



Form IT-1
(120)

OREGON INHERITANCE TAX RETURN

Year of Death 2003

For deaths on or after January 1, 2003
This return is due within 9 months of the date of death

For office use only	
Date Received	
Payment	
Oregon Business Identification Number	

First Name and Middle Initial of Decedent		Last Name of Decedent		Decedent's Social Security Number	
				, Estate	
Name of Executor (please print or type)			Daytime Telephone Number ()		
Executor's Mailing Address		City	State	ZIP Code	
Date of Death	Decedent's Domicile (legal residence)—City, County, State, Country			Year Domicile Established	
Is the estate being probated in Oregon? <input type="checkbox"/> No <input type="checkbox"/> Yes If yes:			<input type="checkbox"/> An extension of time to file is attached. <input type="checkbox"/> An extension of time to pay is attached. <input type="checkbox"/> This is an amended return. <input type="checkbox"/> The attached copy of Form 706 was filed with the IRS. <input type="checkbox"/> A separate election under IRC 2032 or 2056 is claimed.		
Oregon county		Oregon probate number			

PLEASE ATTACH A COPY OF FEDERAL FORM 706, SCHEDULES, AND SUPPORTING DOCUMENTS

TAX COMPUTATION

Attach payment

1. Total gross estate (line 1 of Form 706)	1	
2. Total allowable deductions (line 2 of Form 706)	2	
3. Taxable estate (subtract line 2 from line 1)	3	
4. Gross estate tax (line 8 of federal Form 706)	4	
5. Unified credit allowed for Oregon (\$229,800 less adjustment, if any. See instructions.)	5	
6. Subtract line 5 from line 4 (do not enter less than zero)	6	
7. State death tax. See instructions	7	
8. Proration of state death tax (complete only if there is property located in states other than Oregon).		
a. Gross value, for federal estate tax purposes, of property located in Oregon (identify on attached copy of federal estate tax return by highlighting it)	8a	
b. Gross value of decedent's estate for federal estate tax purposes (from federal Form 706)	8b	
c. Percent of estate located in Oregon (line 8a divided by line 8b)	8c	%
9. Tax payable to Oregon (line 7 multiplied by line 8c, or amount from line 7 if no entry on line 8c)	9	
10. Amount paid by the due date of return (see instructions)	10	
11. Tax due (line 9 minus line 10)	TAX DUE	11
12. Overpayment. Is line 10 more than line 9? If so, line 10 minus line 9	OVERPAYMENT	12
13. Penalty due (see instructions)		13
14. Interest due (see instructions)		14
15. Total due (add lines 11, 13, and 14)	TOTAL DUE	15
16. Refund (line 12 minus lines 13 and 14)	REFUND	16

Under penalties of false swearing, I declare that I have examined this return, including accompanying schedules and statements. To the best of my knowledge and belief it is true, correct, and complete. If prepared by a person other than signer, this declaration is based on all information of which the preparer has any knowledge.

Signature of Executor X	Title	Executor's Social Security Number	Date
Signature of Executor X	Title	Executor's Social Security Number	Date

I hereby authorize the following individual(s) to receive and provide confidential tax information relating to the decedent and the estate.

Name of Preparer (please print or type)	Title	Telephone Number ()
Mailing Address	City	State Zip Code

FORM IT-1 GENERAL INSTRUCTIONS

New Information

The Oregon Legislature passed House Bill (HB) 3072. This bill adopts the federal inheritance tax changes included in the Taxpayer Relief Act of 1997 (TRA 97). Oregon inheritance taxes will be determined under the Internal Revenue Code in effect December 31, 2000.

Oregon has not adopted the federal inheritance tax changes in the Economic Growth and Tax Reconciliation Act of 2001 (EGTRRA 2001).

The Oregon inheritance return filing requirement no longer follows the federal estate return filing requirement. An *Inheritance Tax Return* (Form IT-1) is required for 2003 dates of death, if the value of the gross estate is **\$700,000** or more.

The executor is **required** to attach a copy of the federal Form 706 to the Form IT-1, whether or not a federal estate tax return is required. If you are not required to file a federal estate return, write "for Oregon only" at the top of the federal form. **Please note the new box to be checked if you have filed Form 706 with the Internal Revenue Service.** Oregon requires the same forms, schedules, and supporting information (such as photocopy of death certificate, Form 712, will, trust, appraisals, etc.) as would have been provided, had the estate been required to file by federal law.

A separate election under IRC 2032 or 2056 (such as alternate valuation or the marital deduction) may be claimed for Oregon purposes. If a separate Oregon election is made, you must attach a schedule to explain the figures you used and mark the appropriate box on Form IT-1.

An Oregon extension payment coupon is now available. Use Form IT-EXT to make a tax payment to Oregon by the return due date. This form can be obtained on our Web site or you may contact us to have it mailed to you. To contact us, see Taxpayer Assistance on the next page.

Filing requirements

An *Oregon Inheritance Tax Return* (Form IT-1) must be filed if the value of the gross estate is \$700,000 or more.

You must attach a copy of the federal Form 706 and schedules to your Oregon Form IT-1, even if you are not required to file a federal estate return.

According to ORS 118.005, the definition of "Executor" is the executor, administrator, personal representative, fiduciary, or custodian of property of the decedent. For **probate** estates, the personal representative appointed or approved by the court has the duty to file the return. For **nonprobate** estates, the custodian or any person having actual or constructive possession of the property of the decedent is responsible for filing the return.

Social Security number. The request for a Social Security number is authorized by Section 405, Title 42, of the United States Code. You must give us this information. It will be used to establish the decedent's identity.

Due date. The return is due no later than nine months after the date of death.

Extensions. More than one extension is available for an Inheritance Tax return. An **extension of time to file** an Estate Tax return, **or an extension of time to pay** estate tax will be accepted for Oregon, as granted by the Internal Revenue Service. If an extension of time to pay is granted, the tax must be secured by collateral acceptable to the Oregon Department of Revenue. Interest accrues during the extension period. **Attach** a copy of **each federal extension** obtained to your Oregon return and mark the appropriate extension box on your Oregon return, Form IT-1.

If you need an extension for Oregon only, you may write at the top of the federal extension form "for Oregon only." Please use the Oregon figures and file the request before the due date. We will contact you only if the request has not been accepted.

An extension of time to file your return does not extend the time to pay the tax. You must have obtained a separate, approved extension to extend the time to pay the tax. To avoid penalties and interest, use new Form IT-EXT to make an extension payment by the due date. To obtain this form, please see the next page for taxpayer assistance.

Penalty—

Late filing. A late filing penalty of 5 percent of the tax may be imposed if the return is not filed by the due date, including any extension. If the return is filed more than three months after the original or extended due date, there is an additional 20 percent penalty.

Late payment. A delinquency penalty of 5 percent of the tax may be imposed if the tax is not paid within nine months from the date of death **or** by the extended payment date.

Penalty waiver request. If you were unable to file because of the uncertainty of the law, please attach a written request for penalty waiver.

Interest is charged on tax not paid within nine months of date of death.

Interest rates on tax you owe

Interest period	Annual	Monthly	Daily
February 1, 2002	8%	0.6667% (0.006667)	0.0219% (0.000219)
February 1, 2003	7%	0.5833% (0.005833)	0.0192% (0.000192)
January 1, 2004	6%	0.5000% (0.005000)	0.0164% (0.000164)

The interest rate may change once a calendar year.

$$\text{Tax} \times \text{Daily Interest Rate} \times \text{Number of Days}$$

Form instructions

Line 1. Enter the amount from line 1 of the federal Form 706.

Line 5. Enter **\$229,800** less the amount on line 10 of the federal Form 706.

Line 7. To determine the state death tax, subtract \$60,000 from the taxable estate (line 3 of the Oregon return). Figure the state death tax using the table below. **Do not enter more than the amount on line 6.**

Table for Line 7 Computation of Maximum Amount for State Death Taxes Taxable estate (line 3) less \$60,000 equals adjusted taxable estate for column (1) below			
(1) Adjusted taxable estate equal to or more than—	(2) Adjusted taxable estate less than—	(3) State death tax on amount in column 1	(4) Rate on excess over amount in column 1
0	\$ 40,000	0	None
\$ 40,000	90,000	0	0.8%
90,000	140,000	\$ 400	1.6
140,000	240,000	1,200	2.4
240,000	440,000	3,600	3.2
440,000	640,000	10,000	4.0
640,000	840,000	18,000	4.8
840,000	1,040,000	27,600	5.6
1,040,000	1,540,000	38,800	6.4
1,540,000	2,040,000	70,800	7.2
2,040,000	2,540,000	106,800	8.0
2,540,000	3,040,000	146,800	8.8
3,040,000	3,540,000	190,800	9.6
3,540,000	4,040,000	238,800	10.4
4,040,000	5,040,000	290,800	11.2
5,040,000	6,040,000	402,800	12.0
6,040,000	7,040,000	522,800	12.8
7,040,000	8,040,000	650,800	13.6
8,040,000	9,040,000	786,800	14.4
9,040,000	10,040,000	930,800	15.2
10,040,000	—	1,082,800	16.0

Gross value of property located in Oregon (proration of the state death tax). When the estate has property located in other states, complete lines 8a, 8b, and 8c. On line 8a, enter the gross value for federal estate tax purposes of property located in Oregon. **Highlight the Oregon property on the attached copy of the federal estate tax return (Form 706).** Property taxable for Oregon purposes depends on whether the decedent was a resident or nonresident.

Resident decedent. For a resident decedent, property taxable by Oregon includes real property and tangible personal property located in Oregon and intangible personal property wherever located.

Nonresident decedent. For a nonresident decedent, property taxable by Oregon includes real property and tangible and intangible personal property located in Oregon. An exemption is allowed for intangible personal property located in Oregon if a like exemption is allowed by the state of residence.

If you want to authorize the preparer to be able to talk to us, you may check the box located between the signature lines for the executor(s) and the preparer. If you want to authorize a person other than the preparer, please attach a signed Power of Attorney (POA) form. This form can be obtained on our Web site or you may contact us to have it mailed to you.

Amended returns. Did you amend the federal estate tax return, or was an adjustment made that results in a change in the amount of tax? If yes, it is the duty of the personal representative or other responsible person to file an amended Oregon return or notify the Oregon Department of Revenue of the change in writing within 90 days.

Taxpayer assistance

Telephone: Salem 503-378-4988
Toll-free within Oregon 1-800-356-4222

Correspondence: Estate Audit, Business Division, Oregon Department of Revenue, PO Box 14110, Salem OR 97309-0910.

Estate Audit voicemail message line: 503-945-8437 (Salem) or 1-800-356-4222 (toll free within Oregon).

E-mail: estate.help.dor@state.or.us

Please include your e-mail address and telephone number with area code in your message.

Warning: This mail application is NOT secure. Do not include confidential data in your e-mail message. At this time we are responding to tax law related questions only. Account related questions cannot be handled by e-mail. If you have an account related question, or have received a letter, notice, or bill, please contact us by telephone.

For general tax information or inheritance tax updates: www.dor.state.or.us.

Forms: Many forms are available on our Web site. Or write to: Forms, Oregon Department of Revenue, PO Box 14999, Salem OR 97309-0990.

TTY (hearing or speech impaired; machine only): 503-945-8617 (Salem) or 1-800-886-7204 (toll-free within Oregon).

Americans with Disabilities Act (ADA): This information is available in alternative formats. Call 503-378-4988 (Salem) or 1-800-356-4222 (toll-free within Oregon).

Asistencia en español. Llame al 503-945-8618 en Salem o llame gratis al 1-800-356-4222 en Oregon.