

- Extension is attached
- Form 37 is attached
- Amended return
- First return (see "K", pg. 2)
- Final return (see "L", pg. 2)

FOR DEPARTMENT OF REVENUE USE ONLY				
Code	Tax	P & I	Payment	Date Received
			⋮	
			Extension Date	1    2    3
			↓	↓    ↓    ↓

FORM **20-I** OREGON CORPORATION INCOME TAX RETURN **1996**  
 or other taxable year beginning \_\_\_\_\_, 1996, ending \_\_\_\_\_, 19\_\_\_\_

 <b>LACE MAILING</b>   <b>LABEL HERE</b>	Name _____	Federal Employer ID No. _____	
	Mailing Address _____		Oregon Filing No. (see instructions) _____
	City _____	State _____	ZIP Code _____ County _____

**PLEASE ATTACH A COMPLETE COPY OF YOUR FEDERAL FORM 1120 OR 1120-A AND SCHEDULES**

Attach payment here	1. Taxable income from U.S. corporation income tax return, Form 1120 or 1120-A (see instructions) ..... • 1 <input style="width: 100px;" type="text"/> <b>ADDITIONS</b> (see instructions) 2. State, municipal, and other interest income excluded in arriving at line 1 ..... 2 <input style="width: 100px;" type="text"/> 3. Oregon, other state or foreign taxes on or measured by net income or profits .... 3 <input style="width: 100px;" type="text"/> 4. Income of related FSC or DISC ..... • 4 <input style="width: 100px;" type="text"/> 5. Other additions. <b>Attach schedule and explanation</b> ..... 5 <input style="width: 100px;" type="text"/> 6. Total additions (add lines 2 through 5) ..... • 6 <input style="width: 100px;" type="text"/> 7. Income after additions (line 1 plus line 6) ..... 7 <input style="width: 100px;" type="text"/> <b>SUBTRACTIONS</b> (see instructions) 8. One-time Oregon depreciation adjustment ..... • 8 <input style="width: 100px;" type="text"/> 9. Federal jobs tax credit wages not deducted on federal Form 1120 or 1120-A..... 9 <input style="width: 100px;" type="text"/> 10. Interest on U.S. obligations and instrumentalities included in line 1 ..... 10 <input style="width: 100px;" type="text"/> 11. State of Oregon interest income included in line 2 ..... 11 <input style="width: 100px;" type="text"/> 12. Dividend deduction. <b>Attach schedule and explanation</b> ..... • 12 <input style="width: 100px;" type="text"/> 13. Income of non-unitary corporations. <b>Attach schedule and explanation</b> ..... • 13 <input style="width: 100px;" type="text"/> 14. Other subtractions. <b>Attach schedule and explanation</b> ..... 14 <input style="width: 100px;" type="text"/> 15. Total subtractions (add lines 8 through 14) ..... • 15 <input style="width: 100px;" type="text"/> 16. Net income before apportionment (line 7 minus line 15) ..... 16 <input style="width: 100px;" type="text"/> <b>Carry amount on line 16 to line 1, Schedule B-2</b> 17. Oregon taxable income (from line 9, Schedule B-2) ..... • 17 <input style="width: 100px;" type="text"/> 18. Income tax (6.6% of line 17) ..... • 18 <input style="width: 100px;" type="text"/> 19. Tax adjustment for LIFO benefit recapture (see instructions) ..... • 19 <input style="width: 100px;" type="text"/> 20. Net income tax (line 18 minus line 19) ..... 20 <input style="width: 100px;" type="text"/> 21. Prepayments on this return (from line 7, Schedule A) ..... • 21 <input style="width: 100px;" type="text"/> 22. <b>Tax Due or &lt;Overpayment&gt;</b> (line 20 minus line 21) ..... <b>Tax Due or &lt;Overpayment&gt;</b> • 22 <input style="width: 100px;" type="text"/> 23. Penalty and interest due with this return (see instructions) ..... 23 <input style="width: 100px;" type="text"/> 24. Interest on underpayment of estimated tax ..... 24 <input style="width: 100px;" type="text"/> 25. Total now due (add lines 22, 23 and 24) ..... 25 <input style="width: 100px;" type="text"/> 26. <b>Refund</b> available (line 21 minus lines 20, 23 and 24) ..... <b>Refund</b> 26 <input style="width: 100px;" type="text"/> 27. Amount of refund to be credited to 1997 estimated tax ..... <b>1997 Credit</b> 27 <input style="width: 100px;" type="text"/> 28. <b>Net Refund</b> (line 26 minus line 27) ..... <b>Net Refund</b> 28 <input style="width: 100px;" type="text"/>
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Under penalties of false swearing, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief it is true, correct, and complete. If prepared by a person other than taxpayer, this declaration is based on all information of which the preparer has any knowledge.

<b>SIGN HERE</b>	<input type="text"/> Signature of officer _____ Date _____	<input type="text"/> Signature of preparer other than taxpayer _____
	<input type="text"/> Title _____	<input type="text"/> Address _____

**FILE THIS RETURN WITH THE OREGON DEPARTMENT OF REVENUE, PO BOX 14777, SALEM OR 97309-0960**

**PLEASE COMPLETE THE FOLLOWING**

- ▼A. Incorporated in \_\_\_\_\_ (state), on \_\_\_\_\_ (date)
- ▼B. State of commercial domicile \_\_\_\_\_
- ▼C. Date began business activity in Oregon \_\_\_\_\_
- ▼D. Business Activity Code from your federal return \_\_\_\_\_  
Principal business activity \_\_\_\_\_
- E. Telephone number (\_\_\_\_) \_\_\_\_\_
- F. Accounting method \_\_\_\_\_
- G. Did you file under the same name last year?  Yes  No  
If No, please enter name you filed under last year \_\_\_\_\_
- H.▼(1) Was a consolidated federal return filed?  Yes  No  
▼(2) Is this a consolidated Oregon return?  Yes  No  
▼(3) Are corporations included in the consolidated federal return, but not in the Oregon return?  Yes  No  
If (1), (2), or (3) is Yes, please see instructions.
- ▼I. List the tax years for which federal waivers of the statute of limitations are in effect and dates on which waivers expire:  
\_\_\_\_\_
- ▼J. List the tax years for which your federal taxable income was changed by an IRS audit, or by an amended federal return filed during this tax year: \_\_\_\_\_

Send a copy of the agent's report or the amended return under separate cover, if not furnished previously.

- ▼K. If this is your **first** return, indicate whether:  New business, or  Successor to previously existing business. Enter name and federal employer identification number of previous business  
\_\_\_\_\_  
\_\_\_\_\_
- ▼L. If this is your **final** return, indicate whether:  Withdrawn  Dissolved  Merged or reorganized. Enter name and federal employer identification number of merged or reorganized corporation \_\_\_\_\_
- M.▼(1) Do your employees perform services in the Tri-County Transportation District?  Yes  No  
●(2) Do your employees perform services in the Lane County Mass Transit District?  Yes  No  
If (1) or (2) is Yes, have the correct tax returns been filed with the Department of Revenue? See instructions.  Yes  No
- ▼N. Is this a Real Estate Mortgage Investment Conduit (REMIC)? See instructions.  Yes  No
- ▼O. Is this a Publicly Traded Partnership?  Yes  No

**SCHEDULE A — ESTIMATED TAX PAYMENTS OR OTHER PREPAYMENTS**

Voucher Form 20-ES	Date of Payment			Amount Paid
	Month	Day	Year	
1. Voucher 1	1			1
2. Voucher 2	2			2
3. Voucher 3	3			3
4. Voucher 4	4			4
5. Overpayment of 1995 tax elected as a credit (from line 29, page 1 of 1995 return) .....				5
6. Payments made with extension or other prepayments for the 1996 tax year (specify amount and date made) ....				6
7. Total prepayments (carry to line 21, page 1) .....				7
8. Last year's net income tax .....				8
9. Check box if you are <b>not</b> a "high-income" taxpayer (see Form 37 instructions) ▼ <input type="checkbox"/>				

If the amount on line 20, page 1 is \$500 or more, see the instructions for "Interest on underpayment of estimated tax," page 2 of Instructions for Form 20-I.

**SCHEDULE B — APPORTIONMENT OF INCOME** (see instructions on reverse side)

1. Describe the nature and location(s) of your Oregon business activities \_\_\_\_\_
2. Enter the address and telephone number of the office where Oregon tax records are maintained \_\_\_\_\_
3. If figures in Schedule B-1 are based on revenue miles, please state the total revenue miles (a) in Oregon (both intrastate and interstate) \_\_\_\_\_ and, (b) everywhere \_\_\_\_\_

**SCHEDULE B-1 — APPORTIONMENT FORMULA**

**1. Property Factor**

Value of real and tangible personal property used in the unitary business (owned, at average value; rented, at capitalized value):

- a. Owned property (at original cost; see instructions)
  - Inventories .....
  - Buildings and other depreciable assets .....
  - Land .....
  - Other assets (describe) \_\_\_\_\_
  - Minus: Construction in progress .....
  - Total of section a .....
- b. Rented property (capitalize at 8 times the rental paid) ...
- c. Total owned and rented property .....

	(A) Total Within Oregon	(B) Total Within and Without Oregon	(C) Percent Within Oregon (A ÷ B) × 100
	(        )	(        )	
	\$	\$	%

**2. Payroll Factor**

Wages, salaries, commissions, and other compensation to employees:

- a. Compensation of officers .....
- b. Other wages, salaries, and commissions .....
- c. Total wages and salaries .....

	\$	\$	

**3. Sales Factor**

- a. Sales delivered or shipped to Oregon purchasers:
  - (1) Shipped from outside Oregon .....
  - (2) Shipped from inside Oregon .....
- b. Sales shipped from Oregon to:
  - (1) The United States government .....
  - (2) Purchasers in a state or country where the corporation is not taxable (e.g., under Public Law 86-272) .....
- c. Other business gross receipts .....
- d. Total sales and other business gross receipts .....

	\$	\$		%
	\$	\$		%

4. Sales factor (same as line 3d) .....
5. Total percent (add items 1, 2, 3, and 4, column C) .....
6. Average percent (divide line 5 by the number of factors in column B) (enter on line 4, Schedule B-2) (compute percent to 4 decimal places (e.g., 12.3456%)) .....

**SCHEDULE B-2 — COMPUTATION OF TAXABLE INCOME**

1. Net income from business both in Oregon and other states (from line 16, page 1) .....	1		
2. Minus: Net nonbusiness income and gains from prior year installment sales included in line 1. <b>Attach schedule</b> (see instructions) .....	2	▼	
3. Total net income subject to apportionment (line 1 minus line 2) .....	3		
4. Oregon apportionment percentage (from line 6, Schedule B-1 above) .....	4	×	%
5. Income apportioned to Oregon (line 4 times line 3) .....	5		
6. Add: Net nonbusiness income allocated entirely to Oregon and gains from prior year installment sales apportioned to Oregon. <b>Attach schedule</b> (see instructions) .....	6	▼	
7. Total of lines 5 and 6 .....	7		
8. Minus: Oregon apportioned net loss from prior years and net capital loss from other years (see instructions) .....	8	▼	
9. Oregon taxable income (line 7 minus line 8) (carry to line 17, page 1) .....	9		

# INSTRUCTIONS — SCHEDULE B, B-1, AND B-2 — APPORTIONMENT OF INCOME

**Consolidated Returns.** If a corporation is a member of an affiliated group of corporations that filed a consolidated federal return, it must file an Oregon return based on that federal return.

A consolidated Oregon return is required when two or more affiliated corporations are:

- Included in a consolidated federal return;
- Unitary; **and**
- At least one of the affiliated corporations is authorized or is doing business in Oregon, or has income from Oregon sources.

For more information on Oregon’s consolidated return requirements, see Oregon Revised Statutes (ORS) 317.705 through 317.715 and the rules thereunder.

Corporations not included in a consolidated federal return must file a separate Oregon return if doing business or registered to do business in Oregon.

**Apportionment and Allocation.** Apportionment is dividing business income between the states by use of a formula. Allocation is the assignment of specific nonbusiness income to a state. A corporation having unitary business activities both inside and outside Oregon must use the apportionment and allocation methods provided under the Uniform Division of Income for Tax Purposes Act (ORS 314.605 through 314.670), ORS 314.680 through 314.690, and the rules under ORS 314.280.

The following businesses use modified or different apportionment factors as provided in the following Oregon Administrative Rules (OARs) and laws:

Domestic insurance companies	ORS 317.660
Title insurance companies incorporated in Oregon	OAR 150-314.280-(E)
Health care service contractors	OAR 150-314.280-(E)
Financial organizations	OAR 150-314.280-(N)
Railroads	OAR 150-314.280-(H)
Airlines	OAR 150-314.280-(I)
Trucking companies	OAR 150-314.280-(J)
Sea transportation companies	OAR 150-314.280-(K)
Interstate river transportation companies	OAR 150-314.280-(L)
Long term construction contractors	OAR 150-314.615-(F)
Movie and television production companies	OAR 150-314.655(2)-(D)
Interstate broadcasters	ORS 314.682, OAR 150-314.684 (4) OAR 150-314.686

Oregon income is the total of the corporation’s apportioned and allocated income assigned to Oregon.

Schedule B must be completed by each corporation carrying on a unitary business both inside and outside Oregon. If another method of assigning income is proposed, Schedule B still must be completed. A full explanation of the other method must be made.

The denominators of the property, payroll, and sales factors shall include amounts from corporations included in the consolidated federal return **and** part of the unitary group. The numerators of the factors shall include the Oregon property, payroll, and sales from each of the corporations taxable by Oregon.

**Property Factor.** (1) Value owned property at original cost. Show the average value during the taxable year of real and tangible personal property used in the business. This is the average of property

values at the beginning and end of the tax period. An average of the monthly values may be required if a more reasonable value results.

(2) Value rented property at eight times the annual rental value. Reduce the annual rental value by nonbusiness subrentals.

Enter all owned or rented business property in Column B of Schedule B-1. Enter business property within Oregon in Column A. See ORS 314.655 and the rules thereunder.

**Payroll Factor.** Assign payroll to Oregon if:

- The services are performed entirely inside Oregon; **or**
- The services are both inside and outside of Oregon but those services outside are only incidental; **or**
- Some of the services are performed in Oregon and (a) the base of operation or control is located in Oregon, or (b) the base of operation or control is not in any state in which the services are performed and the employee’s residence is in Oregon.

See ORS 314.660 and the rules thereunder.

**Sales Factor.** Assign sales to Oregon if:

- The property is shipped or delivered to a purchaser in Oregon other than the United States government; **or**
- The property is shipped from a warehouse or other place of storage in Oregon; and (a) the purchaser is the United States government or (b) the corporation is not taxable in the state of the purchaser. (See ORS 314.665(3) for exception.)

See ORS 314.620 and Public Law 86-272 to determine if a corporation is taxable in another state.

Charges for services are Oregon sales to the extent the services are performed in Oregon. See ORS 314.665 and the rules thereunder.

**Line 5. Average Percent.** Divide the sum of the property factor, the payroll factor, and two times the sales factor by 4 if the corporation had all of these factors. Reduce the denominator of 4 by the number of factors with a zero denominator. Example: If a unitary group of corporations had no payroll anywhere, the payroll factor would have a zero denominator and the sum of the factors would be divided by 3 (if no sales, divide by 2).

**Business and Nonbusiness Income.** “Business income” is income arising from transactions and activities in the regular course of the taxpayer’s business. It includes income from tangible and intangible property related to the regular business operation. Examples of business income are:

- Sales of products or services;
- Rents, if property rental is a related business activity;
- Royalties, if the patent, processes, etc., were developed by or used in the business operation;
- Gain or loss on the disposal of business property;
- Interest income on trade receivables or installment contracts arising out of the business or from the investment of working capital.

“Nonbusiness income” means all income other than business income. Rents, royalties, gains or losses, and interest can also be nonbusiness income, if they arise from investments not related to the taxpayer’s business. Nonbusiness income is allocated to a particular state based upon the source of the income. Gain or loss from the sale of a partnership interest may be allocable to Oregon. See ORS 314.635(4). A schedule of nonbusiness income must be attached to the return. The amounts allocable to Oregon must be added to Oregon’s apportioned income. See ORS 314.610 and the rules thereunder.