An example is provided on the other side of this form.

## Oregon Department of Revenue Multiple Nonresident Income Tax

150-101-154 (Rev. 9-00) Web

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Name of Entity:		Year End:							
Business Identification Num	ber:	Federal Identification Number:							
Social Security Number	Name and Address	Filing Status	Ownership Percentage	Share of Federal Income	Share of Oregon Income	Oregon Income Tax	Credit for Income Taxes Paid to Another State	Share of Estimated Tax Paid	Share of Underpayment Interest
		-							
		_							
		_							
		_							
		_							
	Totals								

Attach this schedule to your Multiple Nonresident Return, Oregon Form 40N.

The word "multiple" must be written or stamped—in blue ink—at the top of Form 40N.

## **EXAMPLE FOR FILING A MULTIPLE NONRESIDENT RETURN**

XYZ, Inc., a fictitious California S corporation, has a fiscal year end of March 31, 2000. XYZ, Inc.'s Oregon nonresident shareholders elect to file a multiple nonresident return (MNR) by completing a 2000 Form 40N and Schedule MNR.

XYZ, Inc.'s total federal taxable income from Schedule K is \$400,000. Using property, payroll and sales apportionment factors, the Oregon apportionment percentage is determined to be 12.5 percent. Charitable contributions of \$5,000 and other states' income taxes of \$3,000 are not allowable deductions on the Oregon multiple nonresident return and must be added back to determine Oregon modified taxable income.

Oregon's modified taxable income and Oregon source income are computed as follows:

Federal taxable income	\$400,000
Add back:	
Charitable contributions	5,000
Other states' income taxes	3,000
Oregon modified taxable income	\$408,000
Apportionment percentage, 12.5%	× .1250
Oregon source income	\$51,000

XYZ, Inc. has four equal shareholders. Shareholders "A" and "B" are full-year Oregon residents. Shareholders "C" and "D" are nonresidents. Neither "C" nor "D" have any other Oregon source income and elect to participate in a multiple nonresident return. "C" is single and "D" is married and files joint with her spouse. Oregon income tax is first computed on each individual participating in the multiple nonresident return and then added together.

Total Oregon tax for multiple nonresident return	\$1.783.00
Compute the tax using Oregon's tax rate chart for "married filing joint"	\$806.00
Taxpayer "D" — $\frac{1}{4}$ of \$51,000 = \$12,750	

Credits allowed on individual returns (e.g. exemption credit or elderly or disabled credit) are not allowed on the multiple nonresident return. However, the credit for income taxes paid to another state is allowed and credits directly attributable to the entity may be claimed on the multiple nonresident return. Credit for income taxes paid to another state will first be computed for each individual participating in the multiple nonresident return and then added together.

Taxpayers "C" and "D" are both California residents. California and Oregon will both tax "C" and "D's" Oregon sourced income. "C" and "D" are entitled to the credit for income taxes paid to another state on their nonresident Oregon returns. Using the instructions provided in OAR 150-316.082(2) each taxpayer's credit is:

Taxpayer "C"	\$977.00
Taxpayer "D"	\$547.00
Total credit for income taxes	
paid to another state	\$1,524.00

Net tax after credits for XYZ, Inc.'s multiple nonresident return is computed as follows:

Tax liability	\$259.00
paid to another state	(1,524.00)
Less: Credit for income taxes	
Oregon income tax	\$1,783.00