

Schedule NRC

Oregon Natural Resource or Commercial Fishing Business Property Credit for Form IT-1

Estate of: _____

Decedent's Social Security number _____

Part 1. Qualifying natural resource or commercial fishing business property, is 50 percent or more of the adjusted gross estate, which does not exceed \$15 million (applicable to deaths on or after January 1, 2007):

- Farm use defined in ORS 308A.056
- Farm use defined in ORS 308A.250
- Forestland defined in ORS 321.201
- Forestland defined in ORS 308A.250
- Property used in commercial fishing business, as defined by IRC 1301(b)(4), and licensed under ORS 508
- Property of a commercial fishing business licensed under ORS chapter 508, that is used to process and sell the catch to consumers, including a restaurant with seating capacity of less than 15

The credit is not valid unless all parts of this schedule are completed and Part 3 of this schedule:

- a. is signed by each qualified heir with an interest in the natural resource or commercial fishing business property; and
- b. the completed Schedule NRC is attached to Form IT-1, *Oregon Inheritance Tax Return*, when it is filed.

Part 2. Description of property. All natural resource and commercial fishing business property entered on the lines below must also be entered on the applicable schedules from Form 706.

A. Schedule and item number from Form 706	B. Description of the qualified natural resource property or commercial fishing business property	C. Fair market value	D. Value upon which the credit is calculated
Totals		C.	D.

- Attach a legal description of all property described in column B.
- Attach copies of valid fee appraisals for all property listed in column C (property tax statements are not acceptable for determining the date of death property value).

Identify each qualified heir receiving an interest in property upon which the credit is calculated. Attach additional pages if more lines are needed.

	Full name	Street address, city, state, ZIP code
A		
B		
C		
D		
E		
F		
G		

	Identifying number (e.g., SSN, FEIN)	Relationship to decedent	FMV or heirs' portion of qualified property
A			
B			
C			
D			
E			
F			
G			

Estate of: _____

Decedent's Social Security number _____

Qualified Heir is defined as a member of the decedent's family as defined in Section 2032A and/or the decedent's registered domestic partner, defined in Chapter 106.

Part 3. Valid election. Natural resource or commercial fishing business property credit.

We (list the qualified heirs having an interest in the natural resource or commercial fishing business property) _____

are the qualified heirs having interest in the natural resource or commercial fishing business property. We approve of the election made by _____

Executor/Administrator of the estate of _____

We, the qualified heirs, understand ORS 118.140, as amended by 2008 House Bill 3618, requires the following conditions:

1. The qualified heir must use the natural resource property or commercial fishing business property for which a credit is elected for at least five out of eight calendar years following the decedent's death to qualify for the credit. See Form IT-1, line 18 instructions for tax credit computation.
2. During the five out of eight calendar years required use period, described in number 1 above, the qualified heir may transfer the natural resource or commercial fishing business property to another qualified heir who is eligible for the credit.
3. If the heir does not use natural resource or commercial fishing business property for five out of eight calendar years following the decedent's death, or the heir disposes of the property, an additional tax under ORS 118.005 to 118.840 is due from the heir.
 - a. The additional tax liability will be the amount of the credit allowed on the disqualified property multiplied by [(five minus the number of years the property was used as natural resource property) divided by five].
 - b. An amended Form IT-1, *Oregon Inheritance Tax Return*, will be required from the heir and the additional inheritance tax paid.

Signature of each qualified heir for a valid election:

_____ (Signature of qualified heir)	_____ Date (MM/DD/YYYY)
_____ (Signature of qualified heir)	_____ Date (MM/DD/YYYY)
_____ (Signature of qualified heir)	_____ Date (MM/DD/YYYY)
_____ (Signature of qualified heir)	_____ Date (MM/DD/YYYY)
_____ (Signature of qualified heir)	_____ Date (MM/DD/YYYY)
_____ (Signature of qualified heir)	_____ Date (MM/DD/YYYY)
_____ (Signature of qualified heir)	_____ Date (MM/DD/YYYY)

Attach additional pages if more signature lines are needed.

ATTACH PAGES 1 and 2 OF THIS SCHEDULE TO FORM IT-1