

Qualified Research Activities Credit

Nam	e of taxpayer (as shown on return)	Tax year	FEIN	BI	N
Me	thod 1—Credit Based on Federal Computation (ORS 317 152	1		
	t I. Payments for Basic Research: (Include only amount		,	nde S	section 41(e)]
	Basic Oregon research payments to qualified organizations				
	Less: Base period amount				
	Subtract line 2 from line 1. If less than zero, enter -0				
Par	t II. Qualified Research Expenses: (Include only amoun	ts paid or incu	ırred in Oregon) [Internal Revenue Co	ode S	Section 41(b)]
4.	Qualified research expenses in Oregon for current tax ye	ear		4.	
5.	Enter fixed-base percentage, but not more than 16 percentage.	ent		5.	%
6.	Enter average federal gross receipts			6.	
7.	Base amount. Multiply line 6 by the percent on line 5			7.	
8.	Subtract line 7 from line 4. If less than zero, enter -0			8.	
9.	Multiply line 4 by 50 percent			9.	
10.	Enter the lesser of line 8 or line 9			.10.	
11.	Add line 3 and line 10			.11.	
12.	Multiply line 11 by 5 percent			.12.	
13.	Maximum credit— For tax years beginning on or after Ja For tax years beginning prior to Janua			.13.	
14.	Research tax credit (lesser of lines 12 or 13)			.14.	
Me	thod 2—Credit Based on Oregon Sales (ORS 317	'.154)			
	Qualified research expenses in Oregon for current tax ye	,		1.	
	Oregon sales (per Oregon sales factor numerator)				
	Multiply line 2 by 10 percent				
4.	Subtract line 3 from line 1. If less than zero, enter -0			4.	
5.	Multiply line 4 by 5 percent			5.	
6.	Divide line 1 by line 2		Qualified Research Expenses	6.	
7.	Percentage points. Multiply line 6 by 100 (example: 0.30	25 x 100 = 30	Oregon Sales	7.	%
8.	Excess percentage points. Subtract 10 percent from line	e 7		8.	
9.	Limitation. Multiply line 8 by \$10,000			9.	
10.	Maximum credit— For tax years beginning on or after Ja For tax years beginning prior to Janua			.10.	
11.	Research tax credit (lesser of lines 5, 9, or 10)			.11.	
Allo	owable Credit				
1.	Available Research Tax Credit. You may claim either line	14, Method 1	or line 11, Method 2	1.	
2.	Carryover of unused credits from prior years			2.	
3.	Allowable Research Tax Credit. Line 1 plus line 2			3.	\$

Instructions for Qualified Research Activities Credit

What types of research qualify for the credit?

This credit is allowed for **increases** in qualified research expenses and basic research payments. It is allowed only for qualified research and basic research conducted in Oregon.

For tax years beginning on or after January 1, 2006, the only requirement is that the research be conducted in Oregon. For tax years beginning prior to January 1, 2006, "qualified research" and "basic research" are research in the fields of:

- Advanced computing.
- Advanced materials.
- · Biotechnology.
- Electronic device technology.
- Environmental technology.
- Straw utilization.

"Advanced computing" means leading edge technologies used in the design and development of computing hardware and software. This includes innovations in design of the full spectrum of hardware from hand-held calculators to super computers, including all peripheral equipment. It also includes innovations in design and development software executing on all computing hardware for any purpose.

"Advanced materials" means high value metals, composites, plastics, and new and improved wood-based materials.

"Biotechnology" means biochemistry, molecular biology, genetics, and engineering dealing with the transformation of biological systems into useful processes and products.

"Electronic device technology" means the design and development of electronic materials and devices such as advances in integrated circuits and superconductivity.

"Environmental technology" means environmental assessment, cleanup, and alternative energy sources.

"Straw utilization" means innovations in the use of straw and straw-based materials.

Part I, line 1

A "Qualified Organization" means any of the following, as described in the Internal Revenue Code, section 41(e) (6):

- Educational institutions.
- Certain scientific research organizations.
- Scientific tax exempt organizations.
- Certain grant organizations.

Part I, line 2

The "Base Period Amount" shall include only those amounts paid or incurred in Oregon and is computed using Internal Revenue Code Section 41(e).

Part II, line 5

Computation of the "Fixed-Base Percentage" shall include only those amounts paid or incurred in Oregon and is computed using Internal Revenue Code Section 41(c)(3) and 41(f)(4).

Part II, line 6

Enter the "Average Federal Gross Receipts" for the four tax years preceding the tax year for which the credit is being determined. Refer to Internal Revenue Code Section 41(c)(1)(B) and 41(f)(4) for details.

What happens if the credit exceeds the tax?

The excess credit in tax years beginning on or after January 1, 1995 can be carried forward up to five years. The credit may not be used to offset the minimum excise tax.

When can the credit be claimed?

For tax years beginning on or after January 1, 1989, and before January 1, 2012.

What is the applicable law?

Oregon Revised Statute (ORS) 317.152 to 317.154.

Taxpayer assistance

General tax information	www.oregon.gov/DOR
Salem	503-378-4988
Toll-free from Oregon prefix	c1-800-356-4222
E-mail	. corp.help.dor@state.or.us
This e-mail address is not secu	re and confidentiality cannot
be ensured. General tax and po	olicy questions only.

Write to: Oregon Department of Revenue PO Box 14999 Salem OR 97309-0990

Asistencia en español:

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

TTY (hearing or speech impaired; machine only):

Salem		503-945-8617
Toll-free within	Oregon	1-800-886-7204

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