



# WORKSHEET FCG-20

## Farm Liquidation Long-Term Capital Gain Tax Adjustment (ORS 317.063)

|                                       |                                      |   |          |
|---------------------------------------|--------------------------------------|---|----------|
| Name of Taxpayer (as shown on return) | Business Identification Number (BIN) | Federal Employer Identification Number (FEIN) | Tax Year |
|---------------------------------------|--------------------------------------|---|----------|

### Calculation of tax adjustment from sale of qualified farm assets

1. Oregon taxable income from Form 20, line 15; Form 20-I, line 16; or Form 20-S, line 6  
(if zero or less, do not continue)..... 1. \_\_\_\_\_
2. Farm net long-term capital gain (NLTCG) (from line 11 below)..... 2. \_\_\_\_\_
3. Modified taxable income (subtract line 2 from line 1, but not less than zero)..... 3. \_\_\_\_\_
4. Oregon tax on the amount on line 3 (line 3 multiplied by 6.6 percent) ..... 4. \_\_\_\_\_
5. Enter the smaller of line 1 or line 2 above. .... 5. \_\_\_\_\_
6. Multiply line 5 by 5 percent. .... 6. \_\_\_\_\_
7. Add line 4 and line 6..... 7. \_\_\_\_\_
8. Multiply line 1 by 6.6 percent ..... 8. \_\_\_\_\_
9. Subtract line 7 from line 8, if line 7 is less than line 8 (if line 7 is greater than line 8, do not continue).  
Enter this amount on Form 20, line 17; Form 20-I, line 18; or Form 20-S, line 8 as a **negative** number..... 9. \_\_\_\_\_

### Calculation of qualified farm gain

1. Total NLTCG from business activity included on federal Form 1120, Schedule D, line 11  
(reduced by any NLTCG from non-unitary affiliates included in the federal consolidated return) ..... 1. \_\_\_\_\_
2. 100 percent if all business is done in Oregon or Oregon apportionment percentage from  
Schedule AP-1, line 22..... 2. \_\_\_\_\_
3. Oregon NLTCG from business activity (line 1 multiplied by line 2) ..... 3. \_\_\_\_\_
4. NLTCG from non-business activity included in Schedule AP-2, line 7 ..... 4. \_\_\_\_\_
5. Total Oregon NLTCG (line 3 plus line 4)..... 5. \_\_\_\_\_
6. Total farm NLTCG from business activity included on federal Form 1120, Schedule D, line 11  
(reduced by any farm NLTCG from non-unitary affiliates included in the federal consolidated return) ..... 6. \_\_\_\_\_
7. 100 percent if all business is done in Oregon or Oregon apportionment percentage from  
Schedule AP-1, line 22..... 7. \_\_\_\_\_
8. Oregon farm NLTCG from business activity (line 6 multiplied by line 7) ..... 8. \_\_\_\_\_
9. Farm NLTCG from non-business activity included in Schedule AP-2, line 7 ..... 9. \_\_\_\_\_
10. Total Oregon farm NLTCG (line 8 plus line 9) ..... 10. \_\_\_\_\_
11. Farm NLTCG (lesser of line 5 or line 10)..... 11. \_\_\_\_\_

**Please mark the "FCG-20" box on the front of your return and attach the worksheet to your return**

## INSTRUCTIONS FOR WORKSHEET FCG-20

To reduce your tax on the qualified gain, complete the worksheet, check the box on the front of Form 20, 20-I, or 20-S, and include with your return. You do **not** need to complete the form if your net long-term capital gain is zero or a loss, or if you do not have taxable Oregon income.

Beginning in 2002, a reduced tax rate is available if you sold or exchanged capital assets used in farming. The sale or exchange must represent a substantially complete termination of your farming business or a termination of all your ownership interest in property that is used in a farming business.

You may not claim the special tax rate on a sale or exchange to a subsidiary/affiliate in the unitary group, as defined under Internal Revenue Code Section 267(b). Ownership of a farm dwelling or farm homesite is not considered to be ownership of property employed in the trade or business of farming.

Farming activity does not include the growing and harvesting of marketable species of trees, other than the growing and harvesting of cultured Christmas trees or certain hardwood timber.

**Partnerships or S corporations.** The sale of ownership interest in a farming corporation, partnership, or other entity qualifies for the special tax rate. The taxpayer must have had at least a 10 percent ownership interest in the entity before the sale or exchange. If the income is taxed at the personal level, please use Form FCG (150-101-167) to calculate the special tax rate.

### Farming activities include:

- Raising, harvesting, and selling crops.
- Feeding, breeding, managing, or selling livestock, poultry, fur-bearing animals, or honeybees, or the produce thereof.
- Dairying and selling dairy products.
- Stabling or training of horses, including providing riding lessons, training clinics, and schooling shows.
- Propagating, cultivating, maintaining, or harvesting aquatic species, birds, and other animals.
- Any other agricultural, horticultural, or animal husbandry activity.
- On-site construction and maintenance of equipment and facilities used in farming activities.
- Preparation, storage, or disposal of products or by-products raised for human or animal use on land employed in farming activities.
- Growing and harvesting cultured Christmas trees or certain hardwood timber.

### Taxpayer assistance

**General tax information** ..... [www.oregon.gov/DOR](http://www.oregon.gov/DOR)  
Salem ..... 503-378-4988  
Toll-free from Oregon prefix ..... 1-800-356-4222  
E-mail ..... [corp.help.dor@state.or.us](mailto:corp.help.dor@state.or.us)

*This e-mail address is not secure and confidentiality cannot be ensured. General tax and policy questions only.*

### 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 from Oregon prefix ..... 1-800-886-7204

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