 Dividend income from federal Form 1040, line 9a.....	10F	.00	10S	.00
	11 State and local income tax refunds from federal Form 1040, line 10.....	11F	.00	11S	.00
	12 Alimony received from federal Form 1040, line 11.....	12F	.00	12S	.00
	13 Business income or loss from federal Form 1040, line 12.....	13F	.00	13S	.00
	14 Capital gain or loss from federal Form 1040, line 13.....	14F	.00	14S	.00
	15 Other gains or losses from federal Form 1040, line 14.....	15F	.00	15S	.00
	16 IRA distributions from federal Form 1040, line 15b.....	16F	.00	16S	.00
	17 Pensions and annuities from federal Form 1040, line 16b.....	17F	.00	17S	.00
	18 Rents, royalties, partnerships, etc., from federal Form 1040, line 17.....	18F	.00	18S	.00
19 Farm income or loss from federal Form 1040, line 18.....	19F	.00	19S	.00	
20 Unemployment and other income from federal Form 1040, lines 19 through 21 ...	20F	.00	20S	.00	
21 Total income. Add lines 8 through 20.....	21F	.00	21S	.00	
<b>ADJUSTMENTS TO INCOME</b>	22 IRA or SEP and SIMPLE contributions, federal Form 1040, lines 28 and 32.....	22F	.00	22S	.00
	23 Education deductions from federal Form 1040, lines 23, 33, and 34.....	23F	.00	23S	.00
	24 Moving expenses from federal Form 1040, line 26.....	24F	.00	24S	.00
	25 Deduction for self-employment tax from federal Form 1040, line 27.....	25F	.00	25S	.00
	26 Self-employed health insurance deduction from federal Form 1040, line 29.....	26F	.00	26S	.00
	27 Alimony paid from federal Form 1040, line 31a.....	27F	.00	27S	.00
	28 Other adjustments to income. Identify: ●28x <input type="checkbox"/> ●28y \$ <input type="checkbox"/> Schedule 28z <input type="checkbox"/> ●28F	28F	.00	28S	.00
	29 Total adjustments to income. Add lines 22 through 28.....	29F	.00	29S	.00
	30 Income after adjustments. Line 21 minus line 29.....	30F	.00	30S	.00
	<b>ADDITIONS</b>	31 Interest on state and local government bonds outside of Oregon.....	31F	.00	31S
32 Federal election on interest and dividends of a minor child.....		32F	.00	32S	.00
33 Other additions. Identify: ●33x <input type="checkbox"/> ●33y \$ <input type="checkbox"/> Schedule attached 33z <input type="checkbox"/> .....		33F	.00	33S	.00
34 Total additions. Add lines 31 through 33.....		34F	.00	34S	.00
35 Income after additions. Add lines 30 and 34.....		35F	.00	35S	.00
<b>SUBTRACTIONS</b>	36 Social Security and tier 1 Railroad Retirement Board benefits included on line 20F..	36F	.00	36S	.00
	37 Other subtractions. Identify: ●37x <input type="checkbox"/> ●37y \$ <input type="checkbox"/> Schedule attached 37z <input type="checkbox"/> ...	37F	.00	37S	.00
	38 Income after subtractions. Line 35 minus lines 36 and 37.....	38F	.00	38S	.00
	39 <b>Oregon percentage.</b> Line 38S ÷ line 38F (not more than 100.0%) ●39 <input type="text"/> %	39			

▲ Carry this ▲  
amount to line 40

	40 Amount from front of form, line 38F ( <b>federal amount</b> ).....	40	.00
<b>DEDUCTIONS AND MODIFICATIONS</b>	41 Itemized deductions from federal Schedule A, line 29 .....	• 41	.00
	42 State income tax or sales tax claimed as itemized deduction.....	• 42	.00
	43 Net Oregon itemized deductions. Line 41 minus line 42 .....	• 43	.00
	44 Standard deduction from page 27 .....	• 44	.00
	45 2008 federal tax liability ( <b>\$0-\$5,600; see instructions</b> for the correct amount)....	• 45	.00
	46 Other deductions and modifications. Identify: •46x <input type="checkbox"/> •46y \$ <input type="text"/> Schedule 46z <input type="checkbox"/> • 46	• 46	.00
	47 Add lines 43, 45, and 46 if itemizing. Otherwise, add lines 44, 45, and 46 .....	• 47	.00
	48 Taxable income. Line 40 minus line 47 .....	• 48	.00
<b>OREGON TAX</b>	49 <b>Tax from tax charts.</b> <input type="checkbox"/> See instructions, page 30 .....	• 49	.00
	50 <b>Oregon income tax.</b> Line 49 X <b>Oregon percentage</b> from line 39, or.....	• 50	.00
	Check if tax is from: • 50a <input type="checkbox"/> Form FIA-40P or • 50b <input type="checkbox"/> Worksheet FCG		
	51 Interest on certain installment sales.....	• 51	.00
	52 Total tax before credits. Add lines 50 and 51 .....	OREGON TAX→ • 52	.00
<b>NONREFUNDABLE CREDITS</b>	53 <b>Exemption credit.</b> See instructions, page 31 .....	• 53	.00
	54 Child and dependent care credit. See instructions, page 31.....	• 54	.00
<b>ATTACH PROOF</b>	55 Credit for income taxes paid to another state. State: •55y <input type="checkbox"/> Schedule 55z <input type="checkbox"/> • 55	• 55	.00
	56 Other credits. Identify: •56x <input type="checkbox"/> •56y \$ <input type="text"/> Schedule attached 56z <input type="checkbox"/> • 56	• 56	.00
	57 Total non-refundable credits. Add lines 53 through 56 .....	• 57	.00
	58 Net income tax. Line 52 minus line 57. If line 57 is more than line 52, enter -0- .....	• 58	.00
<b>PAYMENTS AND REFUNDABLE CREDITS</b>	59 Oregon income tax withheld from income. <b>Attach Forms W-2 and 1099</b> .....	• 59	.00
	60 Estimated tax payments for 2008 and payments made with your extension .....	• 60	.00
	61 Tax withheld from pass-through entity and real estate transactions .....	• 61	.00
	62 Earned income credit. See instructions, page 34 .....	• 62	.00
	63 <b>Working family child care credit</b> from WFC-N/P, line 21 .....	• 63	.00
Attach Schedule WFC-N/P if you claim this credit	Number from WFC-N/P, line 5 •63a <input type="checkbox"/> Amount from WFC-N/P, line 18 •63b \$ <input type="text"/>		
	64 Mobile home park closure credit. Attach Schedule MPC.....	• 64	.00
	65 Total payments and refundable credits. Add lines 59 through 64 .....	• 65	.00
	66 <b>Overpayment.</b> Is line 58 less than line 65? If so, line 65 minus line 58.....	OVERPAYMENT→ • 66	.00
	67 <b>Tax to pay.</b> Is line 58 more than line 65? If so, line 58 minus line 65 .....	TAX TO PAY→ • 67	.00
	68 Penalty and interest for filing or paying late. See instructions, page 34.....	• 68	.00
	69 Interest on underpayment of estimated tax. <b>Attach Form 10 and check box</b> <input type="checkbox"/> • 69	• 69	.00
	Exception # from Form 10, line 1 •69a <input type="checkbox"/> Check box if you annualized •69b <input type="checkbox"/>		
	70 Total penalty and interest due. Add lines 68 and 69 .....	• 70	.00
	71 <b>Amount you owe.</b> Line 67 plus line 70 .....	AMOUNT YOU OWE→ • 71	.00
	72 <b>Refund.</b> Is line 66 more than line 70? If so, line 66 minus line 70 .....	REFUND→ • 72	.00
	73 <b>Estimated tax.</b> Fill in the part of line 72 you want applied to <b>2009</b> estimated tax • 73	• 73	.00
<b>CHARITABLE CHECKOFF DONATIONS, PAGE 38</b>  I want to donate part of my tax refund to the following fund(s)	Oregon Nongame Wildlife • 74	.00	These will reduce your refund
	Alzheimer's Disease Research • 76	.00	
	AIDS/HIV Education & Services • 78	.00	
	Habitat for Humanity • 80	.00	
	American Diabetes Association • 82	.00	
	SMART • 84	.00	
	Charity code •86a <input type="checkbox"/> •86b <input type="checkbox"/>	.00	
	Child Abuse Prevention • 75	.00	
	Stop Dom. & Sexual Violence • 77	.00	
	OR Military Financial Assist. • 79	.00	
OR Head Start Association • 81	.00		
Oregon Coast Aquarium • 83	.00		
SOLV • 85	.00		
Charity code •87a <input type="checkbox"/> •87b <input type="checkbox"/>	.00		
	88 Total. Add lines 73 through 87. Total can't be more than your refund on line 72 .....	• 88	.00
	89 <b>NET REFUND.</b> Line 72 minus line 88. This is your net refund .....	NET REFUND→ • 89	.00

<b>DIRECT DEPOSIT</b>	90 For direct deposit of your refund, see the instructions on page 39.	• <b>Type of Account:</b> <input type="checkbox"/> Checking or <input type="checkbox"/> Savings
	• Routing No. <input type="text"/>	• Account No. <input type="text"/>

**Important: Attach a copy of your federal Form 1040, 1040A, 1040EZ, or 1040NR. Do not attach other federal schedules.**

Under penalty for false swearing, I declare that the information in this return and attachments is true, correct, and complete.

Your signature	Date	Signature of preparer other than taxpayer	• License No.
X		X	
Spouse's/RDP's signature (if filing jointly, BOTH must sign)	Date	Address	Telephone No.
X			

Amended Return

Form

40P

# OREGON

## Individual Income Tax Return

### FOR PART-YEAR RESIDENTS

2008

For office use only

<b>Oregon resident:</b>		mm	dd	yyyy	mm	dd	yyyy	<b>Fiscal year ending</b>	K	F	P	J		
<b>From</b>						<b>To</b>								
Last name		First name and initial				Social Security No. (SSN)				Date of birth (mm/dd/yyyy)				
						- -								
Spouse's/RDP's last name if joint return		Spouse's/RDP's first name and initial if joint return				Spouse's/RDP's SSN if joint return				Date of birth (mm/dd/yyyy)				
						- -								
Current mailing address									Telephone number					
									( )					
City			State		ZIP code		Country		If you filed a return last year, and your name <b>or</b> address is different, check here <input type="checkbox"/>					
<b>• Filing Status</b> 1 <input type="checkbox"/> Single 2a <input type="checkbox"/> Married filing jointly Check only one box 2b <input type="checkbox"/> Registered domestic partners (RDP) filing jointly 3a <input type="checkbox"/> Married filing separately: Spouse's name _____ Spouse's SSN _____ 3b <input type="checkbox"/> Registered domestic partner filing separately: Partner's name _____ Partner's SSN _____ 4 <input type="checkbox"/> Head of household: Person who qualifies you 5 <input type="checkbox"/> Qualifying widow(er) with dependent child													<b>Exemptions</b> 6a Yourself ..... Regular <input type="checkbox"/> ..... Severely disabled <input type="checkbox"/> ..... 6a <input type="checkbox"/> 6b Spouse/RDP ... Regular <input type="checkbox"/> ..... Severely disabled <input type="checkbox"/> ..... b <input type="checkbox"/> 6c All dependents First names ..... c <input type="checkbox"/> 6d <b>Disabled</b> First names ..... d <input type="checkbox"/> children only (see instructions) <b>Total • 6e</b> <input type="checkbox"/>	
Check all that apply →		<b>7a You were:</b> <input type="checkbox"/> 65 or older <input type="checkbox"/> Blind <b>Spouse/RDP was:</b> <input type="checkbox"/> 65 or older <input type="checkbox"/> Blind		<b>7b •</b> <input type="checkbox"/> You filed an extension		<b>7c •</b> <input type="checkbox"/> You have federal Form 8886, REIT, or RIC		<b>7d</b> <input type="checkbox"/> You filed Oregon Form 24		<b>7e •</b> <input type="checkbox"/> If there is a kicker refund, I want to <b>donate mine</b> to the State School Fund				

		Federal column (F)		Oregon column (S)	
<b>INCOME</b>	8 Wages, salaries, and other pay for work. <b>Staple all Forms W-2 below</b> .....	8F	.00	• 8S	.00
	9 Taxable interest income from federal Form 1040, line 8a.....	9F	.00	• 9S	.00
	10 Dividend income from federal Form 1040, line 9a.....	10F	.00	• 10S	.00
	11 State and local income tax refunds from federal Form 1040, line 10.....	11F	.00	• 11S	.00
	12 Alimony received from federal Form 1040, line 11.....	12F	.00	• 12S	.00
	13 Business income or loss from federal Form 1040, line 12.....	13F	.00	• 13S	.00
	14 Capital gain or loss from federal Form 1040, line 13.....	14F	.00	• 14S	.00
	15 Other gains or losses from federal Form 1040, line 14.....	15F	.00	• 15S	.00
	16 IRA distributions from federal Form 1040, line 15b.....	16F	.00	• 16S	.00
	17 Pensions and annuities from federal Form 1040, line 16b.....	17F	.00	• 17S	.00
	18 Rents, royalties, partnerships, etc., from federal Form 1040, line 17.....	18F	.00	• 18S	.00
19 Farm income or loss from federal Form 1040, line 18.....	19F	.00	• 19S	.00	
20 Unemployment and other income from federal Form 1040, lines 19 through 21 ...	20F	.00	• 20S	.00	
21 Total income. Add lines 8 through 20.....	• 21F	.00	• 21S	.00	
<b>ADJUSTMENTS TO INCOME</b>	22 IRA or SEP and SIMPLE contributions, federal Form 1040, lines 28 and 32.....	22F	.00	• 22S	.00
	23 Education deductions from federal Form 1040, lines 23, 33, and 34.....	23F	.00	• 23S	.00
	24 Moving expenses from federal Form 1040, line 26.....	24F	.00	• 24S	.00
	25 Deduction for self-employment tax from federal Form 1040, line 27.....	25F	.00	• 25S	.00
	26 Self-employed health insurance deduction from federal Form 1040, line 29.....	26F	.00	• 26S	.00
	27 Alimony paid from federal Form 1040, line 31a.....	27F	.00	• 27S	.00
	28 Other adjustments to income. Identify: • 28x <input type="checkbox"/> • 28y \$ <input type="checkbox"/> Schedule 28z <input type="checkbox"/> • 28F	.00	• 28S	.00	
	29 Total adjustments to income. Add lines 22 through 28.....	• 29F	.00	• 29S	.00
	30 Income after adjustments. Line 21 minus line 29.....	• 30F	.00	• 30S	.00
	<b>ADDITIONS</b>	31 Interest on state and local government bonds outside of Oregon.....	• 31F	.00	• 31S
32 Federal election on interest and dividends of a minor child.....		• 32F	.00	• 32S	.00
33 Other additions. Identify: • 33x <input type="checkbox"/> • 33y \$ <input type="checkbox"/> Schedule attached 33z <input type="checkbox"/> .....		• 33F	.00	• 33S	.00
34 Total additions. Add lines 31 through 33.....		• 34F	.00	• 34S	.00
35 Income after additions. Add lines 30 and 34.....		• 35F	.00	• 35S	.00
<b>SUBTRACTIONS</b>	36 Social Security and tier 1 Railroad Retirement Board benefits included on line 20F..	• 36F	.00		
	37 Other subtractions. Identify: • 37x <input type="checkbox"/> • 37y \$ <input type="checkbox"/> Schedule attached 37z <input type="checkbox"/> ...	• 37F	.00	• 37S	.00
	38 Income after subtractions. Line 35 minus lines 36 and 37.....	• 38F	.00	• 38S	.00
	39 <b>Oregon percentage.</b> Line 38S ÷ line 38F (not more than 100.0%) • 39 <input type="text"/> %				

▲ Carry this ▲  
amount to line 40

	40 Amount from front of form, line 38F ( <b>federal amount</b> ).....	40	.00
<b>DEDUCTIONS AND MODIFICATIONS</b>	41 Itemized deductions from federal Schedule A, line 29 .....	• 41	.00
	42 State income tax or sales tax claimed as itemized deduction.....	• 42	.00
	43 Net Oregon itemized deductions. Line 41 minus line 42 .....	• 43	.00
	44 Standard deduction from page 27 .....	• 44	.00
	45 2008 federal tax liability ( <b>\$0–\$5,600; see instructions</b> for the correct amount)....	• 45	.00
	46 Other deductions and modifications. Identify: •46x <input type="checkbox"/> •46y \$ <input type="text"/> Schedule 46z <input type="checkbox"/> • 46	• 46	.00
	47 Add lines 43, 45, and 46 if itemizing. Otherwise, add lines 44, 45, and 46 .....	• 47	.00
	48 Taxable income. Line 40 minus line 47 .....	• 48	.00
<b>OREGON TAX</b>	49 <b>Tax from tax charts.</b> <input type="checkbox"/> See instructions, page 30 .....	• 49	.00
	50 <b>Oregon income tax.</b> Line 49 X <b>Oregon percentage</b> from line 39, or.....	• 50	.00
	Check if tax is from: • 50a <input type="checkbox"/> Form FIA-40P or • 50b <input type="checkbox"/> Worksheet FCG		
	51 Interest on certain installment sales.....	• 51	.00
	52 Total tax before credits. Add lines 50 and 51 .....	OREGON TAX→ • 52	.00
<b>NONREFUNDABLE CREDITS</b>	53 <b>Exemption credit.</b> See instructions, page 31 .....	• 53	.00
	54 Child and dependent care credit. See instructions, page 31.....	• 54	.00
<b>ATTACH PROOF</b>	55 Credit for income taxes paid to another state. State: •55y <input type="checkbox"/> Schedule 55z <input type="checkbox"/> • 55	• 55	.00
	56 Other credits. Identify: •56x <input type="checkbox"/> •56y \$ <input type="text"/> Schedule attached 56z <input type="checkbox"/> .....	• 56	.00
	57 Total non-refundable credits. Add lines 53 through 56 .....	• 57	.00
	58 Net income tax. Line 52 minus line 57. If line 57 is more than line 52, enter -0- .....	• 58	.00
<b>PAYMENTS AND REFUNDABLE CREDITS</b>	59 Oregon income tax withheld from income. <b>Attach Forms W-2 and 1099</b> .....	• 59	.00
	60 Estimated tax payments for 2008 and payments made with your extension .....	• 60	.00
	61 Tax withheld from pass-through entity and real estate transactions .....	• 61	.00
	62 Earned income credit. See instructions, page 34 .....	• 62	.00
	63 <b>Working family child care credit</b> from WFC-N/P, line 21 .....	• 63	.00
Attach Schedule WFC-N/P if you claim this credit	Number from WFC-N/P, line 5 •63a <input type="checkbox"/> Amount from WFC-N/P, line 18 •63b \$ <input type="text"/>		
	64 Mobile home park closure credit. Attach Schedule MPC.....	• 64	.00
	65 Total payments and refundable credits. Add lines 59 through 64 .....	• 65	.00
	66 <b>Overpayment.</b> Is line 58 less than line 65? If so, line 65 minus line 58.....	OVERPAYMENT→ • 66	.00
	67 <b>Tax to pay.</b> Is line 58 more than line 65? If so, line 58 minus line 65 .....	TAX TO PAY→ • 67	.00
	68 Penalty and interest for filing or paying late. See instructions, page 34.....	• 68	.00
	69 Interest on underpayment of estimated tax. <b>Attach Form 10 and check box</b> <input type="checkbox"/> • 69	• 69	.00
	Exception # from Form 10, line 1 •69a <input type="checkbox"/> Check box if you annualized •69b <input type="checkbox"/>		
	70 Total penalty and interest due. Add lines 68 and 69 .....	• 70	.00
	71 <b>Amount you owe.</b> Line 67 plus line 70 .....	AMOUNT YOU OWE→ • 71	.00
	72 <b>Refund.</b> Is line 66 more than line 70? If so, line 66 minus line 70 .....	REFUND→ • 72	.00
	73 <b>Estimated tax.</b> Fill in the part of line 72 you want applied to <b>2009</b> estimated tax • 73	• 73	.00
<b>CHARITABLE CHECKOFF DONATIONS, PAGE 38</b>  I want to donate part of my tax refund to the following fund(s)	Oregon Nongame Wildlife • 74	.00	These will reduce your refund
	Alzheimer's Disease Research • 76	.00	
	AIDS/HIV Education & Services • 78	.00	
	Habitat for Humanity • 80	.00	
	American Diabetes Association • 82	.00	
	SMART • 84	.00	
	Charity code •86a <input type="checkbox"/> •86b <input type="checkbox"/>	.00	
	Child Abuse Prevention • 75	.00	
	Stop Dom. & Sexual Violence • 77	.00	
	OR Military Financial Assist. • 79	.00	
OR Head Start Association • 81	.00		
Oregon Coast Aquarium • 83	.00		
SOLV • 85	.00		
Charity code •87a <input type="checkbox"/> •87b <input type="checkbox"/>	.00		
	88 Total. Add lines 73 through 87. Total can't be more than your refund on line 72 .....	• 88	.00
	89 <b>NET REFUND.</b> Line 72 minus line 88. This is your net refund .....	NET REFUND→ • 89	.00

<b>DIRECT DEPOSIT</b>	90 For direct deposit of your refund, see the instructions on page 39.	• <b>Type of Account:</b> <input type="checkbox"/> Checking or <input type="checkbox"/> Savings
	• Routing No. <input type="text"/>	• Account No. <input type="text"/>

**Important: Attach a copy of your federal Form 1040, 1040A, 1040EZ, or 1040NR. Do not attach other federal schedules.**

Under penalty for false swearing, I declare that the information in this return and attachments is true, correct, and complete.

Your signature	Date	Signature of preparer other than taxpayer	• License No.
X		X	
Spouse's/RDP's signature (if filing jointly, BOTH must sign)	Date	Address	Telephone No.
X			



Continued from page 22

- Passive activity losses.
- Suspended losses.
- Capital Construction Fund (CCF) [code 339].
- Composite return [code 341].
- Construction worker and logger commuting expenses [code 303].
- Federal business credits [code 340].
- Federal gain previously taxed by Oregon [code 306].
- Fiduciary adjustments from Oregon estates and trusts [code 310].
- Film production labor rebate [code 336].
- Individual Development Account [code 314].
- IRA conversions previously taxed [code 327].
- Land donations to educational institutions [code 316].
- Mobile home park capital gain [code 338].
- Mobile home tenant payment [code 344].
- Net operating loss [code 321].
- Oregon investment advantage [code 342].
- Oregon National Guard Youth Challenge Program [code 345].
- Partnership or S corporation modifications for Oregon [code 323].
- Public Safety Memorial Fund award [code 329].
- Scholarship awards used for housing expenses [code 333].
- TRICARE income, first and second year participation [code 343].
- U.S. government interest in IRA or Keogh distributions [code 331].

**39 Oregon percentage.** Divide the amount on line 38S by the amount on line 38F. Round the decimal to three places. Write the result as a percentage on line 39. **Don't fill in more than 100 percent or less than -0-.**

#### Examples

Line 38S	Line 38F	Oregon percentage Line 39
\$8,000 ÷ \$30,000 =		0.266666 Round to 0.267 ( <u>26.7</u> % )
(1,000) ÷ 15,000 =		-0- (0%) ( <u>0.0</u> % )
20,000 ÷ 15,000 =		1.333 Limited to 1.000 ( <u>100.0</u> % )

If the amount on line 38S is **greater than** the amount on line 38F, your Oregon percentage is 100 percent. This is true even when line 38F is a negative number.

## Deductions and modifications

**You can claim either net itemized deductions or Oregon's standard deduction, whichever is larger, but not both.**

If you claim itemized deductions fill in lines 41–43. If you claim the standard deduction fill in line 44 instead. If you claim the special Oregon medical deduction (code 606) on line 46, you must itemize. Include this deduction when deciding whether you should itemize deductions or claim the standard deduction.

**Note:** If you're married/RDP filing separately and one spouse/RDP itemizes, both spouses or RDPs must itemize deductions. Are you filing separate returns for Oregon only? If so, determine your share of itemized deductions by multiplying your total joint deductions by the percentage you figured on page 10 or you can separate each spouse's/RDP's itemized deductions if you can clearly identify your own itemized deductions.

**41 Itemized deductions.** You can claim your total itemized deductions after federal limitations shown on federal Schedule A, line 29. You can claim itemized deductions for Oregon even if you don't have enough deductions to itemize on your federal return.

**If you itemize for Oregon only,** fill out a federal Schedule A for Oregon purposes. Be sure to include your state taxes even when itemizing for Oregon only, then subtract your Oregon state income tax on line 42. Use your federal adjusted gross income to figure the Schedule A limitations. Remember to keep Schedule A with your tax records.

**42 State income tax or sales tax claimed as an itemized deduction.** Write the amount of Oregon state income tax or other state sales tax you claimed as an itemized deduction on federal Schedule A, line 5. Do not include local or county income tax amounts.

Are you claiming a credit for income taxes paid to another state and deducting the other state's taxes on Schedule A? If so, include the other state's 2008 net tax liability or the other state's 2008 tax claimed as an itemized deduction, whichever is less. For instructions on Form 40N or Form 40P, line 55, see page 32.

Did you limit itemized deductions on your federal return because your adjusted gross income (AGI) was more than \$159,950 (\$79,975 if married/RDP filing separately)? If so, you may need to complete a worksheet to figure the correct amount of Oregon income tax to subtract from itemized deductions. Download the publication *Itemized Deductions Limit* from our website or contact us to order it.

**44 Standard deduction.** Generally, your standard deduction is based on your filing status, as follows:

Single.....	\$1,865
Married/RDP filing jointly .....	3,735
Married/RDP filing separately	
If spouse/RDP claims standard deduction .....	1,865
If spouse/RDP claims itemized deductions .....	-0-
Head of household.....	3,005
Qualifying widow(er) .....	3,735

**Standard deduction—Age 65 or older, or blind.** If you or your spouse/RDP are age 65 or older, or blind, you're entitled to a larger standard deduction amount. Use the chart on the next page to determine your larger standard deduction.

1. Are you: ☐ 65 or older? ☐ Blind?  
If claiming spouse's/RDP's exemption,  
is your spouse/RDP: .....☐ 65 or older? ☐ Blind?

If your filing status is...	And the number of boxes checked in step 1 is...	Then your standard deduction is...
Single	1	\$3,065
	2	4,265
Married/RDP filing jointly	1	4,735
	2	5,735
	3	6,735
	4	7,735
Married/RDP filing separately	1	2,865
	2	3,865
	3	4,865
	4	5,865
Head of household	1	4,205
	2	5,405
Qualifying widow(er)	1	4,735
	2	5,735

Fill in the total standard deduction on Form 40N or Form 40P, line 44.

**Standard deduction—Dependents.** If someone else can claim you as a dependent, your standard deduction is limited to the **larger** of:

- Your earned income plus \$300, up to the maximum allowed for your filing status as shown on this page; or
- \$900.

The limit applies even if you can be claimed as a dependent on another person's return, but are not claimed by the other person.

Use the following worksheet to figure your standard deduction unless you are married or an RDP. If you are a dependent and married or an RDP, please contact us.

**Standard deduction worksheet for single dependents:**

- |  |                 |
|--|-----------------|
| 1. Enter your earned income. (See definition below.)   | 1. _____        |
| 2. Additional \$300.   | 2. <u>300</u>   |
| 3. Add lines 1 and 2.  | 3. _____        |
| 4. Minimum standard deduction.   | 4. <u>900</u>   |
| 5. Enter the larger of line 3 or line 4.   | 5. _____        |
| 6. Basic standard deduction for single.  | 6. <u>1,865</u> |
| 7. Enter the smaller of line 5 or line 6.  | 7. _____        |
| 8. If you're under age 65, enter -0-. If you're age 65 or older, enter \$1,200.  | 8. _____        |
| 9. If you're not blind, enter -0-. If you're blind, enter \$1,200.   | 9. _____        |
| 10. Add lines 7, 8, and 9. Enter the total here and on Form 40N or Form 40P, line 44. This is your standard deduction. | 10. _____       |

**Earned income** is salaries, wages, tips, professional fees, or other amounts received as pay for work you

actually perform, and any part of a scholarship or fellowship grant that you receive that is included in your gross income.

**Standard deduction—Nonresident aliens.** The standard deduction for nonresident aliens (as defined by federal law) is -0-.

**45 2008 federal tax liability.** Carefully follow the instructions below. Don't confuse your **federal tax liability** on your federal return with the **federal tax withheld** on your Form(s) W-2. They are not the same.

**Important!** In 2008, the IRS began sending tax rebates (economic stimulus payments) to taxpayers. In most cases, taxpayers received \$600 (\$1,200 for married couples) and parents received \$300 per child under age 17. The tax rebate you received **must** be subtracted from your federal tax liability when figuring your 2008 federal tax liability subtraction.

You may deduct your total federal income tax liability after credits. Don't fill in less than -0- or more than \$5,600 (\$2,800 if married/RDP filing separately). **RDPs:** Use amounts from your actual return(s), **not** your "as if" return.

- |   |          |
|---|----------|
| 1. Enter your federal tax liability from Form 1040, line 56; Form 1040A, line 35; Form 1040EZ, line 11; Form 1040NR, line 51; or Form 1040NR-EZ, line 15.   | 1. _____ |
| 2. Enter your tax on qualified retirement plans, Form 1040, line 59; or Form 1040NR, line 54, the recapture taxes you included on the dotted line of Form 1040, line 61; or Form 1040NR, line 57; and the amount on Form 1040NR, line 52. | 2. _____ |
| 3. Add lines 1 and 2.   | 3. _____ |
| 4. Enter the tax rebate (economic stimulus payment) you received from the federal government in 2008 and any rebate from Form 1040, line 70; 1040A, line 42; or Form 1040EZ, line 9.  | 4. _____ |
| 5. Subtract line 4 from line 3 (if less than -0-, enter -0-).   | 5. _____ |
| 6. Enter \$5,600 (\$2,800 if married/RDP filing separately).  | 6. _____ |
| 7. Enter the smaller of line 5 or line 6 here and on Form 40N or Form 40P, line 45.   | 7. _____ |

**Caution:** Don't include any of the following on line 2 above.

- Self-employment tax.
- Social Security and Medicare tax on tips.
- Advance earned income credit payments.
- Household employment taxes.

Your federal tax liability on line 45 plus your federal tax from a prior year (code 602) and foreign tax (code 603) on line 46 cannot exceed \$5,600 (\$2,800 if married/RDP filing separately).

If you're married filing separately for Oregon only, multiply your joint federal tax liability (after credits) by the percentage calculated on page 10. Each spouse is limited to a maximum subtraction of \$2,800.

**Are you amending your 2008 return?** See the *Oregon Amended Schedule* instructions to figure your subtraction for federal tax liability.

**Did you pay additional federal tax in 2008 because you were audited or filed an amended return?** If so, read the instructions for Form 40N or Form 40P, line 46.

**46 Other deductions and modifications.** Only a few people have other deductions and modifications. Identify the deduction or modification using the numeric code. If you have only one "Other deduction or modification," enter the numeric code on line 46x and the amount on lines 46y and 46. For example, if you're reporting a foreign tax deduction, enter "603" on line 46x and the amount on lines 46y and 46. If you have more than one, check box 46z and attach Schedule OR-ASC-N/P to your return with the numeric codes and amounts of the deductions or modifications. Modifications can be either additions or subtractions. Enter the total amount of these items from Schedule OR-ASC-N/P on line 46. If the net amount is an addition, please clearly place a minus sign in front of it. For example, "- 200."

- **Artists who make a charitable art donation (Form 40P filers only) [code 600].** Download the publication *Artist's Charitable Contribution Subtraction* from our website or contact us to order it. **Form 40N filers**, see Form 40N, line 48 instructions on page 30.

- **Federal estate tax on income in respect of a decedent [code 605].** If you claimed a deduction for federal estate tax, you may have a modification. For more information, please contact us.

- **Federal income tax refunds [code 601].** Did you get a federal tax refund in 2008 because you were audited or amended a prior year return? If so and you subtracted that amount on a prior Oregon return, fill in and clearly place a minus sign in front of this addition on line 46 or Schedule OR-ASC-N/P.

- **Federal tax from a prior year [code 602].** Did you pay additional federal tax in 2008 because you were audited or amended a prior year's return? If so, you may be able to deduct the additional tax. This deduction applies only to additional tax you paid because your return was changed. It doesn't include the tax from the original return or interest or penalties you paid.

Use the following worksheet to figure your deduction for federal tax from a prior year.

- |  |          |
|--|----------|
| 1. Enter \$5,600 (\$2,800 if married/RDP filing separately).   | 1. _____ |
| 2. Enter your federal tax liability from Form 40N or Form 40P, line 45.  | 2. _____ |
| 3. Line 1 minus line 2. If the result is -0-, you cannot deduct your federal tax paid for a prior year. If greater than -0-, enter the result on line 3. | 3. _____ |
| 4. Enter the amount of federal tax you paid in 2008 for a prior year.  | 4. _____ |
| 5. Enter the smaller of line 3 or line 4 here and on Form 40N or Form 40P, line 46.  | 5. _____ |

- **Foreign tax [code 603].** Did you pay tax to a foreign country in 2008? You may deduct this tax if you:

- Took a foreign tax credit on your federal return, **or**
- Didn't take a foreign tax credit **and** didn't itemize deductions on your federal return.

This subtraction is limited to \$3,000 (\$1,500 if married/RDP filing separately).

For more information, go to our website or contact us.

- **Gambling losses claimed as an itemized deduction [code 604].** Did you have winnings from the Oregon Lottery and claim gambling losses on your federal Schedule A? If so, fill in and clearly place a minus sign in front of the addition for the gambling losses claimed as an itemized deduction that exceed gambling winnings taxed by Oregon.

- **Itemized deduction add back for Oregon credits [code 608].** Did you itemize and claim a credit for contributions to: Child Care Fund, Oregon Cultural Trust, Oregon Production Investment Fund, or a university venture fund? Did you itemize and claim a credit for long-term care insurance premiums? If you answered yes to either question, you may have to reduce your itemized deductions. If so, remember to clearly place a minus sign in front of this addition on line 46 or Schedule OR-ASC-N/P. Contact us for more information.

- **Mortgage interest credit [code 607].** If you claimed the mortgage interest credit on your federal return and you are itemizing deductions on your Oregon return, you may have a deduction. For more information, please contact us.

- **Special Oregon medical deduction [code 606].** Were you or your spouse/RDP **age 62 or older** on December 31, 2008? If so, enter the amount from federal Schedule A, line 1 or line 3, whichever is less. To claim this deduction, you must itemize your deductions for Oregon.

# Form 40N 47

**Allowable deductions and modifications.** Complete the worksheet below to determine the deductions and modifications you're entitled to claim.

1. If itemizing, enter amount from Form 40N, line 43. Otherwise enter the amount from Form 40N, line 44. **Note:** If claiming the special Oregon medical deduction (code 606) on line 46, enter the amount from line 43, even if it is less than the amount on line 44. 1. \_\_\_\_\_
2. Enter amount from Form 40N, line 45. 2. \_\_\_\_\_
3. Enter amount from Form 40N, line 46. 3. \_\_\_\_\_
4. Add together amounts from lines 1, 2, and 3 above. Enter result here. 4. \_\_\_\_\_
5. Enter your Oregon percentage from Form 40N, line 39, here. 5. \_\_\_\_\_
6. Multiply the amount from line 4 by the percentage on line 5. Enter result here and on Form 40N, line 47. 6. \_\_\_\_\_

# Form 40N 48

**Deductions and modifications not multiplied by Oregon percentage.**

- **Artists who make a charitable art donation [code 600].** Artists who make a charitable art donation may take a full deduction. Download the publication *Artist's Charitable Contribution Subtraction* from our website or contact us to order it.

## Oregon tax

# Form 40N 51

# Form 40P 49

**Tax from tax rate charts.**

Figure the tax on your taxable income, Form 40N, line 50; or Form 40P, line 48. If you use the farm income averaging method or the farm asset capital gain method, see the next column. If not, go to the tax rate charts below. Enter your tax amount on Form 40N, line 51 and check box 51a; or Form 40P, line 49 and check the box. Please double-check that the tax you entered is correct.

**Example:** A married couple's Oregon taxable income is \$29,500. They are filing jointly. They will use chart J for married filing jointly. They figure their tax like this:

Chart J	
Oregon taxable income	\$29,500
Subtract	— 14,600
	14,900
Multiply by 9%	× 0.09
	1,341
Then add	+ 906
Their Oregon tax is	<u>2,247</u>

# Form 40N 51

# Form 40P 50

**Tax from farm income averaging method or farm asset capital gain method.** If you qualify, you can compute your Oregon tax using one of the following methods:

**Farm income averaging method.** You can use the federal farm income averaging method to compute your Oregon tax even if you didn't use farm income averaging on your federal return. Only Oregon source farm income is considered elected farm income.

Use Form FIA-40N, *Oregon Farm Income Averaging for Nonresidents*, or Form FIA-40P, *Oregon Farm Income Averaging for Part-Year Residents*, to calculate your tax on your farm income and your other Oregon income. Download the form from our website or contact us to order it.

1. Form 40N: Enter the tax amount from Form FIA-40N, line 19, on Form 40N, line 51, and check box 51b.  
Form 40P: Enter the tax amount from Form FIA-40P, line 18, on Form 40P, line 50, and check box 50a.
2. Attach a copy of Form FIA-40N or Form FIA-40P to your return.

**Farm asset capital gain method.** Did you sell or exchange capital assets primarily used in farming because you were getting out of a farming business? Or, did you sell or exchange a farming partnership, corporation, or other farming entity where you held at least a 10 percent ownership interest? If the sale or exchange was not to a family member and you were getting out of a farming business completely, you may be eligible for a reduced tax rate on the net capital gain from the proceeds of the sale or exchange.

Use Worksheet FCG, *Farm Liquidation Long-Term Capital Gain Tax Rate*, to calculate tax on your net farm capital gain and your other Oregon income. Download the worksheet from our website or contact us to order it.

## 2008 Tax rate charts

**Chart S: For persons filing single or married/RDP filing separately—**

If your taxable income is not over \$2,900 ..... your tax is 5% of taxable income  
If your taxable income is over \$2,900 but not over \$7,300 ..... your tax is \$145 plus 7% of the excess over \$2,900  
If your taxable income is over \$7,300 ..... your tax is \$453 plus 9% of the excess over \$7,300

**Chart J: For persons filing jointly, head of household, or qualifying widow(er) with dependent child—**

If your taxable income is not over \$5,800 ..... your tax is 5% of taxable income  
If your taxable income is over \$5,800 but not over \$14,600 ..... your tax is \$290 plus 7% of the excess over \$5,800  
If your tax is over \$14,600 ..... your tax is \$906 plus 9% of the excess over \$14,600

**Nonresidents.** Enter the tax amount from Worksheet FCG, line 7, on Form 40N, line 51. **Check box 51c** labeled “Worksheet FCG.” Do **not** attach a copy of Worksheet FCG to your return. Keep a copy with your records.

**Part-year residents.** Enter the tax amount from Worksheet FCG, line 8, on Form 40P, line 50. **Check box 50b** labeled “Worksheet FCG.” Do **not** attach a copy of Worksheet FCG to your return. Keep a copy with your records.

**Note:** Form 40P filers using Form FIA-40P or Worksheet FCG do not enter an amount on Form 40P, line 49.

**52 Interest on certain installment sales.** Did you have installment sales that required you to pay interest on the deferred tax liability for federal purposes? If so, you must also compute interest for Oregon. The amount due for Oregon is computed the same way as for federal. The interest rate for 2008 is 0.50 percent per month.

**Nonresidents.** Use only those installment obligations from dispositions of Oregon property while you were a nonresident of Oregon.

## Credits—Non-refundable

Non-refundable credits cannot be more than your Oregon tax liability. Some credits have a carryforward provision that allows you to use the remaining balance in the next year. Use credits that cannot be carried forward first. You must prorate some Oregon credits on your return as shown with an asterisk (\*). This means you need to multiply your total credit by your Oregon percentage, line 39, to figure the amount you can claim on your Oregon return.

**Form 40N** **54**

**Form 40P** **53**

**Exemption credit.\*** Your exemption credit may be reduced if your federal adjusted gross income (Form 40N or 40P, line 30F) is more than the threshold for your filing status.

If the charts below apply to you, follow the instructions in the box. Otherwise, complete the exemption credit worksheet below.

and Form 40N or 40P, line 30F is less than or equal to...	
If your filing status is...	
Single	\$159,950
Married/RDP filing joint or qualifying widow(er)	\$239,950
Married/RDP filing separately	\$119,950
Head of household	\$199,950
...multiply your total exemptions on line 6e by \$169. Then multiply by your Oregon percentage from line 39. Enter the result on Form 40N, line 54 or 40P, line 53.	
Do not use the exemption credit worksheet	

and Form 40N or 40P, line 30F is more than...	
If your filing status is...	
Single	\$242,450
Married/RDP filing joint or qualifying widow(er)	\$322,450
Married/RDP filing separately	\$161,200
Head of household	\$282,450
...multiply your total exemptions on line 6e by \$56. Then multiply by your Oregon percentage from line 39. Enter the result on Form 40N, line 54 or 40P, line 53.	
Do not use the exemption credit worksheet	

### Exemption credit worksheet:

- Enter the amount from Form 40N or 40P, line 30F. 1. \_\_\_\_\_
- Enter the amount shown below for your filing status. 2. \_\_\_\_\_
  - Single—\$159,950
  - Married/RDP filing jointly or qualifying widow(er)—\$239,950
  - Married/RDP filing separately—\$119,950
  - Head of household—\$199,950
- Line 1 minus line 2. 3. \_\_\_\_\_
- Divide line 3 by \$2,500 (\$1,250 if married/RDP filing separately). Round the result up to the nearest whole number (for example, increase 0.0004 to 1). 4. \_\_\_\_\_
- Multiply line 4 by 2% (0.02) and enter the result as a decimal. 5. \_\_\_\_\_
- Multiply the total number of exemptions claimed on line 6e of your Oregon return by \$169 and enter the result here. 6. \_\_\_\_\_
- Multiply the decimal on line 5 by line 6. 7. \_\_\_\_\_
- Line 6 minus line 7. 8. \_\_\_\_\_
- Enter your Oregon percentage from Form 40N or 40P, line 39. 9. \_\_\_\_\_
- Exemption credit.** Multiply line 8 by the percentage on line 9. Enter the result here and on Form 40N, line 54, or Form 40P, line 53. 10. \_\_\_\_\_

**Form 40P** **54**

**Child and dependent care credit (Form 40P filers only)\*** You're allowed an Oregon credit **only** if you qualify for the federal child and dependent care credit. You may still be able to claim the Oregon credit even if you can't use all of your federal credit. You must prorate this credit. **Note**

to RDPs: Use your “as if” federal return to see if you

qualify for the Oregon credit. Use the following worksheet to figure your credit for Oregon:

1. Enter the amount from federal Form 2441, line 6; or Form 1040A, Schedule 2, line 6. Do **not** enter more than \$3,000 for one qualifying child or \$6,000 for two or more qualifying children. 1. \_\_\_\_\_
2. Enter the decimal amount from the following table. 2. \_\_\_\_\_

If your federal taxable income from Form 1040, line 43; or Form 1040A, line 27 is:		Your decimal amount is:
Over—	But not over—	
—	\$5,000	0.30
\$5,000	10,000	0.15
10,000	15,000	0.08
15,000	25,000	0.06
25,000	35,000	0.05
35,000	45,000	0.04
45,000	—	0.00

3. Multiply the amount on line 1 by the decimal on line 2. Enter here. 3. \_\_\_\_\_
4. Multiply line 3 by the Oregon percentage from Form 40N or Form 40P, line 39. **Form 40P filers:** Enter the result here and on Form 40P, line 54. **Form 40N filers:** Enter the result here and on Form 40N, line 56 and identify with code 745. 4. \_\_\_\_\_

**Did you pay 2007 child care expenses in 2008?** If so, multiply your 2007 expenses paid in 2008 that are included in the computation of your federal credit by the decimal amount that applies to your 2007 federal taxable income.

Multiply this amount by the Oregon percentage from your 2007 return. Enter the result on Form 40N, line 56 (code 745) or Form 40P, line 54. If you need help, please contact us.

**Carryforward.** Your total 2008 child and dependent care credit can't be more than your 2008 tax liability for Oregon. You can carry forward any excess over the next five years. If the excess isn't used within five years, you lose it. See instructions on page 33.

**55 Credit for income taxes paid to another state.** If you paid 2008 income tax to another state or U.S. territory on income also taxed by Oregon, you may be able to claim a credit.

You must claim the credit on your nonresident return or your part-year resident return for the part of the year you were a nonresident if the income is taxed by both Oregon and one of the following states: Arizona, California, Indiana, or Virginia. See our website for links to other states' tax websites.

This credit is only for state income tax. You can't claim this credit for city or county income tax, sales tax,

alternative minimum tax (AMT), property tax, school tax, or building funds.

Your credit is the **smallest** of the following:

- Your other state's 2008 net tax liability.
- Your Oregon tax liability after all credits, except credits for income taxes paid to other states.
- The amount figured using Formula 1, below.
- The amount figured using Formula 2, below.

**Formula 1:** Divide your modified adjusted gross income (MAGI) taxed by **both** states by your total MAGI, which is your income on Form 40P or Form 40N, line 38S. Multiply the result by your Oregon tax after all other credits. The result can't be more than your Oregon tax after credits.

$$\frac{\text{Your MAGI taxed by both states}}{\text{Your total MAGI}} \times \text{Your Oregon tax after all other credits}$$

**Formula 2:** Divide your MAGI taxed by **both** states by your total income on the other state's return. Multiply the result by the other state's tax after all other credits. "Total income" means income before subtracting itemized deductions and exemptions. The result can't be more than the other state's tax after credits.

$$\frac{\text{Your MAGI taxed by both states}}{\text{Your total income on the other state's return}} \times \text{Your other state's tax after all other credits}$$

If you have only one credit for income taxes paid to another state, enter the two-letter state abbreviation on Form 40N or Form 40P, line 55y, and the credit amount on Form 40N or Form 40P, line 55. If you're claiming more than one credit for income taxes paid to another state, do not enter a state abbreviation on line 55y. Instead check box 55z and attach Schedule OR-ASC-N/P to your return identifying the states and the credit amounts for each state. Enter the total for all states from Schedule OR-ASC-N/P on Form 40N or Form 40P, line 55.

**Caution:** You can't claim this credit and also benefit from the itemized deduction for the tax paid to the other state. If you claim the tax as an itemized deduction, include the other state's 2008 net tax liability or the 2008 tax claimed as an itemized deduction, whichever is less, on Form 40N or Form 40P, line 42.

If the credit for income taxes paid to another state is based on a tax liability that is paid in two different tax years, you may be required to restore the deduction to Oregon income in two different tax years. For more information, please contact us.

**You must attach a copy of the other state's return and proof of payment to the back of your Oregon return.**

You may be allowed to use this credit even if Oregon and another state tax the same income in different years. For more information, please contact us.

**56 Other credits.** You may qualify for other non-refundable credits. Please identify the credit using the numeric code. If you have only one "Other credit," enter the numeric code on Form 40N or Form



- **Child and dependent care credit (Form 40N filers only) [code 745].\*** Read the information and fill out the worksheet for Form 40P, line 54 on page 31. If this is your only other credit, enter code 745 on Form 40N, line 56x and the amount from the worksheet on Form 40N, line 56y. Otherwise enter the code and amount on Schedule OR-ASC-N/P. Form 40P filers, enter your child and dependent care credit on Form 40P, line 54.
- **Child and dependent care carryforward [code 704].** Enter the amount of unused credit from a prior year on Form 40N or Form 40P, line 56 or Schedule OR-ASC-N/P. The prior year carryforward plus your current year's credit can't be more than your Oregon tax liability. You can carry forward this unused credit for five years from the year the credit was claimed. If the carryforward isn't used within five years, it's lost.
- **Elderly or the disabled [code 709].\*** The Oregon credit is 40 percent of your federal credit. You can claim an Oregon credit **only** if you qualify for the federal credit. Multiply the amount from federal Form 1040, Schedule R, line 20; or Form 1040A, Schedule 3, line 20, by 40 percent (.40). Then multiply the result by the Oregon percentage on Form 40N or Form 40P, line 39. You can claim this credit or the retirement income credit, but **not** both. **Note to RDPs:** Use your "as if" federal return to see if you qualify for the Oregon credit.

- **Political contribution [code 723].** Fill in your total political contributions, up to \$100 on a joint return or up to \$50 on all others. You must have contributed money during 2008 to any of the following:
  - A political party.
  - A qualified candidate (or the candidate's principal campaign committee) for federal, state, or local office to be voted for in Oregon.
  - A political action committee certified in Oregon.Download the publication *Political Contributions Tax Credit* from our website or contact us to order it.
- **Retirement income [code 730].** If you were age 62 or older on December 31, 2008, and receiving retirement income, you may qualify for a credit. You qualify for this credit if:
  - Your household income is less than \$22,500 (\$45,000 if married filing jointly), **and**
  - Your Social Security benefits and/or tier 1 Railroad Retirement Board benefits are less than \$7,500 (\$15,000 if married filing jointly), **and**
  - Your household income plus your Social Security and/or tier 1 Railroad Retirement Board benefits is less than \$22,500 (\$45,000 if married filing jointly).If you think you qualify, contact us for more information.
- The following credits apply to only a few people. For more information, go to our website or contact us.
  - Adoption expenses carryforward [code 700].\*
  - Advanced telecommunications facilities [code 701].\*
  - Biofuel consumer [code 744].\*
  - Biomass production/collection [code 743].\*
  - Business energy [code 703].
  - Business tax credits from flow-through entity [code 736].
  - Child Care Fund contributions [code 705].
  - Claim of right income repayments [code 706].
  - Crop donation [code 708].\*



## 150-101-172 (Rev. 12-08)

Fiscal Year Ending \_\_\_\_\_

● **Payment Type** (check only one):

Check if: ☐ Filing a composite return ☐ **2008** Return ☐ Amended—Tax Year: \_\_\_\_\_ ☐ Prior Tax Year: \_\_\_\_\_  
☐ First time Oregon filer  
☐ New name or address Daytime Telephone Number \_\_\_\_\_

**Mail your payment and tax return to:** Oregon Dept. of Revenue, PO Box 14555, Salem OR 97309-0940

Last name	First name and initial	SSN or BIN
Spouse's/RDP's last name if joint payment	Spouse's/RDP's first name and initial	Spouse's/RDP's SSN if joint payment
Current mailing address	City	State ZIP code

Enter Payment Amount  
\$        .

FORM  
**40-V**

Department of Revenue Use Only

Enter Payment Amount

\$        .

- Diesel engine repower or retrofit [code 734].\*
- Electronic commerce zone investment [code 710].
- Employer-provided dependent care assistance [code 707].
- Employer scholarship [code 711].\*
- Farmworker housing [code 712].\*
- First Break Program [code 713].\*
- Fish screening devices [code 714].\*
- Individual Development Account (IDA) donation [code 715].
- IDA withdrawal for home purchase [code 738].
- Involuntary move of a mobile home, Schedule MH—non-refundable (2006 moves only) [code 741].
- Long-term care insurance premiums [code 716].\*
- Loss of use of limbs [code 717].
- Low-income caregiver credit [code 718].
- Mutually taxed gain on the sale of residential property [code 720].
- On-farm processing machinery and equipment [code 721].\*
- Oregon Cultural Trust [code 722].\*
- Oregon Production Investment Fund [code 737].
- Oregon Veterans' Home physicians [code 747].\*
- Pollution control facilities [code 724].
- Reforestation of underproductive forestlands [code 727].
- Reservation enterprise zone [code 728].\*
- Residential energy [code 729].\*
- Riparian land [code 735].\*
- Rural EMTs [code 742].\*
- Rural medical practitioners [code 731].\*
- TRICARE provider [code 746].\*
- University venture fund [code 739].\*
- Water transit vessel [code 740].\*

\*Prorated credit (multiplied by Oregon percentage).

## Tax payments and refundable credits

**59 Oregon income tax withheld from income.** Fill in the total **Oregon** tax withheld from your wages and other income shown on your Form(s) W-2 or 1099. Don't use the FICA (Social Security) tax withheld from your pay. **Don't** use tax withheld from your wages by other states. **Staple a readable copy** of your Form W-2 from each job and any Form(s) 1099 showing Oregon income tax withheld to the lower front of your return.

If you don't have a Form W-2 or 1099, you must provide other proof of Oregon tax withheld. Proof may include a copy of a final paycheck stub or a letter from your employer.

If you have tax to pay this year, you may want to increase the amount your employer withholds from your 2009 wages for Oregon. Download the publication *Oregon Income Tax Withholding* from our website or contact us to order it.

**60 Estimated tax payments for 2008 and payments made with your extension.** Fill in the total Oregon estimated tax payments you made before filing your 2008 Oregon return. Include any payments

made with your Oregon extension. Also include any refund you applied to your 2008 estimated tax. If the department adjusted your applied refund, be sure to use the adjusted amount. If you need to verify your estimated payment amounts, please contact us.

**61 Nonresidents—Tax withheld from pass-through entity and real estate transactions.** If you are an owner in a pass-through entity and you did not join in the filing of a composite return reporting the related flow-through income, enter the amount of tax withheld by the pass-through entity on your behalf. Also include any tax withheld from real estate transactions.

**62 Earned income credit (refundable).** You're allowed an Oregon earned income credit **only** if you qualify for the earned income credit on your federal return ("as if" returns for RDPs). You must prorate this credit. Your Oregon credit is 6 percent of your federal credit multiplied by your Oregon percentage. For example, if your federal credit is \$2,500, your Oregon credit is \$150 ( $\$2,500 \times 0.06$ ) multiplied by your Oregon percentage from Form 40N or Form 40P, line 39.

Use the following formula to compute your credit:

- |  |          |
|--|----------|
| 1. Enter your federal earned income credit from Form 1040, line 64a; Form 1040A, line 40a; or Form 1040EZ, line 8a.                      | 1. _____ |
| 2. Multiply the amount on line 1 by 6% (0.06). Enter the result here.  | 2. _____ |
| 3. Multiply line 2 by the Oregon percentage (Form 40N or Form 40P, line 39). Enter the result here and on Form 40N or Form 40P, line 62. | 3. _____ |

The Oregon earned income credit is refundable. If the credit is more than your tax liability, the difference will be refunded to you.

**63 Working family child care credit (refundable).** This credit is available to low-income working families with **qualifying** child care expenses for a qualifying child under age 13 (or a child who qualifies for the additional exemption credit for a child with a disability). The working family child care credit is refundable. If the credit is more than your tax liability, the difference will be refunded to you. To see if you qualify, go to page 41. Attach Schedule WFC-N/P to your return.

**64 Mobile home park closure credit (refundable).** Enter the amount from Schedule MPC, line 5. Attach Schedule MPC to your return. For more information download the publication from our website or contact us to order it.

## Penalties and interest

**68 Penalty and interest for filing or paying late.** Your tax is due **April 15, 2009**. Your return is also due April 15, 2009, unless you file for an extension by that date.

*Continued on page 37*

# Schedule WFC-N/P

## Oregon Working Family Child Care Credit for Form 40N and Form 40P Filers

# 2008

Last name	First name and initial	Social Security number (SSN) - -	<input type="checkbox"/> Attending school <input type="checkbox"/> Form WFC-DP is attached
Spouse's/RDP's last name if joint return	Spouse's/RDP's first name and initial if joint return	Spouse's/RDP's SSN if joint return - -	<input type="checkbox"/> Attending school <input type="checkbox"/> Form WFC-DP is attached

### YOU MAY BE REQUIRED TO PROVIDE PROOF OF YOUR PAYMENT OF YOUR CHILD CARE EXPENSES

#### Household Size Calculation

1. Enter the number of exemptions  
you claimed on your federal return ..... 1
2. Enter the number of exemptions you did not  
claim on your federal return because you released  
the exemption to the child's other parent ..... 2
3. Add lines 1 and 2 ..... 3
4. Enter the number of exemptions you claimed on your  
federal return for people who did not live in your  
household during 2008, including exemptions released  
to you by your child's other parent, or who are not  
related by blood, marriage, RDP, or adoption ..... 4
5. Household size. Line 3 minus line 4 ..... 5

**FOR COMPUTER USE ONLY**

### Qualifying Child Care Expenses Paid in 2008. Complete all information for each child care provider you paid in 2008.

Provider's full name and complete address	Provider's SSN or FEIN	Child to Provider Relationship (enter code)
6. Name _____ Address _____ City, State, ZIP Code _____	<input type="text"/>	<input type="text"/>
	Provider's Telephone No. _____	Amount You Paid to Provider ..... 6 \$ <input type="text"/>
Provider's full name and complete address	Provider's SSN or FEIN	Child to Provider Relationship (enter code)
7. Name _____ Address _____ City, State, ZIP Code _____	<input type="text"/>	<input type="text"/>
	Provider's Telephone No. _____	Amount You Paid to Provider ..... 7 \$ <input type="text"/>
Provider's full name and complete address	Provider's SSN or FEIN	Child to Provider Relationship (enter code)
8. Name _____ Address _____ City, State, ZIP Code _____	<input type="text"/>	<input type="text"/>
	Provider's Telephone No. _____	Amount You Paid to Provider ..... 8 \$ <input type="text"/>
9. Add amounts on lines 6 through 8 and enter the result here. If you have more than three providers, check here		9a <input type="checkbox"/> ..... 9 \$ <input type="text"/>

Qualifying Child Information—Complete all information for each child	Child's SSN	Child's Date of Birth	Child to Taxpayer Relationship (enter code)	Qualifying Expenses You Paid for Child
10. First and Last Name of Child				\$ <input type="text"/>
11.				\$ <input type="text"/>
12.				\$ <input type="text"/>
13.				\$ <input type="text"/>
14. Add amounts on lines 10 through 13 and enter the result here. If you have more than four qualifying children, check here 14a <input type="checkbox"/> ..... 14				\$ <input type="text"/>

### Computation of Credit

15. Enter your federal adjusted gross income (Form 40N or Form 40P, line 30F).....	15	<input type="text"/>
16. Enter your Oregon adjusted gross income (Form 40N or Form 40P, line 30S) .....	16	<input type="text"/>
17. Enter the larger of line 15 or line 16 .....	17	<input type="text"/>
18. Enter the total qualifying child care expenses you paid in 2008 from line 9 above .....	18	<input type="text"/>
19. Enter the decimal amount from the working family child care credit table on the back (use the table that matches your household size on line 5 above). For example, if the amount on line 5 is 4, use Table 4.....	19	<input type="text"/> X .
20. Multiply the amount on line 18 by the decimal amount on line 19 and enter here .....	20	<input type="text"/>
21. Multiply line 20 by the Oregon percentage (Form 40N or Form 40P, line 39). Enter the result here and on Form 40N or Form 40P, line 63. This is your working family child care credit .....	21	<input type="text"/>

**—YOU MUST ATTACH THIS SCHEDULE TO YOUR OREGON TAX RETURN TO RECEIVE THIS CREDIT —**

# Working family child care credit—2008 tables

**Table 1, household size = 1**

If the amount on Schedule WFC-N/P, line 17 is:		Enter this decimal amount on Schedule WFC-N/P, line 19:
at least:	but not more than:	
—	\$20,800	0.40
\$20,801	21,850	0.36
21,851	22,900	0.32
22,901	23,900	0.24
23,901	24,950	0.16
24,951	26,000	0.08
26,001	—	0.00

**Table 2, household size = 2**

If the amount on Schedule WFC-N/P, line 17 is:		Enter this decimal amount on Schedule WFC-N/P, line 19:
at least:	but not more than:	
—	\$28,000	0.40
\$28,001	29,400	0.36
29,401	30,800	0.32
30,801	32,200	0.24
32,201	33,600	0.16
33,601	35,000	0.08
35,001	—	0.00

**Table 3, household size = 3**

If the amount on Schedule WFC-N/P, line 17 is:		Enter this decimal amount on Schedule WFC-N/P, line 19:
at least:	but not more than:	
—	\$35,200	0.40
\$35,201	36,950	0.36
36,951	38,700	0.32
38,701	40,500	0.24
40,501	42,250	0.16
42,251	44,000	0.08
44,001	—	0.00

**Table 4, household size = 4**

If the amount on Schedule WFC-N/P, line 17 is:		Enter this decimal amount on Schedule WFC-N/P, line 19:
at least:	but not more than:	
—	\$42,400	0.40
\$42,401	44,500	0.36
44,501	46,650	0.32
46,651	48,750	0.24
48,751	50,900	0.16
50,901	53,000	0.08
53,001	—	0.00

**Table 5, household size = 5**

If the amount on Schedule WFC-N/P, line 17 is:		Enter this decimal amount on Schedule WFC-N/P, line 19:
at least:	but not more than:	
—	\$49,600	0.40
\$49,601	52,100	0.36
52,101	54,550	0.32
54,551	57,050	0.24
57,051	59,500	0.16
59,501	62,000	0.08
62,001	—	0.00

**Table 6, household size = 6**

If the amount on Schedule WFC-N/P, line 17 is:		Enter this decimal amount on Schedule WFC-N/P, line 19:
at least:	but not more than:	
—	\$56,800	0.40
\$56,801	59,650	0.36
59,651	62,500	0.32
62,501	65,300	0.24
65,301	68,150	0.16
68,151	71,000	0.08
71,001	—	0.00

**Table 7, household size = 7**

If the amount on Schedule WFC-N/P, line 17 is:		Enter this decimal amount on Schedule WFC-N/P, line 19:
at least:	but not more than:	
—	\$64,000	0.40
\$64,001	67,200	0.36
67,201	70,400	0.32
70,401	73,600	0.24
73,601	76,800	0.16
76,801	80,000	0.08
80,001	—	0.00

**Table 8, household size = 8\***

If the amount on Schedule WFC-N/P, line 17 is:		Enter this decimal amount on Schedule WFC-N/P, line 19:
at least:	but not more than:	
—	\$71,200	0.40
\$71,201	74,750	0.36
74,751	78,300	0.32
78,301	81,900	0.24
81,901	85,450	0.16
85,451	89,000	0.08
89,001	—	0.00

\* If your household size is more than eight, contact the department for the tables you need.

## Schedule WFC relationship codes

Son..... S	Grandchild ..... GC	Eligible foster child .....EF	Sister-in-law .....SL
Daughter..... D	Niece..... NC	Aunt ..... A	Brother-in-law .....BL
Stepson..... SS	Nephew .....NW	Uncle ..... U	Other relative..... O
Stepdaughter..... SD	Sister/Brother.....SB	Cousin..... CS	None..... N

Continued from page 34

**Penalty.** Include a penalty payment if you:

- Mail your tax payment after April 15 (even if you have an extension to file), or
- File your return showing tax to pay after the due date or extension due date.

The late-payment penalty is 5 percent of the unpaid balance of your tax.

If you file more than three months after the due date or extension due date, a 20 percent late-filing penalty will be added; that is, you will owe a total penalty of 25 percent of any unpaid tax. To find out how to avoid penalty, go to our website and view *Computing Interest on Tax You Owe*.

**Interest.** If you're paying your tax after April 15, 2009, include interest on any unpaid tax. An interest period is each full month starting with the day after the due date. For example, April 16, 2009, through May 15, 2009, is a full month interest period. The 2009 interest rate is 6 percent per year (0.50 percent per month).

Interest is figured daily for periods of less than a month. Here's how to figure daily interest:

$$\text{Tax} \times 0.000164 \times \text{number of days}$$

If the tax is not paid within 60 days of our bill, the interest rate increases to 10 percent per year.

**Note:** Do not calculate interest if you file late and expect a refund. It may delay processing of your refund.

**69 Interest on underpayment of estimated tax.** For 2008, you'll have an underpayment if you paid less than 90 percent of the tax due on **each** estimated tax payment due date.

Use Form 10, *Underpayment of Oregon Estimated Tax*, to determine if you have an underpayment. Download the form from our website or contact us to order it. If you have an underpayment, you **must** file Form 10 with your return. Check the box and enter the amount of interest due from Form 10, line 34 on Form 40N or Form 40P, line 69.

If you meet an exception, simply enter the exception number on Form 40N or Form 40P, line 69a and do not attach Form 10. If you used the *Annualized Income Worksheet*, check box 69b and file the form with your return.

**71 Amount you owe.** You can pay your tax with a check, money order, electronic payment, or credit card.

**Electronic payment from your checking or savings account**

You can pay your current year income taxes, 2009 estimated income taxes, any prior year tax due, and amended return taxes directly from your checking or savings

account. There is no fee to use this service. This option is available only through our website.

### Credit card payments

You can also pay with your Discover, MasterCard, or Visa credit card. Contact the service provider supporting Oregon's program. The provider **will charge** you a convenience fee based on the amount of your tax payment. The service provider will tell you what the fee is during the transaction; you will have the option to continue or cancel the transaction before entering your credit card information. If you complete the credit card transaction, you will receive a confirmation number. **Please keep this confirmation number as proof of payment.**

Credit card service provider:

- *Official Payments Corporation*, 1-866-720-1327  
www.officialpayments.com

For additional information on credit card payments and service providers, go to our website or contact us.

### Check or money order

- Make your check or money order payable to "**Oregon Department of Revenue.**"
- Write your daytime telephone number and "2008 Oregon Form 40N" or "2008 Oregon Form 40P" on your check.
- Please use **blue or black** ballpoint ink. Do not use gel ink or the colors red or purple.
- **Do not send cash or a postdated check.**
- Staple your payment and the Form 40-V payment voucher (see page 33) to your return on top of your Form(s) W-2 and 1099.

**Payment plan.** If you cannot pay in full now, pay what you can. Write "2008 Oregon Form 40" on your payment. Use the payment voucher, Form 40-V, on page 33. We will work with you to set up a payment plan for the amount you do not pay with your return. Contact us as soon as possible to reduce penalties and interest.

**Special instructions.** Do you owe interest on Form 40N or Form 40P, line 69 and have an overpayment on Form 40N or Form 40P, line 66? If the interest you owe is more than your overpayment, you have an amount due. Subtract line 66 from line 69 and enter the result on line 71.

**Charitable donations.** If you don't have a refund but want to contribute to a charity listed on Form 40N or 40P, mail your donation to the charity's address shown on pages 38 and 39. Please do not mail your donation to the Department of Revenue.

**To finish your return, go to the signature block section on page 39.**

**72 Refund.** You must have a refund on Form 40N or Form 40P, line 72 to apply money to next year's estimated tax or to donate all or part of your refund to the charities listed.

**73 Estimated tax.** If you have a refund on Form 40N or Form 40P, line 72, you may apply part or all of it to your 2009 estimated income tax. Fill in the amount you want to apply. Do not fill in more than the amount on Form 40N or Form 40P, line 72.

## Charitable checkoff donations

You may donate all or part of your refund shown on line 72 to the charities listed below. Donations will reduce your refund. You can donate to any or all of the charities on lines 74–85. You can also donate to **two** of the charities listed under the instructions for lines 86 and 87. Or, you can mail your donations directly to the addresses shown.

**74 Oregon Nongame Wildlife.** Your donation will fund the protection of nongame wildlife and its habitat.

Oregon Department of Fish and Wildlife  
3406 Cherry Avenue NE  
Salem OR 97303-4924

**75 Child Abuse Prevention.** Your donation will fund programs through the Children's Trust Fund to help prevent child abuse and neglect.

Children's Trust Fund of Oregon  
1410 SW Morrison Street, Suite 501  
Portland OR 97205

**76 Alzheimer's Disease Research.** Your donation will fund research of Alzheimer's and related dementias.

Layton Aging and Alzheimer's Disease Center  
3181 SW Sam Jackson Park Road CR131  
Portland OR 97239

**77 Stop Domestic and Sexual Violence.** Your donation will fund programs through the Oregon Coalition Against Domestic and Sexual Violence.

OCADSV  
380 SE Spokane Street, Suite 100  
Portland OR 97202

**78 AIDS/HIV Research, Education, and Services.** Your donation will fund AIDS/HIV research, education, and services by the Living With HIV Fund.

The Research & Education Group  
2311 NW Northrup, Suite 105  
Portland OR 97210

**79 Oregon Military Emergency Financial Assistance.** Your donation will fund hardship grants and loans to Oregon National Guard members and their families.

Oregon Military Department  
PO Box 14350  
Salem OR 97309-5047

**80 Habitat for Humanity of Oregon.** Your donation will help Habitat for Humanity build simple, decent, and affordable housing for low-income families.

Habitat for Humanity of Oregon  
3300 NW 185th, #214  
Portland OR 97229

**81 Oregon Head Start Association.** Your donation will help Head Start provide services to the lowest-income, highest-need children and families.

Oregon Head Start Association  
221 B Street  
Springfield OR 97477

**82 American Diabetes Association.** Your donation will help continue diabetes research and advocacy programs in Oregon.

American Diabetes Association  
380 SE Spokane Street, Suite 110  
Portland OR 97202

**83 Oregon Coast Aquarium.** Your donation will help fund educational programs, conservation efforts, and animal rehabilitation.

Oregon Coast Aquarium  
2820 SE Ferry Slip Road  
Newport OR 97365

**84 SMART.** Your donation will help fund the "Start Making A Reader Today" early literacy program for Oregon's most vulnerable children.

Oregon Children's Foundation/SMART  
219 NW 12th Avenue, Suite 203  
Portland OR 97209

**85 SOLV.** Your donation will help fund thousands of projects to clean up and restore beaches, forests, rivers, and neighborhoods across Oregon.

SOLV  
5193 NE Elam Young Parkway, Suite B  
Hillsboro OR 97124

**86 & 87 Other charity.** You may donate all or part of your refund to **two** of the following charities.

Enter the charity code on Form 40N or Form 40P, line 86a or 87a. **Enter only one code in each box.** Write the amount you want to donate next to the code on Form 40N or Form 40P, line 86b or 87b. If you want to donate to more than two of the charities listed below, you can mail your donations directly to the charities at the addresses shown.

**St. Vincent de Paul Society of Oregon [code 7].** Your donation will help provide services leading to self-sufficiency for low-income Oregonians.

St. Vincent de Paul Society of Oregon  
PO Box 24608  
Eugene OR 97402

**The Nature Conservancy [code 8].** Your donation will help purchase and restore critical habitats for Oregon's at-risk plants, fish, and wildlife.

The Nature Conservancy  
821 SE 14th Avenue  
Portland OR 97214

**Doernbecher Children's Hospital Foundation [code 9].** Your donation will fund a critical expansion of the cancer treatment facilities at Doernbecher.

Doernbecher Children's Hospital Foundation  
1121 SW Salmon, Suite 201  
Portland OR 97205-2021

**The Oregon Humane Society [code 10].** Your donation will help save pets' lives through rescue, sheltering, adoption, education, cruelty investigation, and advocacy.

The Oregon Humane Society  
PO Box 11364  
Portland OR 97211

**The Salvation Army—Oregon [code 11].** Your donation to the Salvation Army ensures help for the neediest children and their families throughout Oregon.

The Salvation Army  
1785 NE Sandy Boulevard  
Portland OR 97232

**The Oregon Veterans' Home [code 12].** Your donation will improve the quality of life for veterans receiving nursing care at the Oregon Veterans' Home.

Oregon Veterans' Home Donations  
700 Summer Street NE  
Salem OR 97301-1285

**Planned Parenthood of Oregon [code 13].** Your donation will fund family planning services and reproductive health education programs.

Planned Parenthood of Oregon  
3231 SE 50th Avenue  
Portland OR 97206

**Oregon Lions Sight & Hearing Foundation [code 14].** Your donation will fund sight and hearing assistance, and provide diabetes awareness for Oregonians.

Oregon Lions Sight & Hearing Foundation  
1410 SW Morrison Street, Suite 760  
Portland OR 97205

**Shriners Hospitals for Children—Portland [code 15].** Your donation will help provide braces and artificial limbs for Oregon's children.

Shriners Hospitals for Children—Portland  
3101 SW Sam Jackson Park Road  
Portland OR 97239

**Special Olympics Oregon [code 16].** Your donation will help provide life-changing services to thousands of Oregonians with intellectual disabilities.

Special Olympics Oregon  
5901 SW Macadam, Suite 100  
Portland OR 97239

**Susan G. Komen for the Cure, Oregon & SW Washington Affiliate [code 17].** Your donation funds breast cancer research, education, screening, and treatment.

Susan G. Komen Breast Cancer Foundation  
Oregon & SW Washington Affiliate  
1400 SW 5th Avenue, Suite 530  
Portland OR 97201

**Oregon Historical Society [code 18].** Your donation helps us collect and preserve materials of historical character for studying and understanding Oregon history.

Oregon Historical Society  
1200 SW Park Avenue  
Portland OR 97205

**Oregon Food Bank [code 25].** Your donation will help provide emergency food statewide and eliminate hunger through education, advocacy, and public awareness.

Oregon Food Bank  
PO Box 55370  
Portland OR 97238-5370

**89 Net refund.** You must **reduce your refund** by any amounts applied to 2009 estimated tax and charitable checkoff donations. **The department cannot issue a refund if your return is filed more than three years after the due date of the return.**

## Direct deposit

**90** Follow these instructions if you want us to deposit your refund directly into your bank account instead of mailing you a check.

1. **Contact your bank** to make sure your deposit will be accepted and to get your correct routing and account numbers.
2. **Check the appropriate box, either** checking or savings, but not both.
3. **Enter your nine-digit routing number.** The routing number must begin with 01 through 12, 21 through 32, or 61 through 72.
4. **Enter the account number** into which you want your refund deposited. The account number can be up to 17 characters (both numbers and letters). Do not include hyphens, spaces, or special symbols. Enter the number left to right and leave any unused boxes blank.

## Signature block

**Signature(s).** Be sure to sign and date your return. If you're filing a joint return, both spouses or RDPs must sign.

**Minor child's return.** If your child must file a tax return, you may sign the child's name as his or her legal agent. Sign the child's name, then write "By [your signature], parent (or other legal guardian) of minor child."

**Preparer signature.** Any person who prepares, advises, or assists in the preparation of personal income tax returns for another person in exchange for payment, gifts, or other compensation must be licensed and



must sign the return. Contact the following agencies for more information on licensing or to check the status of your Oregon tax practitioner:

- State Board of Tax Practitioners at 503-378-4034 (Salem) for licensed tax consultants and licensed tax preparers, or go to [www.oregon.gov/OTPB](http://www.oregon.gov/OTPB).
- State Board of Accountancy at 503-378-4181 (Salem) for public accountants and certified public accountants, or go to [www.oregon.gov/BOA](http://www.oregon.gov/BOA).

**License number.** Licensed tax consultants, enter your license number. Certified public accountants, enter your certificate number. Tax-Aide volunteers, enter your TCE site number.

## Before you file

### Should I put my return together in a special order?

Yes. To speed processing, put your Oregon return together as follows:

1. Start with Form 40N or Form 40P.
2. Staple Form(s) W-2 and any Form(s) 1099 showing Oregon tax withheld to the middle section of your Form 40N or Form 40P.
3. Staple your check or money order and completed Form 40-V payment voucher (page 33) on top of the Form(s) W-2 and/or 1099. If paying by electronic payment or credit card, do not use Form 40-V.
4. **If applicable**, place these items in the following order behind the Oregon form:
  - Schedule OR-ASC-N/P, *Oregon Adjustments for Form 40N and 40P Filers*.
  - *Oregon Amended Schedule*.
  - Copy (front and back) of your federal Form 1040, 1040A, 1040EZ, 1040NR, or 1040NR-EZ. If you are filing as an RDP, attach the federal “as if” return. **Write “RDP for Oregon Only” in blue or black ink on the top left corner of your “as if” return.** Also attach copies of the federal returns you and your RDP actually filed.
  - Schedule WFC-N/P, *Oregon Working Family Child Care Credit for Form 40N and Form 40P filers*. See page 35.
  - Oregon Form 10, *Underpayment of Oregon Estimated Tax*.
  - Proof required to claim credit for income taxes paid to another state. See page 32.
  - Oregon Form 24, *Like-Kind Exchanges/Involuntary Conversions*.
  - Form FIA-40N, *Oregon Farm Income Averaging for Nonresidents*, or Form FIA-40P, *Oregon Farm Income Averaging for Part-Year Residents*.
  - *Exempt Income Schedule for Enrolled Members of a Federally Recognized American Indian Tribe*.
  - Schedule MPC, *Mobile Home Park Closure*.
  - Form BPC, *Biomass Producer and Collector Credit*.
  - *Transfer Notice for Certain Credits*.
  - Statements for lines that need explanation.
5. Place one staple in the top left corner of your return and attachments

Be sure the second page of your return is the same form as the first page. *Example:* If you file Form 40N, be sure that “Page 2—2008 Form 40N” is printed at the top of the second page.

**Do not attach** extension requests, or any federal schedules. Keep these with your records. We receive some federal information from the IRS. We may ask you for copies of schedules or additional information later.

### How long do I have to file my return and get a refund?

You have three years from the due date of the return to file a claim for a refund. By law, the Department of Revenue cannot issue a refund if your return is filed more than three years after the due date.

## To avoid processing delays, remember to:

**Type or clearly print** your name, Social Security number, date of birth, complete mailing address, and daytime telephone number on your return.

**Double-check your math calculations and other figures**, including your Social Security number. The most common mistakes are math errors and the amount claimed for the federal tax subtraction. Please double-check the tax you figured. Errors will delay processing.

**If you have tax to pay**, read Form 40N or Form 40P, line 71 instructions on page 37.

**Identify** other additions, other subtractions, and other credits as instructed.

**Verify your bank account information** if you’re requesting direct deposit.

**Sign your return** (both spouses or RDPs must sign a joint return).

**Staple readable copies** of Form(s) W-2 and 1099 showing Oregon tax withheld to the lower front of your return.

**Staple a copy** of your federal return (front and back only) to your Oregon return. Do **not** include federal schedules.

**Staple Form 40-V, the payment voucher**, with your check or money order to the front of your return. If paying by credit card or electronic payment, do **not** use Form 40-V.

**Mail your return in a stamped envelope.** Use a business envelope (4 × 9½ inches) or larger and use enough postage. Please do not use a smaller envelope—it delays processing.

## Tax return mailing addresses

### Mail refund returns or no-tax-due returns to:

REFUND  
PO Box 14700  
Salem OR 97309-0930

### Mail tax-to-pay returns to:

Oregon Department of Revenue  
PO Box 14555  
Salem OR 97309-0940

# Working family child care credit

This refundable credit is available to low-income working families with qualifying child care expenses. To qualify, **all** of the following must be true:

- You had at least \$7,550 of earned income from Oregon sources, and
- You had \$2,950 or less of investment income (such as interest, dividends, and capital gains), and
- Your adjusted gross income was less than the limits for your household size shown on the back of Schedule WFC-N/P, and
- You paid qualifying child care expenses to allow you [and your spouse or registered domestic partner (RDP)] to work or attend school at least part time or you or your spouse or RDP is exempt from this requirement due to a qualifying disability (see below), and
- You paid qualifying child care expenses for your qualifying child. A qualifying child is your child, step child, grandchild, step grandchild, brother, sister, stepbrother, stepsister, nephew, niece, step nephew, step niece, or eligible foster child, who:
  - can be claimed as a dependent on your federal return, or
  - could have been claimed on your return except, as the custodial parent, you released the exemption to the child's other parent under a decree of divorce or separate maintenance or written declaration such as federal Form 8332, and

- was under the age of 13 at the time the care was provided, or
  - was a child for whom you can claim the additional exemption credit for a child with a disability, and
  - did not provide more than one-half of their own support during the year, and
- Your child care provider was not the child's parent or guardian, or your relative or step relative under age 19.

**Note:** If you're married or an RDP filing separately, you must be legally separated or permanently living apart on December 31, 2008, to qualify.

**Note to RDPs:** Use your federal "as if" return to see if you qualify for this credit.

If you qualify, complete Schedule WFC-N/P, *Oregon Working Family Child Care Credit for Form 40N and Form 40P filers*, on page 35. Attach this schedule to your return.

**Example:** Carl and Carrie moved from Arizona with their child in October 2008. They paid for child care and they both worked in both Arizona and Oregon. Carl and Carrie's wages after moving to Oregon are \$6,000. They have no other Oregon income. Carl and Carrie do not qualify for the Working Family Credit because their earned income from Oregon did not meet the minimum of \$7,550.

## Schedule WFC-N/P instructions for nonresidents and part-year residents

You must complete all information on the schedule. An incomplete schedule may result in delay or denial of your working family child care (WFC) credit. Your refund may take longer to process when claiming this credit.

### Check the boxes

**Attending school.** Do you qualify for this credit because you (or your spouse or RDP) attended school at least part time? If so, check the box, "Attending school," next to your (or your spouse's or RDP's) name.

**Form WFC-DP is attached.** There are special rules for married or RDP taxpayers when one spouse or RDP is disabled. Generally, you and your spouse or RDP can only claim child care expenses for the WFC credit when both of you are working or attending school at least part time. There is an exception to this requirement. If one spouse or RDP has a qualifying disability that keeps them from working, attending school, and caring for themselves and the children, the child care expenses may qualify for this credit. Only one spouse or RDP can qualify for the

exception. The other spouse or RDP must still work or attend school at least part time. The qualifications are not the same as the severely disabled exemption credit.

To use this exception, the disabled spouse or RDP must have a disability that prevents (or severely restricts) them from **all** of the following:

- Performing an activity of daily living. Activities of daily living include bathing, dressing, feeding, toileting, etc.;
- Working;
- Going to school at least part time; **and**
- Caring for the child(ren).

To claim this exception, the disabled taxpayer and their physician need to fill out Form WFC-DP stating they have a qualifying disability. Go to our website or contact us to get Form WFC-DP. This form must be attached each year that you (or your spouse/RDP) meet that exception. Once Form WFC-DP is filled out, check the box "Form WFC-DP is attached" on Schedule WFC-N/P next to your name (or your spouse's/RDP's name). Remember to attach Form WFC-DP and keep a copy of

the form with your tax records and with your physician. We may request a copy of the form at a later date.

## Household size calculation

Sched.  
WFC-N/P **1** - **5**

Generally, your household size is the number of people you claim as exemptions on your federal tax return who are related to you by blood, marriage, RDP, or adoption and live in your home. Household size can include your child of whom you have primary custody, even if you allowed the child's other parent to claim the exemption on their tax return. **Don't** include people you're entitled to claim on your tax return who didn't live with you in your home for all of 2008 or who aren't related to you. For the purposes of this credit, a person cannot be counted in the household size on more than one return. Enter your household size from Schedule WFC-N/P, line 5, on Form 40N or Form 40P, line 63a.

**Example 1:** Rusty and Deb are not married and are the parents of two children. They maintain separate households and have joint custody of both children. The children live more than half the year with Deb. Even though they are Deb's qualifying children, she releases the dependent exemption for one child to Rusty. Only Deb may claim the credit based on the child care expenses she paid because she is the custodial parent.

Deb's household size is three (herself, one dependent child whose exemption she claims, and one dependent child whose exemption is released to Rusty). Deb will enter "2" on line 1 of Schedule WFC-N/P and "1" on line 2 for a total of "3" on line 5.

**Example 2:** Jay and Rena are married and have three qualifying children. They also support Rena's parents who do not live with them. They claim seven exemptions on their tax return. Jay and Rena's household size is five, because only five of them live in their home. They will enter "7" on line 1 of Schedule WFC-N/P and "2" on line 4 for a total of "5" on line 5.

## Qualifying child care expenses paid in 2008

Sched.  
WFC-N/P **6** - **9**

**Provider's full name and complete address.** Enter the child care provider's information in the space provided on Schedule WFC-N/P. If you have more than three providers, check box 9a and attach a separate sheet with the same information for the additional providers. Be sure to enter the total you paid to all providers on Schedule WFC, line 9.

**Provider's SSN or FEIN.** You **must** include your provider's Social Security number, federal employer identification number (FEIN), or individual taxpayer identification number (ITIN).

**Provider's telephone number.** Enter a daytime telephone number for the provider. **Important:** We need a current telephone number to contact the provider. Without this information, the processing of your refund may be delayed.

**Child to provider relationship.** Identify the relationship of the child to the provider using the relationship codes on the back of Schedule WFC (page 35).

**Amount paid to provider.** Qualifying child care expenses are those paid for your qualifying child for the primary purpose for you to work or attend school. If married or RDPs, both spouses or RDPs must be working or attending school for the expenses to qualify. Only one spouse or RDP must be working or attending school if the other spouse or RDP qualifies for the exception due to a disability explained on page 41. You can pay your expenses with pre-tax dollars from an employer benefit plan, such as a cafeteria plan or flexible spending arrangement, and still qualify to claim this credit. You must pay for the child care during 2008 for the payments to be qualifying child care expenses.

Qualifying child care expenses do **not** include amounts you paid for your child to attend or participate in:

- Public or private school (K-12);
- After-school activities;
- Sports;
- Overnight camps; or
- Boarding school.

You **cannot** claim expenses that are paid by someone else, such as a state assistance agency or another family member. You can claim only the expenses **you** actually paid during the year.

**Example 3:** Jeff works for a company that offers dependent care benefits. He contributes \$4,000 pre-tax each year to a flexible spending arrangement (FSA) plan. His employer reports the \$4,000 of dependent care benefits in box 10 of his W-2. Jeff also paid \$1,000 with after-tax dollars. He can claim the working family child care credit based on \$5,000 in qualifying child care expenses.

**Example 4:** Cate receives state assistance to pay her child care expenses. The child care provider charges Cate \$600 per month to care for her two qualifying children. Of the \$600, the state pays \$450, and Cate has a co-pay of \$150. She can only claim the amount she actually paid (\$150 per month). Cate's amount for line 6 will be \$1,800 for the entire year. She will not include non-qualifying expenses paid by the state.

**Example 5:** Angie and Zach are married and have three children. Angie works full time and Zach does not work or attend school and is receiving disability. Zach is paralyzed below the waist from an automobile accident. Zach does not need assistance with any

of the activities of daily living. Zach's disability does not qualify for the exception. Angie and Zach cannot claim this credit for their child care expenses because both spouses are not working or attending school and neither qualifies for the disability exception.

**Example 6:** Mason and Barbara are married and have two children. Mason works full time. Barbara is unable to work because of a brain tumor. Barbara has a home care worker come to their home daily because she is unable to care for herself while Mason is away at work. Mason and Barbara pay \$750 a month for child care and \$800 a month for care for Barbara. Barbara and her doctor completed Form WFC-DP showing that Barbara has a qualifying disability. Mason and Barbara can claim this credit for the \$750 a month they paid for child care. The amount paid for Barbara's care does not qualify for this credit.

**Proof of qualifying child care expenses.** To claim this credit, you must prove that **you** paid qualifying child care expenses. Acceptable proof **may** include, **but is not** limited to, copies of:

- Cancelled checks, or
- Money order stubs, or
- Duplicate checks along with bank statements, and
- **Signed** receipts from the child care provider, received **at the time of payment**. Receipts should include:
  - The child's full name.
  - Dates of care.
  - Date and amount of child care paid.
  - Name of person or agency paying.
  - Provider's name, address, and telephone number.
  - Provider's identification number (SSN/FEIN).
  - The method of payment (check, money order, cash, etc.).

If you have more than one child, be sure the information is listed separately for each child.

**Example 7:** Cassie has two children and works full time. Cassie's aunt and uncle, Hildi and Mike, live in the same town and watch her children while Cassie works. They do not take care of any other children. Cassie pays Mike and Hildi \$400 a month in cash. Cassie does not have further proof other than the receipts written by Hildi that she received \$400 in cash at the beginning of each month. Cassie cannot claim this credit because she has no proof that she made the payments.

**Example 8:** Cameron and Sarah are married and have two children. Cameron and Sarah both work full time. Cameron's relative, Hailey, lives nearby and watches their children. Hailey also takes care of other children in her home. Cameron and Sarah pay Hailey \$750 a month by check and receive receipts from Hailey at the time of payment. Cameron and Sarah can claim this credit because they have proof of payment (cancelled checks).

**Example 9:** Abby has two children and works full time. Abby's friend, Tonya, is Abby's child care provider. Abby pays Tonya \$500 a month in cash. During the processing of her tax return, Abby was asked for

proof that she paid Tonya. She did not provide receipts or other proof of payment. Abby's credit was denied. Abby filed a written objection and provided receipts Tonya filled out after Abby's credit was denied. Abby cannot claim the credit because the receipts were not provided to her at the time of payment and she has no other proof that she paid Tonya.

**Important:** We may ask for proof or additional information when your tax return is being processed or at a later time. If you pay a relative to watch your children, you may be asked to provide additional information that shows you actually paid qualifying child care expenses. *Be sure to ask for a signed receipt from your child care provider each time you pay for child care.*

## Qualifying child information

Sched.  
WFC-N/P **10** - **14**

Enter the full name of each qualifying child, the child's Social Security number or ITIN, the child's date of birth, and the child's relationship to you using the codes on the back of Schedule WFC (page 35).

Enter the portion of the expenses you listed in the child care provider section that apply to each child. The amounts shown on line 9 and line 14 should always be the same. If you have more than four qualifying children, check box 14a and attach a separate sheet with the same information for the additional children. Be sure to enter the total qualifying child care expenses you paid for all children on Schedule WFC, line 14.

**Example 10:** Bill paid a child care provider \$5,000 during the year for his two qualifying children, Joe and Lane. Of the \$5,000 he paid, \$3,000 was for Joe's care and \$2,000 was for Lane's care. He will enter those amounts next to each child's information.

## Computation of credit

Sched.  
WFC-N/P **15** - **17**

You must know your federal and Oregon adjusted gross income (AGI) to compute this credit. Enter the larger of your federal AGI (Form 40N or Form 40P, line 30F) or your Oregon AGI (Form 40N or Form 40P, line 30S) on Schedule WFC-N/P, line 17.

Sched.  
WFC-N/P **18**

Enter the total qualifying expenses from Schedule WFC-N/P, line 9, on Schedule WFC-N/P, line 18. Also enter this amount on Form 40N or Form 40P, line 63b.

Sched.  
WFC-N/P **19**

Use the table on the back of Schedule WFC-N/P (page 36) that matches your household size, line 5.

For example, if your household size is three, use Table 3 to find the percentage you should apply to your qualifying expenses. Enter that percentage on Schedule WFC-N/P, line 19.



Oregon Department of Revenue  
955 Center Street NE  
Salem OR 97301-2555

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of Revenue

## Have questions? Need help?

### Internet

**www.oregon.gov/DOR**

- Download forms, instructions, and publications.
- Get up-to-date tax information.
- Check the status of your personal income tax refund at [www.oregonrefund.com](http://www.oregonrefund.com).
- También en español.

### Telephone

**Salem area or outside Oregon..... 503-378-4988**  
**Toll-free from an Oregon prefix..... 1-800-356-4222**

- Check the status of your personal income tax refund.
- Order forms, instructions, and publications.
- Hear recorded information.
- Speak with a representative:

Monday–Friday ..... 7:30 a.m.–5 p.m.  
Closed Thursdays from 9–11 a.m. Closed holidays.

Extended hours during tax season; wait times may vary:

April 8–April 15, Monday–Friday ..... 7 a.m.–7 p.m.  
April 11, Saturday ..... 9 a.m.–3 p.m.

#### Asistencia en español:

En Salem o fuera de Oregon ..... 503-378-4988  
Gratis de prefijo de Oregon..... 1-800-356-4222

#### TTY (hearing or speech impaired; machine only):

Salem area or outside Oregon ..... 503-945-8617  
Toll-free from an Oregon prefix..... 1-800-886-7204

**Americans with Disabilities Act (ADA):** Call one of the help numbers above for information in alternative formats.

### E-mail or write

**questions.dor@state.or.us**

- Español: [preguntas.dor@state.or.us](mailto:preguntas.dor@state.or.us).
- These e-mail addresses are not secure. Do not send any personal information. General questions only.

Oregon Department of Revenue  
955 Center St NE, Salem OR 97301-2555

- Include your daytime telephone number.
- Include your Social Security number (SSN) or individual taxpayer identification number (ITIN).

#### Printed forms or publications:

Forms, Oregon Department of Revenue  
PO Box 14999, Salem OR 97309-0990

### In person

Find office hours and telephone numbers at [www.oregon.gov/DOR/district-office.shtml](http://www.oregon.gov/DOR/district-office.shtml). Don't send your tax forms to these addresses.

Bend ..... 951 SW Simpson Ave, Suite 100  
Eugene ..... 1600 Valley River Dr, Suite 310  
Gresham..... 1550 NW Eastman Parkway, Suite 220  
Lake Oswego ... 6405 SW Rosewood St, Suite A  
Medford ..... 3613 Aviation Way, Suite 102  
Newport ..... 119 NE 4th St, Suite 4  
North Bend..... 3030 N Broadway St  
Pendleton..... 700 SE Emigrant Ave, Suite 310  
Portland ..... 800 NE Oregon St, Suite 505  
Salem ..... 955 Center St NE, Room 135  
Salem ..... 4275 Commercial St SE, Suite 180