



## Line instructions

Instructions are for lines not fully explained on the form.

**Line 1—Individuals.** Fill in the total amount of Section 179 expense you deducted on your federal return in column (i) and your Section 179 expense for Oregon in column (h).

**Line 2.** Figure your depreciation deduction for each asset. Fill in the information for columns (a) through (i). In column (f), you may use abbreviations for the depreciation method you used, such as “MACRS” for Modified Accelerated Cost Recovery System or “150% DB” for 150 percent declining balance.

**Line 4—Individuals.** Enter the difference in depreciation from line 4 of your Oregon Depreciation Schedule on your Oregon individual tax return. You have an addition if your Oregon depreciation on line 3(h) is less than your federal depreciation on line 3(i). You have a subtraction if the amount on line 3(h) is more than the amount on line 3(i). Enter the amount as an “other addition” or “other subtraction.”

**Full-year residents.** On Form 40, fill in the amount from line 4 of this schedule as an “other addition” or “other subtraction.” Label the line “Depreciation difference.”

### Part-year and nonresidents.

- **Federal column**—Form 40N or 40P. Complete an Oregon Depreciation Schedule for **all** assets both inside and out of Oregon. Use an appropriate Oregon and federal depreciation method for each asset. Fill in the difference from line 4 of this schedule on Form 40N or 40P as an “other addition” or “other subtraction.”
- **Oregon column**—Form 40N or 40P. Complete another Oregon Depreciation Schedule only for property you owned while an Oregon Resident, or property used to produce Oregon income.

Use an appropriate Oregon and federal depreciation method. Fill in the difference from line 4 of this schedule on Form 40N or Form 40P as an “other addition” or “other subtraction.” Label the line “Depreciation difference.”

**Partnerships, corporations, and fiduciaries.** You may also use this form to figure the depreciation difference you report on your Oregon partnership return (Form 65), corporation excise tax return (Form 20), corporation income tax return (Form 20-I), S corporation tax return (Form 20-S), or fiduciary return (Form 41).

**Passive activity losses.** Do you have a difference in depreciation for assets used in a passive activity? (Refer to federal Form 8582 and instructions for the definition of passive activity.) If so, use the difference to recompute the passive activity loss for Oregon. Enter the difference as an “other addition” or “other subtraction” on your Oregon return. Label it “Passive loss difference.”

**For further instructions about Oregon differences due to federal law changes,** see “Instructions for Oregon Depreciation Schedule” (150-101-029).