

# Fiduciary Income Tax

This publication is a guide, not a complete statement, of Oregon Revised Statutes (ORS) or Oregon Department of Revenue Administrative Rules (OAR). For more information, refer to the laws and rules on our Web site, [www.oregon.gov/DOR](http://www.oregon.gov/DOR).

## General information

Oregon accepts the federal election made by the executor of an estate and the trustee of a qualified revocable trust to treat the trust as part of the estate.

If you made that election for your federal return, check the estate box in row A of Oregon Form 41 and fill in the date of death. Attach a copy of the required federal Form 8855, *Election to Treat a Qualified Revocable Trust as Part of an Estate*. Check the box in row B, "A Trust Filing as an Estate."

**State School Fund.** Check the box on line E to donate your Oregon income tax kicker refund to the State School Fund. The fund is used for public elementary and secondary education. The kicker amount, if any, will be determined in the fall of 2005. If you check the box, any kicker refund that you would have received in 2005 based on your 2004 Oregon income tax will be sent directly to the State School Fund. Once you check the box and file your return, you cannot amend or otherwise change your decision for the 2004 tax year.

**Deferral of gain.** Did you file federal Form 8824 because you are deferring gain on exchanged property? If so, be sure to check the box on the front of Form 41, "Form 24 is attached." Then complete and attach Oregon Form 24 to the return. See "Taxpayer assistance."

In the year that the gain is finally recognized for federal purposes, you will need to file a return and report the portion of the gain that is subject to Oregon taxation.

This law change applies to tax years 1998 and later. Please call the department for forms if you need to amend a prior-year return.

**Capital gain on liquidated farm assets.** A reduced tax rate is available if you sold or exchanged capital assets used in farming activities. The sale or exchange must represent a substantially complete termination of a farming business you own. The sale cannot be to a family member. See instructions for line 25 [Oregon Revised Statute (ORS) 316.045].

## Filing requirements

A fiduciary return must be filed for:

- Resident estates or trusts required to file a federal Form 1041 or 990-T.
- All estates and trusts upon termination to report the final distribution to beneficiaries.
- Ancillary Oregon estates with federal gross income of \$600 or more for the tax year.
- Nonresident estates with federal gross income of \$600 or more from Oregon sources for the tax year.

- All estates that want to establish a fiscal tax year, even if the estate had less than \$600 of federal gross income for the tax year.
- Part-year resident trusts with federal gross income of \$600 or more from Oregon sources for the tax year.
- Nonresident trusts with federal gross income of \$600 or more from Oregon sources for the tax year.

**Oregon forms** and circulars mentioned in these instructions may be obtained by writing to: Forms, Oregon Department of Revenue, PO Box 14999, Salem OR 97309-0990.

You can also download forms and information from our Web site. Our Internet address is: [www.oregon.gov/DOR](http://www.oregon.gov/DOR).

## Residency definitions

- **Estates.** An estate is an Oregon resident if the personal representative is appointed by an Oregon court, or if the estate administration is in Oregon. All other estates are nonresidents. An estate cannot be a part-year resident.
- **Trusts.** A trust is a resident if the trustee is an Oregon resident or if the trust administration is in Oregon. If there are several trustees and one is an Oregon resident, the trust is an Oregon resident trust. A trust can be a part-year resident if a trustee moves in or out of Oregon during the tax year. See part-year resident instructions.

If a trustee is a corporate fiduciary engaged in interstate trust administration, the trust is an Oregon resident only if the trustee conducts the major part of the trust's administration in Oregon.

**Funeral trust.** A resident funeral trust is a qualified funeral trust (QFT) that has the meaning given in section 685 of the Internal Revenue Code (IRC). A resident funeral trust

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is required to be established under the law of this state or is established by contract, for the funeral home or cemetery to provide services or merchandise in Oregon.

**Name of Fiduciary.** Enter the name and address of the executor or trustee in the space marked "Name of Fiduciary." If there are co-fiduciaries, enter the name and address of the one who signs the return.

**Other returns required of fiduciaries.** File the applicable Oregon Individual Income Tax return (Form 40, 40S, 40N, or 40P) for a deceased taxpayer's last tax year. If a federal Form 1040NR is required for a nonresident beneficiary, an Oregon nonresident return (Form 40N) may be required. If a federal return is required for a minor, incompetent person, missing person, or conservatee, an Oregon return must be filed.

If Form 1041-A or 5227 is required for federal income tax, file a copy of that form with the Oregon Department of Revenue. Do not attach a Form 41. Mark the copy "Oregon Information Copy." Usually no Oregon report or copy is required if the only federal returns are Form 990 (exempt organizations), 990-PF (private foundations), or 4720 (certain charities).

If a federal Form 990-T is filed, also file Oregon Form 41. Don't complete lines 1, 2, 5, 5a, and 6 on Form 41. From Form 990-T, enter any unrelated business taxable income on Form 41, line 23, and the fiduciary adjustment on line 5b. Also complete Schedule 1, column B of Oregon Form 41.

**Period covered by the return.** The return must be for the same tax year used for filing the federal return.

**When and where to file the return.** Returns for a calendar year are due on or before April 15. When the 15th falls on a Saturday, Sunday, or legal holiday, the due date is the next business day. Returns for other tax periods are due on or before the 15th day of the fourth month following the close of the estate's or trust's tax year. Mail the return to: **Oregon Department of Revenue, PO Box 14110, Salem OR 97309-0910.**

**Signature.** The fiduciary or officer representing the fiduciary must sign the return.

**Payment.** When making a payment, use Form 41-V, *Oregon Fiduciary Tax Payment Voucher*. The form is included in this packet for your convenience.

- Enclose your check and payment voucher with your return before mailing.
- Enclose your check with your voucher by the due date of the return to avoid penalty and interest.
- Enclose your check with your payment voucher if you want to make prepayments.

**Accounting period.** The accounting period must be the same as for federal income tax purposes.

**Accounting method.** The accounting method must be the same as for federal income tax purposes. If the method is changed, adjustments must be made to avoid duplication or omission of income and deductions.

**Unused loss carryovers.** IRC sections 172 and 1212 apply to an estate or trust and the beneficiaries. Attach a copy of the federal loss carryover schedule to Form 41.

**Income taxable to the grantor or substantial owner.** Any part of trust income taxable to the grantor or another person under IRC sections 671 through 678 isn't taxed on a fiduciary return. However, the income information must be shown on a separate statement attached to Form 1041. Attach a copy of that information statement to Oregon Form 41. Also attach a supplemental statement to Form 41 showing Oregon additions and subtractions to federal taxable income. If the grantor trust is exempt from filing Form 1041 under IRC regulation 1.671-4, it's also exempt from filing Form 41 [Oregon Administrative Rule (OAR) 150-316.382].

**Returns for estates and complex trusts.** On Oregon Form 41, lines 1 through 7, allocate the income and Oregon modifications between the estate or trust and the beneficiary if an authorized distribution was made or required during the tax year. The fiduciary must provide the beneficiary with income distribution and Oregon fiduciary adjustment information on federal Schedule K-1 (Form 1041). Attach a copy of each K-1 to Form 41. See instructions for line 6.

**Transferee.** The money and property of a taxpayer who has died passes to a person, estate or trust, called the transferee. The transferee may be liable for the obligations and liabilities of the deceased person. The liability includes tax, interest, and penalty. The transferee's liability is limited to the value of the property acquired from the decedent (ORS 314.310).

## Extension of time for filing

If you need more time to file, send your payment along with Form 41-V.

Consider the payment voucher as your extension request.

You will be notified only if your extension is denied. **More time to file does not mean more time to pay your tax!** All tax due must be paid by the original due date of the return.

Form 41-V is available on our Web site at [www.oregon.gov/DOR](http://www.oregon.gov/DOR).

## When you file your return

- Attach a copy of your federal extension, or a federal extension form with "Oregon only" written on the top, to the **back** of your Oregon return, Form 41. It should be the last item before the federal return.
- Check the box on your return indicating "**an extension is attached.**"
- Include the amount you paid with Form 41-V on line 14.

# Form 41 instructions

**Simple trusts without capital gains or losses**, or estates terminating in this tax year, must complete lines 2, 5a, and 6 on the front, and lines 22–42 on the back of Form 41.

**If there are no distributions to the beneficiary**, begin on line 4.

**Line 5a. Enter the fiduciary adjustment allocable to the beneficiary** (ORS 316.287 and OAR 150-316.287). If the adjustment is a **subtraction**, the beneficiary's share is limited to an amount equal to the distribution of income taxable on the beneficiary's individual return. A fiduciary adjustment **addition** increases the beneficiary's income. The beneficiary's share of the addition is limited as follows: Subtract the taxable portion of the distribution from the total amount of the distribution. The balance is the beneficiary's share, unless the amount of the addition is smaller.

Any amount of fiduciary adjustment not allocable to a beneficiary is an adjustment to the fiduciary's taxable income.

**Line 6. A copy of federal Schedule K-1 (Form 1041) or an acceptable substitute, for each beneficiary, must be filed with Form 41.** The total of the income and Oregon fiduciary adjustment reported on all Schedules K-1 must equal the amount entered on line 6. Each beneficiary's share of the fiduciary adjustment must either be shown at the bottom of their K-1 on a blank line or on a separate sheet attached to the K-1. Mark it "Oregon fiduciary addition (or subtraction)" and write in the amount the beneficiary is to report. Do not break the fiduciary adjustment down into separate components.

**Example:** An Oregon fiduciary adjustment is comprised of a \$750 federal tax subtraction, a \$250 U.S. government interest subtraction, and a \$300 Oregon tax addition. The amount reported to the beneficiary is an Oregon fiduciary adjustment of <\$700>.

**Line 8. Tax.** Use the rate schedule on Form 41, page 2 to figure the tax. Part-year resident trusts, see instructions on page 5.

**Line 9a.** Enter the amount of Net Long-Term Capital Gains (NLTCG) from Schedule 1, column B, line 25.

**Line 9b.** Multiply line 9a by 5 percent to figure the reduced tax on the liquidated farm assets.

**Line 11. Tax credits.** Identify the credit claimed in the space provided. The amount claimed cannot be greater than the tax on line 10. **Do not include prepayments or claim of right credit on this line.**

## **Credit for income taxes paid to other states:**

**Resident estates and trusts.** Generally, you can claim this credit if the estate or trust has income that is taxed by both Oregon and another state. An Oregon resident trust that has income taxed by Arizona, California, Indiana, or Virginia may not claim the credit on the Oregon return. The credit should be claimed on the nonresident return for that state. If the trust is a resident of Oregon and also a resident of another state, the credit may be claimed on the Oregon return.

Attach a copy of the return you filed with the other state and proof of payment of the tax. No credit is allowed if the tax has been claimed as a deduction. If a deduction for the other state's tax was claimed on Form 1041, it must be added to income on Oregon Form 41, line 40. See the 2004 individual return instructions for Oregon Form 40, line 40, for how to figure the credit.

**Nonresident estates and trusts.** Oregon will allow a credit for taxes paid to another state if all of the following conditions are met:

- The estate or trust is a nonresident of Oregon.
- The estate or trust is a resident of Arizona, California, Indiana, or Virginia.
- The estate or trust has income that is taxed by both Oregon and the resident state.

**Other credits.** You may be entitled to a tax credit for business energy, dependent care assistance, political contributions, pollution control facilities, or reclaimed plastic. Call or write the Oregon Department of Revenue for more information, or visit our Web site at [www.oregon.gov/DOR](http://www.oregon.gov/DOR).

**Line 14. Prepayments and claim of right credit.** Fill in any prepayments you made for tax year 2004. Include any payments made with an extension. Also include any claim of right credit allowed. A claim of right exists when you are taxed on income and later find you have no right to that income and must repay it. Oregon allows a claim of right credit if your federal tax liability is computed under IRC 1341(a). For more information, see "Taxpayer assistance."

**Line 18. Penalty.** Include a penalty payment if you:

- Mail any tax due after the due date (even if you have an extension).
- File your return showing tax due after the due date (including any extended due date).

Penalty is 5 percent of the unpaid balance of your tax. If you get an extension, the penalty won't be charged if you:

- Pay at least 90 percent of the tax due on or before the original due date of the return; **and**
- Pay the balance of tax and interest when you file within the extension period; **and**
- Pay any interest due either when the return is filed or within 30 days of billing by the department.

If you file more than three months after the due date, including extensions, add an additional penalty of 20 percent.

**Line 19. Interest.** If you don't pay the tax by the original due date, interest will be charged on any unpaid tax.

For periods beginning	Annual	Monthly	Daily
January 1, 2004	6%	0.5000%	0.0164%
January 1, 2005	5%	0.4167%	0.0137%

*Interest rate may change once a calendar year.*

Interest periods generally begin on the 16th day of the month the return is due. Returns are due on the 15th unless the 15th falls on a Saturday, Sunday, or holiday.

Interest is figured daily for periods of less than a month. A month, for example, is May 16 to June 15. Here's how to figure daily interest:

$$\text{Tax} \times \text{Daily interest rate} \times \text{Number of days}$$

Interest continues to accrue during an extension of time to file on any unpaid tax.

**Additional interest on deficiencies and delinquencies.** Interest will increase by one-third of 1 percent per month (4 percent annually) on deficiencies or delinquencies if the following occur:

- You file a return showing taxes owing, **or** the Department of Revenue has assessed an existing deficiency, **and**
- The tax assessed is not paid within 60 days after the return is filed or the notice of assessment is issued, **and**
- You have not filed a timely appeal.

**Line 20. Total Due.** Enclose a check or money order with your return and payment voucher, payable to "**Oregon Department of Revenue.**" Please use blue or black ink. Do not use gel pens or red ink. Write your Oregon BIN or FEIN, and "2004" on your check. Do not send cash or postdated checks.

**Special instructions.** Do you owe penalty or interest and have an overpayment? If your overpayment is less than total penalty and interest, fill in on line 20 the result of line 18 plus line 19 minus line 17.

## Schedule 1—Oregon changes

**Line 24. Changes in depreciation.** You may have a depreciation difference for Oregon and may need the Oregon Depreciation Schedule and instructions. See "Taxpayer assistance."

**Line 25. Other changes.** Changes include differences in gains or losses from the sale of property. Also use this line to report differences in capital gains from the sale of farm use and forest use lands acquired from a decedent who died before 1987. Enter the amount in column B. Also enter the amount in column A if an authorized distribution was made, and the gains qualify for inclusion in distributable net income.

**Electing small business trust.** Amounts not included in federal distributable net income of an electing small business trust under IRC Section 641(c) must be included in column B, line 25.

**Net long-term capital gain.** Enter the net long-term capital gain (NLT CG) from farm assets that was not distributed as a negative number in Schedule 1, column B, line 25. The subtraction cannot exceed the amount of income that is reported for the fiduciary from federal Form 1041, line 22.

**Line 29. Oregon changes distributed.** Enter Oregon changes from column A, line 26, that were distributed to the beneficiaries. Enter zero if the amount on Form 1041, Schedule B, line 8 or line 11, is less than the amount on Schedule B, line 7.

The total of this line, plus the amounts from Form 1041, Schedule B, lines 12 and 15, can't exceed the amount on Schedule B, line 8 or 11.

## Schedule 2—Fiduciary adjustment

This schedule is for figuring net Oregon modifications to federal taxable income.

**Line 31. Federal income tax subtraction.** This subtraction can't exceed \$4,000. To figure the subtraction, deduct the amount on federal Form 1041, Schedule G, line 6, from the amount on federal Form 1041, line 23. For additional federal tax paid for years prior to 2004, see instructions for line 34.

**Line 32. Interest on U.S. obligations.** Enter the amount of interest from U.S. government obligations included in federal income and not otherwise deducted. U.S. government interest received from another fiduciary should be subtracted on line 34. Don't subtract that income a second time on this line. The total of interest or dividends from U.S. obligations included on federal Form 1041 must be reduced by the deductions allocable to such income (see Form 1041 instructions, "Allocation of Deductions for Tax Exempt Income"). Use the same formula to allocate deductions to U.S. government interest.

**Line 34. Other subtractions.** Enter other subtractions required by ORS 316.680 and ORS 316.695 that do not have a specific line. Attach a schedule that details the amount and nature of each subtraction included on this line. Enter the fiduciary's share of the fiduciary adjustment from another estate or trust that is a subtraction on this line. Also, enter any additional federal income tax paid during the tax year for prior years and not deducted on any prior year return. To determine the amount deductible, refer to the 2004 individual return instructions for Form 40, line 18.

**Line 37. Interest on obligations of other states.** Enter interest income from bonds of a state or political subdivision other than Oregon. (This type of income from another fiduciary is included in that fiduciary's adjustment and should not be duplicated on this line.)

**Line 38. Depletion.** If natural resource depletion entered on Form 1041 is in excess of the adjusted basis of the property, enter the excess on this line.

**Line 39. Estate tax paid on "income in respect of a decedent" (IRD).** To figure the amount of the federal estate tax deduction that must be added to taxable income on the Oregon return, use this formula:

A = IRD included in federal taxable income

B = IRD not taxable by Oregon

C = estate tax deducted on Form 1041

$$\text{Formula: } \frac{B}{A} \times C = \$\text{_____ amount of the addition}$$

Enter amount on line 39.

**Line 40. Other additions.** Enter other additions required by ORS 316.680 and 316.695 that do not have a specific line. Attach a schedule that details the amount and nature of each addition included on this line. Enter this fiduciary's share of the fiduciary adjustment from another estate or trust that is an addition on this line. Also enter federal tax

refunds received during the tax year from prior years, if the federal tax subtraction reduced the Oregon tax in prior years. Enter administration expenses that were deducted on both the federal fiduciary return (Form 1041) and on the federal estate tax return (Form 706).

## Part-year resident and nonresident fiduciaries

**Part-year resident trusts—use Schedule P (Form 41) to figure the Oregon tax. File with the fiduciary return, Form 41.**

Oregon taxes gross income from **all sources** for the portion of the tax year the trust was an Oregon **resident** and gross income from **Oregon sources only** while the trust was a **non-resident**.

All federal deductions are allowed for the portion of the year the trust was an Oregon resident. But only deductions directly related to Oregon sources are allowed while the trust was a nonresident.

A part-year resident trust required to file Form 41 must attach a copy of federal Form 1041 as filed. See “Filing requirements” instructions on page 1. To determine your total Oregon taxable income for the year, you may choose to complete a second federal Form 1041, using only Oregon source income and deductions (a “pro forma” return), or you may develop a schedule of the amounts of income, gain, loss, and deductions for Oregon. The full federal exemption amount is allowed. If you choose to complete a “pro forma” federal Form 1041, write “Oregon Source Income” at the top of the form to distinguish it from the actual federal Form 1041 you filed for federal tax purposes.

Use the figures from the Oregon source Form 1041 (or Oregon source schedule) you prepared, to complete Form 41. Complete lines 1 through 7 and Schedules 1 and 2 as though the Oregon source amounts were the only income and deductions for the tax year. The full federal tax subtraction is allowed on line 31 based on the federal liability from Form 1041 and subject to the \$4,000 limit.

Then complete Schedule P, using the figures from Form 1041, to figure Oregon tax. Write this amount on Oregon Form 41, line 8.

**Nonresident estates and trusts**—A nonresident estate or trust required to file Form 41 must attach a copy of federal Form 1041 as filed. See “Filing requirements” instructions on page 1. Oregon taxes only Oregon source income received by the estate or trust. Deductions are allowed if they are directly related to Oregon sources. The only exception is the federal tax subtraction, which must be apportioned as shown below.

To determine your total Oregon taxable income for the year, you may choose to complete a second federal Form 1041 using only Oregon source income and deductions (a “pro forma” return), or you may develop a schedule of the amounts of income, gain, loss, and deductions for Oregon. The full federal exemption amount is allowed. If you choose

to complete a “pro forma” federal Form 1041, write “Oregon Source Income” at the top of the form to distinguish it from the actual federal Form 1041 you filed for federal tax purposes.

**Federal tax subtraction**—The federal tax subtraction must be apportioned to determine the amount related to Oregon sources. Use this formula:

- A = Form 41, line 30, (Oregon source items only)
- B = Form 41, line 30, (all source items)
- C = Federal tax (lesser of actual liability or \$4,000)

Formula:  $\frac{A}{B} \times C = \$$  \_\_\_\_\_ amount of the subtraction

Enter on Form 41, line 31.

## Oregon source income

Oregon is tied to the federal definition of gross income as found in the Internal Revenue Code as of December 31, 2002. This does not apply to federal law as it relates to depreciation.

Examples of Oregon source income are: wages or other compensation for services performed in Oregon; income or loss from business activities in Oregon, including rents, S corporations, and partnerships; gain or loss from the sales of real or tangible personal property located in Oregon; income from intangible personal property if the property has acquired Oregon business situs.

For more information and examples, see OAR 150-316.127 and the 2004 Oregon Nonresident and Part-Year Resident tax booklet.

## How to assemble the return

Assemble your Oregon fiduciary return in the following order:

1. Pages 1 and 2 of Form 41. Attach Form W-2 and 1099 to the left margin on the front.
2. Schedule P (Form 41), if used.
3. “Pro forma” Form 1041 or a schedule of Oregon source income and deductions, if the return is from a part-year resident trust or nonresident estate or trust.
4. Form 24, *Like-Kind Exchanges/Involuntary Conversions*.
5. A copy of any extension forms.
6. A copy of federal Form 1041 and schedules.
7. Copies of federal Schedules K-1 (Form 1041).
8. A copy of federal Form 8855, *Election to Treat a Qualified Revocable Trust as Part of an Estate*.

Staple the pages together at the top left corner.

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 fiduciary 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 see “Taxpayer assistance.”

# Taxpayer assistance

## Printed information (free)

Most forms and publications are available on our Web site. You can also order by telephone or return the form below.

Check individual boxes to order. Complete name and address section. Clip on the dotted line, then mail in the entire list to the address below.

**Forms and instructions**

- Depreciation Schedule* ..... 150-101-025
- Form 24, Like-Kind Exchanges/Involuntary Conversions* ..... 150-800-734
- Forms 40 and 40S, Full-Year Resident & Nonresident Personal Income Tax booklet* ..... 150-101-043
- Forms 40P and 40N, Part-Year Resident & Nonresident Personal Income Tax booklet* ..... 150-101-045
- Form 41-V, Fiduciary Tax Extension Voucher* ..... 150-101-173
- Tax Information Authorization and Power of Attorney for Representation* ..... 150-800-005
- Schedule P* ..... 150-101-051

**Information circulars and brochures**

- What You Need to Know About Corporation Excise and Income Tax* ..... 150-102-401
- Your Rights as an Oregon Taxpayer* ..... 150-800-406

**List of other printed information:**  
*Form and Publication Order* ..... 150-800-390

**Send to: Forms, Oregon Department of Revenue  
PO Box 14999, Salem OR 97309-0990**

**Please print**  
Name \_\_\_\_\_  
Address \_\_\_\_\_  
City \_\_\_\_\_  
State \_\_\_\_\_ ZIP Code \_\_\_\_\_

## Internet

[www.oregon.gov/DOR](http://www.oregon.gov/DOR)



The Department of Revenue Web site is a quick and easy way to download forms and publications, get up-to-the-minute tax information, and learn about electronic filing.

## Correspondence

**Write to:** Estate Audit, Business Division; Oregon Department of Revenue; PO Box 14110; Salem OR 97309-0910. Include your BIN or FEIN and a day-time telephone number for faster service.



**E-mail:** [estate.help.dor@state.or.us](mailto: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.

## Telephone

**Salem** ..... 503-378-4988  
**Toll-free within Oregon** ..... 1-800-356-4222  
**Estate Audit voicemail message line** ..... 503-945-8437

**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.



Name of Estate or Trust	Federal Employer Identification Number
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**SCHEDULE 1 — OREGON CHANGES TO DISTRIBUTABLE NET INCOME (DNI) AND TAXABLE INCOME OF FIDUCIARY (TIF)**  
(refer to specific instructions)

	(Column A) DNI	(Column B) TIF
22. Distributable net income (from federal Form 1041, Schedule B, line 7) .....	22 <input style="width:80px;" type="text"/>	23 <input style="width:80px;" type="text"/>
23. Taxable income of fiduciary (from federal Form 1041, line 22) .....	24 <input style="width:80px;" type="text"/>	24 <input style="width:80px;" type="text"/>
24. Changes in depreciation for Oregon .....	25 <input style="width:80px;" type="text"/>	25 <input style="width:80px;" type="text"/>
25. Other changes. Identify .....	26 <input style="width:80px;" type="text"/>	26 <input style="width:80px;" type="text"/>
26. Line 24 plus line 25 .....	27 <input style="width:80px;" type="text"/>	28 <input style="width:80px;" type="text"/>
27. Revised distributable net income (Column A, line 22 plus line 26) Enter here and on page 1, line 1 .....	29 <input style="width:80px;" type="text"/>	29 <input style="width:80px;" type="text"/>
28. Total taxable income (Column B, line 23 plus line 26) .....	30 <input style="width:80px;" type="text"/>	30 <input style="width:80px;" type="text"/>
29. Changes included on Column A, line 26, <b>that were distributed</b> (see instructions) .....		
30. Revised taxable income of fiduciary (total or net of lines 28 and 29) Enter here and on page 1, line 4 .....		

**SCHEDULE 2 — FIDUCIARY ADJUSTMENT**  
(refer to specific instructions)

	Subtractions
31. 2004 federal income tax subtraction—limited to \$4,000 (see instructions) .....	31 <input style="width:80px;" type="text"/>
32. Interest on U.S. obligations included in income on federal Form 1041 \$ _____, less allocation of administration and miscellaneous expenses \$ _____ (see instructions) .....	32 <input style="width:80px;" type="text"/>
33. Oregon income tax refund included as income on federal Form 1041 .....	33 <input style="width:80px;" type="text"/>
34. Other subtractions (attach explanation) .....	34 <input style="width:80px;" type="text"/>
35. Add lines 31 through 34 .....	35 <input style="width:80px;" type="text"/>
Additions	
36. Oregon income tax deducted on 2004 federal Form 1041 .....	36 <input style="width:80px;" type="text"/>
37. Interest on obligations of other states or their political subdivisions .....	37 <input style="width:80px;" type="text"/>
38. Depletion in excess of adjusted basis .....	38 <input style="width:80px;" type="text"/>
39. Estate taxes on income in respect of a decedent not taxable by Oregon .....	39 <input style="width:80px;" type="text"/>
40. Other additions (attach explanation) .....	40 <input style="width:80px;" type="text"/>
41. Add lines 36 through 40 .....	41 <input style="width:80px;" type="text"/>
42. Fiduciary adjustment (difference between lines 35 and 41) .....	42 <input style="width:80px;" type="text"/>

This fiduciary adjustment is to be  added or  subtracted on page 1, line 5.

**2004 RATE SCHEDULE**

**Compute the Tax Using the Following Rates**

<b>If your taxable income is:</b>	<b>Your tax is:</b>
Not over \$2,600 .....	5% of taxable income
Over \$2,600 but not over \$6,500 .....	\$130 plus 7% of the excess over \$2,600
Over \$6,500 .....	\$403 plus 9% of the excess over \$6,500

I declare under the penalties for false swearing that this return (and any accompanying schedules and statements) has been examined by me, and to the best of my knowledge and belief, it is true, correct, and complete.

Signature of Fiduciary <b>X</b>	Print Name	Date
Title (if applicable)	Daytime Telephone Number (      )	

Check the box to authorize the preparer to receive and provide any confidential tax information relating to this return.

Signature of Preparer other than Fiduciary <b>X</b>	Print Name	Date
Title (if applicable)	Daytime Telephone Number (      )	



