

FORM FIA-40N OREGON FARM INCOME AVERAGING 2002

For Office Use Only
Date received

Name(s) as shown on Oregon Form 40N			Social Security No. (SSN) — —
Current mailing address			
City	State	ZIP code	Telephone number ()

	Federal column	Oregon column
1 Enter income after subtractions from your 2002 Oregon Form 40N, line 39	1a <input type="text"/>	1b <input type="text"/>
2 Enter your elected farm income from Oregon sources from federal Schedule J, line 2; or from Oregon Form 40N, line 18b	2a <input type="text"/>	2b <input type="text"/>
3 Subtract line 2 from line 1 in both the federal and Oregon columns	3a <input type="text"/>	3b <input type="text"/>
4 Recomputed Oregon percentage. Divide line 3b by line 3a (not more than 100%)	4 . _____	
5 Enter allowable deductions and modifications from your 2002 Oregon Form 40N, line 47	5 <input type="text"/>	
6 Multiply line 5 by the recomputed Oregon percentage on line 4	6 <input type="text"/>	
7 Enter your deductions and modifications not multiplied by the Oregon percentage from Form 40N, line 49	7 <input type="text"/>	
8 Add line 6 and 7	8 <input type="text"/>	
9 Subtract line 8 from line 3b	9 <input type="text"/>	
10 Figure the tax on line 9 using the 2002 Tax Rate Charts	10 <input type="text"/>	
11 Divide line 2b by 3.0	11 <input type="text"/>	
12 Enter the amount from the 1999 Schedule Z, Computation A, B, or C, whichever applies	12 <input type="text"/>	
13 Enter the amount from the 2000 Schedule Z, Computation A, B, or C, whichever applies	13 <input type="text"/>	
14 Enter the amount from the 2001 Schedule Z, Computation A, B, or C, whichever applies	14 <input type="text"/>	
15 Add lines 10, 12, 13 and 14	15 <input type="text"/>	
16 Enter the tax from your 1999 Form 40, line 30; Form 40S, line 16; Form 40N, line 52; or Form 40P, line 51 ...	16 <input type="text"/>	
17 Enter the tax from your 2000 Form 40, line 30; Form 40S, line 16; Form 40N, line 52; or Form 40P, line 51 ...	17 <input type="text"/>	
18 Enter the tax from your 2001 Form 40, line 30; Form 40S, line 16; Form 40N, line 52; or Form 40P, line 51 ...	18 <input type="text"/>	
19 Add lines 16, 17, and 18	19 <input type="text"/>	
20 Subtract line 19 from line 15. Enter this amount on Form 40N, line 53	20 <input type="text"/>	

—Attach your completed Form FIA-40N to your Oregon Form 40N—

FORM
FIA-40P

**OREGON FARM
INCOME AVERAGING**

2002

For Office Use Only	
Date received	

Name(s) as shown on Oregon Form 40P			Social Security No. (SSN) — —	
Current mailing address				
City	State	ZIP code	Telephone number ()	

	Federal column	Oregon column
1 Enter income after subtractions from your 2002 Oregon Form 40P, line 39	1a <input type="text"/>	1b <input type="text"/>
2 Enter your elected farm income from Oregon sources from federal Schedule J, line 2; or from Oregon Form 40P, line 18b	2a <input type="text"/>	2b <input type="text"/>
3 Subtract line 2 from line 1 in both the federal and Oregon columns	3a <input type="text"/>	3b <input type="text"/>
4 Recomputed Oregon percentage. Divide line 3b by line 3a (not more than 100%)	4 .	<input type="text"/>
5 Enter allowable deductions and modifications from your 2002 Form 40P, line 48	5 <input type="text"/>	
6 Subtract line 5 from line 3a		6 <input type="text"/>
7 Figure the tax on line 6 using the 2002 Tax Rate Charts		7 <input type="text"/>
8 Multiply line 7 by the recomputed Oregon percentage on line 4		8 <input type="text"/>
9 Divide line 2b by 3.0		9 <input type="text"/>
10 Enter the amount from the 1999 Schedule Z, Computation A, B, or C, whichever applies		10 <input type="text"/>
11 Enter the amount from the 2000 Schedule Z, Computation A, B, or C, whichever applies		11 <input type="text"/>
12 Enter the amount from the 2001 Schedule Z, Computation A, B, or C, whichever applies		12 <input type="text"/>
13 Add lines 8, 10, 11, and 12		13 <input type="text"/>
14 Enter the tax from your 1999 Form 40, line 30; Form 40S, line 16; Form 40N, line 52; or Form 40P, line 51 ...		14 <input type="text"/>
15 Enter the tax from your 2000 Form 40, line 30; Form 40S, line 16; Form 40N, line 52; or Form 40P, line 51 ...		15 <input type="text"/>
16 Enter the tax from your 2001 Form 40, line 30; Form 40S, line 16; Form 40N, line 52; or Form 40P, line 51 ...		16 <input type="text"/>
17 Add lines 14, 15, and 16		17 <input type="text"/>
18 Subtract line 17 from line 13. Enter this amount on Form 40P, line 52		18 <input type="text"/>

—Attach your completed Form FIA-40P to your Oregon Form 40P—

Schedule Z

(Farm Income Averaging)

Computation of Tax

2002

COMPUTATION FOR TAX YEAR 1999

Computation A. Complete if you filed Form 40N in tax year 1999.

	Federal column	Oregon column
1 Enter the amounts shown on your 1999 40N, line 39 (If -0- or less, see instructions) ... 1a		1b
2 Enter the amount from Form FIA-40, line 6; FIA-40P, line 9; or FIA-40N, line 11 2a		2b
3 Add lines 1 and 2 in both the federal and Oregon columns 3a		3b
4 Recompute the Oregon percentage. Divide line 3b by line 3a (not more than 100%) ... 4		
5 Enter allowable deductions and modifications from your 1999 Oregon Form 40N, line 47		5
6 Multiply the amount on line 5 by the recomputed Oregon percentage on line 4		6
7 Enter the amount from your 1999 Oregon Form 40N, line 49		7
8 Add line 6 and 7		8
9 Subtract line 8 from line 3b		9
10 Figure the tax on line 9 using the 1999 Tax Rate Charts. Enter the amount on Form FIA-40, line 8; Form FIA-40P, line 10; or Form FIA-40N, line 12		10

Computation B. Complete if you filed Form 40P in tax year 1999.

	Federal column	Oregon column
1 Enter the amounts shown on your 1999 40P, line 39 (If -0- or less, see instructions).... 1a		1b
2 Enter the amount from Form FIA-40, line 6; FIA-40P, line 9; or FIA-40N, line 11 2a		2b
3 Add lines 1 and 2 in both the federal and Oregon columns 3a		3b
4 Recompute the Oregon percentage. Divide line 3b by line 3a (not more than 100%) ... 4		
5 Enter the amount from your 1999 Oregon Form 40P, line 48		5
6 Subtract line 5 from line 3a		6
7 Figure the tax on line 6 using the 1999 Tax Rate Charts		7
8 Multiply line 7 by the Oregon percentage on line 4. Enter the amount on Form FIA-40, line 8; Form FIA-40P, line 10; or Form FIA-40N, line 12		8

Computation C. Complete if you filed Form 40 or Form 40S in tax year 1999.

	Oregon column
1 Enter the taxable income from your 1999 Form 40, line 28; or Form 40S, line 15 (If -0- or less, see instructions) 1	
2 Enter the amount from Form FIA-40, line 6; FIA-40P, line 9; or FIA-40N, line 11	2
3 Add lines 1 and 2	3
4 Figure the tax on line 3 using the 1999 Tax Rate Charts. Enter the amount on Form FIA-40, line 8; Form FIA-40P, line 10; or Form FIA-40N, line 12	4

COMPUTATION FOR TAX YEAR 2000

Computation A. Complete if you filed Form 40N in tax year 2000.

	Federal column	Oregon column
1 Enter the amounts shown on your 2000 40N, line 39 (If -0- or less, see instructions) ... 1a		1b
2 Enter the amount from Form FIA-40, line 6; FIA-40P, line 9; or FIA-40N, line 11 2a		2b
3 Add lines 1 and 2 in both the federal and Oregon columns 3a		3b
4 Recompute the Oregon percentage. Divide line 3b by line 3a (not more than 100%) ... 4		
5 Enter allowable deductions and modifications from your 2000 Oregon Form 40N, line 47		5
6 Multiply the amount on line 5 by the recomputed Oregon percentage on line 4		6
7 Enter the amount from your 2000 Oregon Form 40N, line 49		7
8 Add line 6 and 7		8
9 Subtract line 8 from line 3b		9
10 Figure the tax on line 9 using the 2000 Tax Rate Charts. Enter the amount on Form FIA-40, line 12; Form FIA-40P, line 11; or Form FIA-40N, line 13		10

Computation B. Complete if you filed Form 40P in tax year 2000.

	Federal column	Oregon column
1 Enter the amounts shown on your 2000 40P, line 39 (If -0- or less, see instructions) 1a		1b
2 Enter the amount from Form FIA-40, line 6; FIA-40P, line 9; or FIA-40N, line 11 2a		2b
3 Add lines 1 and 2 in both the federal and Oregon columns 3a		3b
4 Recompute the Oregon percentage. Divide line 3b by line 3a (not more than 100%) ... 4		
5 Enter the amount from your 2000 Oregon Form 40P, line 48		5
6 Subtract line 5 from line 3a		6
7 Figure the tax on line 6 using the 2000 Tax Rate Charts		7
8 Multiply line 7 by the Oregon percentage on line 4. Enter the amount on Form FIA-40, line 12; Form FIA-40P, line 11; or Form FIA-40N, line 13		8

COMPUTATION FOR TAX YEAR 2000...continued...

Computation C. Complete if you filed Form 40 or Form 40S in tax year 2000.

		Oregon column
1 Enter the taxable income from your 2000 Form 40, line 28; or Form 40S, line 15 (If -0- or less, see instructions)	1	<input type="text"/>
2 Enter the amount from Form FIA-40, line 6; FIA-40P, line 9; or FIA-40N, line 11	2	<input type="text"/>
3 Add lines 1 and 2	3	<input type="text"/>
4 Figure the tax on line 3 using the 2000 Tax Rate Charts. Enter the amount on Form FIA-40, line 12; Form FIA-40P, line 11; or Form FIA-40N, line 13	4	<input type="text"/>

COMPUTATION FOR TAX YEAR 2001

Computation A. Complete if you filed Form 40N in tax year 2001.

	Federal column	Oregon column
1 Enter the amounts shown on your 2001 40N, line 39 (If -0- or less, see instructions) ...	1a <input type="text"/>	1b <input type="text"/>
2 Enter the amount from Form FIA-40, line 6; FIA-40P, line 9; or FIA-40N, line 11	2a <input type="text"/>	2b <input type="text"/>
3 Add lines 1 and 2 in both the federal and Oregon columns	3a <input type="text"/>	3b <input type="text"/>
4 Recompute the Oregon percentage. Divide line 3b by line 3a (not more than 100%) ...	4 <input type="text"/>	
5 Enter allowable deductions and modifications from your 2001 Oregon Form 40N, line 47		5 <input type="text"/>
6 Multiply the amount on line 5 by the recomputed Oregon percentage on line 4		6 <input type="text"/>
7 Enter the amount from your 2001 Oregon Form 40N, line 49		7 <input type="text"/>
8 Add line 6 and 7		8 <input type="text"/>
9 Subtract line 8 from line 3b		9 <input type="text"/>
10 Figure the tax on line 9 using the 2001 Tax Rate Charts. Enter the amount on Form FIA-40, line 16; Form FIA-40P, line 12; or Form FIA-40N, line 14		10 <input type="text"/>

Computation B. Complete if you filed Form 40P in tax year 2001.

	Federal column	Oregon column
1 Enter the amounts shown on your 2001 40P, line 39 (If -0- or less, see instructions)....	1a <input type="text"/>	1b <input type="text"/>
2 Enter the amount from Form FIA-40, line 6; FIA-40P, line 9; or FIA-40N, line 11	2a <input type="text"/>	2b <input type="text"/>
3 Add lines 1 and 2 in both the federal and Oregon columns	3a <input type="text"/>	3b <input type="text"/>
4 Recompute the Oregon percentage. Divide line 3b by line 3a (not more than 100%) ...	4 <input type="text"/>	
5 Enter the amount from your 2001 Oregon Form 40P, line 48	5 <input type="text"/>	
6 Subtract line 5 from line 3a		6 <input type="text"/>
7 Figure the tax on line 6 using the 2001 Tax Rate Charts		7 <input type="text"/>
8 Multiply line 7 by the Oregon percentage on line 4. Enter the amount on Form FIA-40, line 16; Form FIA-40P, line 12; or Form FIA-40N, line 14		8 <input type="text"/>

Computation C. Complete if you filed Form 40 or Form 40S in tax year 2001.

	Oregon column
1 Enter the taxable income from your 2001 Form 40, line 28; or Form 40S, line 15 (If -0- or less, see instructions)	1 <input type="text"/>
2 Enter the amount from Form FIA-40, line 6; FIA-40P, line 9; or FIA-40N, line 11	2 <input type="text"/>
3 Add lines 1 and 2	3 <input type="text"/>
4 Figure the tax on line 3 using the 2001 Tax Rate Charts. Enter the amount on Form FIA-40, line 16; Form FIA-40P, line 12; or Form FIA-40N, line 14	4 <input type="text"/>

—Do not attach to your return. Keep your completed Schedule Z with your tax records. —

You may elect to figure your 2002 tax by averaging, over the previous three years (base years), all or part of your 2002 taxable farm income. Making this election may give you a lower tax if your 2002 farm income is high and your taxable income for one or more of the three prior years was low.

You will need copies of your original or amended Oregon income tax returns for tax years 1999, 2000, and 2001 to figure your tax on Form FIA-40P or Form FIA-40N. You can obtain copies of prior years' returns for a fee from the Oregon Department of Revenue. See Taxpayer Assistance on page 5 for numbers to call.

Elected farm income

Your elected farm income is the amount of your taxable income from farming that you elect to include on Form FIA-40P or FIA-40N, line 2. Do not enter more than the amount on line 1.

To figure elected farm income, first figure your taxable income from farming. Taxable income from farming includes all income, gains, losses, and deductions attributable to any farming business. However, it does not include gain from the sale or other disposition of land. Gains and losses must be from property (other than land) regularly used by you in the farm business for a substantial period of time. Oregon source farm income includes income or loss received from an Oregon farm while you were a nonresident and farm income or loss received during any portion of the year you were an Oregon resident.

You do not have to include all of your taxable income from farming on Form FIA-40P or FIA-40N, line 2. It may be to your advantage to include less than the full amount, depending on how the amount you include on line 2 affects your tax bracket for the current and prior three tax years.

Your elected farm income cannot exceed your Oregon taxable income. Also, the portion of your elected farm income treated as a net capital gain cannot exceed the smaller of your total net capital gain or your net capital gain attributable to your farming business.

If your elected farm income includes net capital gain, you must allocate an equal portion of the net capital gain to each of the base years.

If, for any base year, you had a capital loss that resulted in a capital loss carryover to the next tax year, do not reduce the elected farm income allocated to that base year by any part of the carryover.

Farming business

A farming business is the trade or business of cultivating land or raising or harvesting any agricultural or horticultural commodity. This includes:

- Operating a nursery or sod farm.
- Raising or harvesting trees bearing fruits, nuts, or other crops.
- Raising ornamental trees (but not evergreen trees that are more than 6 years old when severed from the roots).
- Raising, shearing, feeding, caring for, training, and managing animals.

- Leasing land to a tenant engaged in a farming business, but **only** if the lease payments are based on a share of the tenant's production (not a fixed amount).
- Wages and other compensation you received as a shareholder in an S corporation engaged in a farming business.

A farming business does not include:

- Contract harvesting of an agricultural or horticultural commodity grown or raised by someone else, or
- Merely buying or reselling plants or animals grown or raised by someone else.

Instructions for Schedule Z

You will need to complete Form FIA-40N through line 11 or Form FIA-40P through line 9 before you can complete Schedule Z. You will need the figure from line 2(b) of Form FIA-40N or FIA-40P to recalculate Oregon tax for tax years 1999, 2000, and 2001. On Schedule Z, complete either Computation A, B, or C for each tax year. Figures from Schedule Z are needed to complete Form FIA-40, lines 8, 12, and 16; Form FIA-40N, lines 12 through 14; or Form FIA-40P, lines 10 through 12.

If you were a part-year resident or a nonresident for 1999, 2000, or 2001 and if your income after subtractions (line 39) for either federal or Oregon was zero or less for any of these three tax years, use the worksheets below to figure the amount to enter on Schedule Z, Computation A or B, line 1.

1999 Taxable Income Worksheet

Part-Year or Nonresident Return for 1999

- | | Federal (a) | Oregon (b) |
|---|-------------|------------|
| 1. Figure income after subtractions for either federal or Oregon, or both, from your 1999 Form 40P or Form 40N without limiting it to zero. If you had a net operating loss (NOL) for 1999, do not include any NOL carryovers or carrybacks to 1999. Enter the result as a positive amount here | \$ _____ | \$ _____ |
| 2. If you have a capital loss in either or both columns on Form 40P or Form 40N, you must make an additional computation. If there is a loss on your 1999 federal Schedule D, line 18, add that loss (as a positive amount) and your 1999 capital loss carryover to 2000. Subtract from that sum the amount of the loss on your 1999 federal Schedule D, line 17. Enter the result here | \$ _____ | \$ _____ |

- | | Federal (a) | Oregon (b) |
|---|-------------|------------|
| 3. If you had an NOL for 1999 for federal only, enter it as a positive amount in the federal column. If you had an NOL for 1999 for both federal and Oregon enter it in both columns as a positive amount. If you had an NOL for Oregon only, enter it as a positive amount in the Oregon column. Otherwise, enter as a positive amount the portion (if any) of the NOL carryovers and carrybacks to 1999 that were not used in 1999 and were carried to tax years after 1999 | \$ _____ | \$ _____ |
| 4. Add lines 2 and 3 | \$ _____ | \$ _____ |
| 5. Subtract line 4 from line 1 for each column. Enter the result here and as a negative amount on your 2002 Schedule Z, tax year 1999, Computation A or B, line 1 | \$ _____ | \$ _____ |
| <i>Full Year Return for 1999</i> | | |
| 6. Figure the taxable income from your 1999 tax return without limiting it to zero. If you had an NOL for 1999, do not include any NOL carryovers or carrybacks to 1999. Enter the result as a positive amount here | \$ _____ | |
| 7. If there is a loss on your 1999 federal Schedule D, line 18, add that loss (as a positive amount) and your 1999 capital loss carryover to 2000. Subtract from that sum the amount of the loss on your 1999 federal Schedule D, line 17. Enter the result here | \$ _____ | |
| 8. If you had an NOL for 1999, enter it as a positive amount here. Otherwise, enter the portion (if any) of the NOL carryovers and carrybacks to 1999 that were not used in 1999 and were carried to tax years after 1999 as a positive amount here | \$ _____ | |
| 9. Add lines 7 and 8 | \$ _____ | |
| 10. Subtract line 9 from line 6. Enter the result here, and as a negative amount on your 2002 Schedule Z, tax year 1999, Computation C, line 1 | \$ _____ | |

- | | Federal (a) | Oregon (b) |
|--|-------------|------------|
| 2000 Taxable Income Worksheet | | |
| <i>Part-Year or Nonresident Return for 2000</i> | | |
| 11. Figure income after subtractions for either federal or Oregon, or both, from your 2000 Form 40P or Form 40N without limiting it to zero. If you had an NOL for 2000, do not include any NOL carryovers or carrybacks to tax year 2000. Enter the result as a positive amount here | \$ _____ | \$ _____ |
| 12. If you have a capital loss in either or both columns on Form 40P or Form 40N, you must make an additional computation. If there is a loss on your 2000 federal Schedule D, line 18, add that loss (as a positive amount) and your 2000 capital loss carryover to 2001. Subtract from that sum the amount of the loss on your 2000 federal Schedule D, line 17. Enter the result here | \$ _____ | \$ _____ |
| 13. If you had an NOL for 2000 for federal only, enter it as a positive amount in the federal column. If you had an NOL for 2000 for both federal and Oregon enter it in both columns as a positive amount. If you had an NOL for Oregon only, enter it as a positive amount in the Oregon column. Otherwise, enter as a positive amount the portion (if any) of the NOL carryovers and carrybacks to 2000 that were not used in 2000 and were carried to tax years after 2000 | \$ _____ | \$ _____ |
| 14. Add lines 12 and 13 | \$ _____ | \$ _____ |
| 15. Subtract line 14 from line 11. Enter the result here and as a negative amount on your 2002 Schedule Z, tax year 2000, Computation A or B, line 1 | \$ _____ | \$ _____ |
| <i>Full Year Return for 2000</i> | | |
| 16. Figure the taxable income from your 2000 tax return without limiting it to zero. If you had an NOL for 2000, do not include any NOL carryovers or carrybacks to 2000. Enter the result as a positive amount here | \$ _____ | \$ _____ |

- | | Federal (a) | Oregon (b) |
|--|-------------|------------|
| 17. If there is a loss on your 2000 federal Schedule D, line 18, add that loss (as a positive amount) and your 2000 capital loss carryover to 2001. Subtract from that sum the amount of the loss on your 2000 federal Schedule D, line 17. Enter the result here..... | \$ _____ | |
| 18. If you had an NOL for 2000, enter it as a positive amount here. Otherwise, enter the portion (if any) of the NOL carryovers and carrybacks to 2000 that were not used in 2000 and were carried to tax years after 2000 as a positive amount here | \$ _____ | |
| 19. Add lines 17 and 18..... | \$ _____ | |
| 20. Subtract line 19 from line 16. Enter the result here, and as a negative amount on your 2002 Schedule Z, tax year 2000, Computation C, line 1 | \$ _____ | |

2001 Taxable Income Worksheet

Part-Year or Nonresident Return for 2001

- | | | |
|---|----------|----------|
| 21. Figure income after subtractions for either federal or Oregon, or both, from your 2001 Form 40P or Form 40N without limiting it to zero. If you had an NOL for 2001, do not include any NOL carryovers or carrybacks to 2001. Enter the result as a positive amount here | \$ _____ | \$ _____ |
| 22. If you have a capital loss in either or both columns on Form 40P or Form 40N, you must make an additional computation. If there is a loss on your 2001 federal Schedule D, line 18, add that loss (as a positive amount) and your 2001 capital loss carryover to tax year 2002. Subtract from that sum the amount of the loss on your 2001 federal Schedule D, line 17. Enter the result here | \$ _____ | \$ _____ |
| 23. If you had an NOL for 2001 for federal only, enter it as a positive amount in the federal column. If you had an NOL for 2001 for both federal and Oregon, enter it in both columns as a positive amount. If you had an NOL for | | |

- | | Federal (a) | Oregon (b) |
|--|-------------|------------|
| Oregon only, enter it as a positive amount in the Oregon column. Otherwise, enter as a positive amount the portion (if any) of the NOL carryovers and carrybacks to 2001 that were not used in 2001 and were carried to tax years after 2001 | \$ _____ | \$ _____ |
| 24. Add lines 22 and 23..... | \$ _____ | \$ _____ |
| 25. Subtract line 24 from line 21. Enter the result here and as a negative amount on your 2002 Schedule Z, tax year 2001, Computation A or B, line 1 | \$ _____ | \$ _____ |
| <i>Full Year Return for 2001</i> | | |
| 26. Figure the taxable income from your 2001 tax return without limiting it to zero. If you had an NOL for 2001, do not include any NOL carryovers or carrybacks to 2001. Enter the result as a positive amount here | | \$ _____ |
| 27. If there is a loss on your 2001 federal Schedule D, line 18, add that loss (as a positive amount) and your 2001 capital loss carryover to 2002. Subtract from that sum the amount of the loss on your 2001 federal Schedule D, line 17. Enter the result here..... | | \$ _____ |
| 28. If you had an NOL for 2001, enter it as a positive amount here. Otherwise, enter the portion (if any) of the NOL carryovers and carrybacks to 2001 that were not used in 2001 and were carried to tax years after 2001 as a positive amount here | | \$ _____ |
| 29. Add lines 27 and 28..... | | \$ _____ |
| 30. Subtract line 29 from line 26. Enter the result here, and as a negative amount on your 2002 Schedule Z, tax year 2001, Computation C, line 1 | | \$ _____ |

Example: John Farmington owns a farm in Ontario, Oregon but is a resident of Idaho. John files as a nonresident for Oregon each year. John did not use farm income averaging for 1999, 2000, or 2001. For tax year 2002, John has elected farm income of \$18,000 on line 2 of Form FIA-40N. His 1999 income after subtractions shown on line 39 of Form 40N is \$25,906 in the federal column and \$6,150 in the Oregon column.

John had a NOL for tax year 2000 of \$22,950 for Oregon only, which he carried back to tax years 1998 and 1999. Of the \$22,950 loss, \$9,000 was carried forward to tax year 1999 and completely absorbed. John combines the \$9,000 NOL deduction with his Oregon income after subtractions of \$6,150. The result is a negative \$2,850. John's 1999 income after subtractions of \$2,850 is entered as a positive amount in the Oregon column on line 1(b) of the 1999 worksheet. John enters \$25,906 in the federal column on line 1(a) of the 1999 worksheet.

When John filed his 1999 federal tax return, he had a \$3,000 net capital loss deduction on Schedule D, line 18 (which was also entered on Form 1040, line 13), a \$7,000 loss on Schedule D, line 17, and a \$4,000 capital loss carryover to 2000. Since the NOL is for Oregon only, no adjustment is necessary for the capital loss deduction or for the capital loss carryover to 2000. John enters -0- in both columns on line 2 of the 1999 worksheet.

John had no net operating losses for tax year 1999 for either federal or Oregon. Because the NOL from 2000 is completely absorbed in 1999, there is no carryover to tax years after 1999. John enters -0- in both columns on line 3 of the worksheet. John adds the amounts on lines 2 and 3, both of which are -0-. He subtracts -0- from the \$2,850 and enters the result, negative \$2,850, in the Oregon column on Schedule Z, line 1(b). John subtracts -0- from the \$25,906 and enters the result, \$25,906, in the federal column on Schedule Z, line 1(a). These figures represent John's recomputed federal and Oregon income after subtractions for tax year 1999.

For tax year 2000, John's income after subtractions is \$10,850 for federal and a negative \$27,250 for Oregon. John enters \$10,850 in the federal column and a positive \$27,250 in the Oregon column on line 11 of the 2000 worksheet.

John had a \$3,000 net capital loss deduction on Schedule D, line 18 and a \$7,000 loss on Schedule D, line 17, the carryover from 1999 to 2000. Because the NOL is for Oregon only, no adjustment is necessary on line 12 in the federal column and no adjustment is made in the Oregon column since the capital loss deduction is not Oregon source. John enters -0- in both columns on line 12 of the 2000 worksheet. John enters \$22,950 on line 13 in the Oregon column of the worksheet and -0- in the federal column. John adds lines 12 and 13 and enters \$22,950 in the Oregon column and -0- in the federal column.

In the federal column on line 15, John enters \$10,850. This is John's recomputed income after subtractions in the federal column. For the Oregon column, John subtracts the \$22,950 on line 14 from the \$27,250 on line 11 of the worksheet and enters a negative \$4,300 in the Oregon column on line 15. This is John's recomputed Oregon income after subtractions. John enters both of these figures on Schedule Z, Computation A, line 1 in the federal and Oregon columns.

For tax year 2001, John's income after subtractions is not negative in either the federal or Oregon columns. Therefore, John can complete Schedule Z without using the worksheets.

Taxpayer assistance

Internet

www.dor.state.or.us



The Department of Revenue Web site is a quick and easy way to download forms and information circulars, get up-to-the-minute tax information, and learn about electronic filing.

Correspondence



Write to: Oregon Department of Revenue, 955 Center St NE, Salem OR 97301-2555. Include your Social Security number and a day-time telephone number for faster service.

Field offices

Get forms and assistance at these offices. **Don't send your return to these addresses.**

- Bend** 951 SW Simpson Drive, Suite 100
- Eugene** 1600 Valley River Drive, Suite 310
- Medford** 24 West 6th Street
- Newport** 119 NE 4th Street, Suite 4
- North Bend** 3030 Broadway
- Pendleton** 700 SE Emigrant Ave, Suite 310
- Portland*** Federal Building Lobby, 1220 SW Third Avenue
- Portland** 800 NE Oregon Street, Suite 505
- Salem** Revenue Building, 955 Center Street NE, Room 135
- Salem** 4275 Commercial Street SE, Suite 180
- Tualatin** 6405 SW Rosewood Street, Suite A



*January 2–April 15: Walk-in help is available from 9:00 a.m.–4:00 p.m., Monday–Friday, except holidays.

Telephone

- Salem 503-378-4988
- Toll-free within Oregon 1-800-356-4222

If you have a touch-tone telephone, call our 24-hour voice response system at one of the numbers above to:

- Hear recorded tax information
- Order tax forms.
- Check on the status of your 2002 personal income tax refund (beginning March 1).



For help from Tax Services, call one of the numbers above:

- Monday, Tuesday, Thursday, Friday 7:30 a.m.–5:10 p.m.
- Wednesday 10:00 a.m.–5:10 p.m.
- Closed on holidays.*
- April 1–April 15, Monday–Friday 7:00 a.m.–7:00 p.m.
- Representatives also available Saturday, April 5 and April 12.
- Wait times may vary.*

TTY (hearing or speech impaired; machine only): 503-945-8617 (Salem) or 1-800-886-7204 (toll-free within Oregon).

Americans with Disabilities Act (ADA). This information is available in alternative formats. Call 503-378-4988 (Salem) or 1-800-356-4222 (toll-free within Oregon).

Asistencia en español. Llame al 503-945-8618 en Salem.

To get forms

Income tax booklets are available at many post offices, banks, and libraries. For booklets and other forms and publications, you can also access our Web site, order by telephone, or write to: Forms, Oregon Department of Revenue, PO Box 14999, Salem OR 97309-0990.