



Tax-Aide Test Booklet

Tax-Aide Program • Forms 40 & 90R

Name: _____	
Address: _____	
Daytime phone: _____	
Test 1—Form 40:	Test 2—Form 90R:
Section A _____	Section A _____
Section B _____	Section B _____
Section C _____	Section C _____
Hartman _____	Fitzroy _____
Stein _____	Walker and _____
Cotter _____	Woodman _____
Total points earned _____	Total points earned _____

Introduction

Testing procedures

There are two tests in this booklet. The first covers Form 40. The second covers Form 90R. Take the tests after you've read the materials in each major section of the *Tax-Aide Workbook*. Your Tax-Aide coordinator will tell you when the tests are due, then grade, and return them to you.

The test instructions explain how to take the tests. The tests are "open book," which means you may use any reference materials you have. Use the tax tables and rate charts in the *Tax-Aide Workbook*. You should **not** talk to anyone about test problems while you take the test.

The total number of points for Test 1 is 100. The minimum passing score is 75.

The total number of points for Test 2 is 45. The minimum passing score is 34.

The tests aren't to show whether you know the more difficult areas. It should be used as a means to learn:

- Your current limitations, and
- The areas where you need more study.

Know your limitations

If you are uncomfortable or unsure about a particular return that you are preparing, let your local coordinator know. The coordinator can help you with the issue or the taxpayer can be helped by a more experienced volunteer preparer. The coordinator may also decide that the return is too complex and refer them to a licensed tax return preparer.

You can still volunteer for Tax Aide even if you're uncomfortable filling out returns after studying the *Tax-Aide Workbook* and taking the test. For example, the Tax-Aide site coordinator can assign you to help make appointments for other Tax-Aide volunteers. Contact the local coordinators to find out what you can do to help. Other areas of the program will appreciate your help.

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Test 1—Form 40

Section A (12 points)

Check true or false. Each correct answer is worth half a point. Read each statement carefully.

	True	False
1. Social Security benefits are taxable by Oregon.	_____	_____
2. A taxpayer will never file an Oregon return if they aren't required to file a federal return.	_____	_____
3. A taxpayer may qualify for both the severely disabled exemption and the loss of use of limbs credits.	_____	_____
4. Both taxpayers need to sign a joint return to make it valid.	_____	_____
5. Social Security income is included when figuring household income for the retirement income credit.	_____	_____
6. If a retiree is age 61 and receiving pension income, and the spouse is age 63 and is not retired, the couple may be eligible for the Oregon retirement income credit on their joint return.	_____	_____
7. Oregon taxable income is always the same as federal taxable income.	_____	_____
8. Taxpayers who temporarily move out of Oregon are part-year Oregon residents.	_____	_____
9. A taxpayer must have at least \$10,000 in earned income to claim the working family child care credit.	_____	_____
10. Each separate Oregon Lottery ticket or play that results in winnings of \$600 or less will qualify for an Oregon subtraction if included in federal adjusted gross income.	_____	_____
11. Taxpayers who receive private pension distributions cannot take a subtraction for the pension on their Oregon return.	_____	_____
12. All pension income, along with the retirement income credit, can be reported on Form 40S.	_____	_____
13. American Indians can subtract all of their income from their Oregon return, no matter where they work or live.	_____	_____
14. A taxpayer can't file Form 40 if their taxable income is under \$5,000.	_____	_____
15. The federal tax subtraction amount usually is not the same as the amount of federal income tax withheld from wages.	_____	_____
16. Oregon requires an addition for interest income from bonds issued by other states.	_____	_____

Section A (cont.)

	True	False
17. Oregon allows an additional medical deduction for taxpayers age 60 or over who itemize deductions for Oregon.	_____	_____
18. All income earned by an Oregon resident for work performed inside or outside Oregon is taxed by Oregon.	_____	_____
19. A taxpayer may claim both the retirement income credit and the credit for the elderly or disabled.	_____	_____
20. Oregon state income tax claimed as a federal itemized deduction must be subtracted from itemized deductions on the Oregon return.	_____	_____
21. A taxpayer who uses the federal standard deduction will always itemize for Oregon.	_____	_____
22. A taxpayer must have retirement income taxed by Oregon to claim the retirement income credit.	_____	_____
23. A taxpayer may claim the working family child care credit if they have child care expenses for their 15-year-old child who is not disabled.	_____	_____
24. A federal retiree who retired before October 1, 1991 receives a 100 percent subtraction of their federal pension included in federal AGI.	_____	_____
25. Oregon does not tax active duty military income earned in Oregon.	_____	_____
26. A taxpayer who contributes \$1,000 to an Oregon 529 College Savings Plan for her grandchild is eligible for a subtraction on her Oregon return.	_____	_____
27. Dependents don't need to file a tax return.	_____	_____

Section B (14 points)

Select one answer for each problem. Each correct answer is worth one point. Read each question carefully.

1. Generally, the standard deduction is determined by which factor(s)?
 - A. Filing status and exemptions.
 - B. Mailing address.
 - C. Filing status, age, and blindness.
 - D. Oregon additions and subtractions.

2. Jim Taxpayer subtracted Oregon Lottery winnings of \$600 on his Oregon return (Form 40, line 18). He also claimed Oregon Lottery gambling losses of \$600 on his Schedule A. Jim had no other gambling winnings or losses. What does Jim need to do on his Oregon return?
 - A. Claim the same amount of gambling loss on Schedule A for Oregon as he claimed for federal.
 - B. Add the gambling losses back on Form 40 because gambling losses claimed on Schedule A cannot be more than gambling winnings taxable by Oregon.
 - C. Claim the standard deduction for Oregon.
 - D. None of the above.

3. Taxpayers can't claim a personal exemption credit if they:
 - A. Are full-time high school students.
 - B. Had taxable income of \$50,000 or more.
 - C. Had any unearned income from their savings account.
 - D. Can be claimed as a dependent on another person's return.

4. If a taxpayer claimed the federal earned income credit (EIC) on their federal return:
 - A. It must be added into income on the Oregon return.
 - B. They must be a university student.
 - C. They will claim 5 percent of the federal EIC as a refundable credit on the Oregon return.
 - D. It may be a subtraction on the Oregon return.

5. Which of the following type of income is taxable by Oregon?
 - A. Wages.
 - B. Railroad Retirement Board benefits.
 - C. Social Security benefits.
 - D. Interest income from U.S. government bonds.

6. Which of the following taxpayers qualifies for the severely disabled exemption credit?
 - A. One who used crutches for three months during the year.
 - B. One who lost the use of one hand.
 - C. One who lost the use of one leg.
 - D. One who wears bifocals and uses a hearing aid.

7. Taxpayers can't claim the working family child care credit if they:
 - A. Have less than \$2,950 of interest and dividend income.
 - B. Pay their 16-year-old child to watch his or her three-year-old sibling 10 hours per week.
 - C. Claim the child and dependent care credit.
 - D. Have more than \$1,000 of child care expenses.

Section B (cont.)

8. Elvie, age 34, is filing as head of household and claiming her 14-year-old son, Spencer, as a dependent. Her Oregon taxable income is \$14,800. What is her Oregon income tax before Oregon credits?
- A. \$937
 - B. \$1,137
 - C. \$1,128
 - D. \$928
9. Which of the following do you subtract from itemized deductions to determine net Oregon itemized deductions?
- A. Federal withholding.
 - B. Property tax paid in Klamath County.
 - C. Union dues.
 - D. Oregon state income tax claimed on federal Schedule A.
10. Which of the following is an addition to Oregon income?
- A. Bond interest income from the city of Tillamook, Oregon.
 - B. Bond interest income from the state of Colorado.
 - C. Bond interest income from the city of Jackson, Mississippi.
 - D. B and C.
11. Jillian is a resident of Oregon. She is on active duty with the U.S. Navy and was stationed in Japan in 2007. How much is her Oregon subtraction for military pay?
- A. \$6,000.
 - B. None.
 - C. The total of all active duty pay for service outside Oregon.
 - D. No more than \$1,000 of active duty pay.
12. Mercedes and James are married. They choose to file separately. Mercedes will itemize her deductions, and her net Oregon itemized deductions are \$4,682. James has \$1,741 in net Oregon itemized deductions. How much should James deduct on his separate Oregon return?
- A. \$1,741.
 - B. \$1,825, the standard deduction allowed for his filing status.
 - C. None.
 - D. \$3,212.
13. How much is allowed as a political contribution credit for Wade and Diana on their joint return if they contributed \$573 cash to a qualified political party in 2007?
- A. \$573.
 - B. \$50.
 - C. Zero.
 - D. \$100.
14. Which of the following is not an eligible disability for the child with a disability exemption?
- A. Autism
 - B. Learning disability
 - C. Hearing impairment
 - D. Serious emotional disturbance

Section C

For problems 1 and 2 in this section, complete the Oregon return. For problem 3, complete the federal return and any necessary schedules first, then complete the Oregon return.

Problem 1 (22 points) Hartman

Sergio and Patsy Hartman bring in their completed federal tax return. They ask you to prepare their 2007 Oregon return. They tell you the following:

- Address: 5 Tree Blvd., Aumsville, Oregon 97325. Telephone number: 503-000-8080. They just moved to this address four months ago and are renting.
- Sergio's Social Security number is 555-99-0000.
- Patsy's Social Security number is 555-00-9999.
- Sergio is 40 (DOB 05/08/1967) and Patsy is 38 (DOB 06/10/1969).
- They have three dependent daughters, who lived with them all year: Beth (DOB 11/15/1987); Carin (DOB 01/26/1991); and Darcie (DOB 02/03/2001).

They show you their Form W-2s from work. Patsy's W-2 shows income of \$7,000 with Oregon withholding of \$210. Sergio's W-2 shows income of \$26,000 with Oregon withholding of \$1,045.

Patsy has used a wheelchair since she was diagnosed with multiple sclerosis. Her van has been modified to include lift and hand controls for her use. Patsy has a letter from her physician describing her permanent disability. She does not have a certificate from the county health officer.

They also tell you their only other income was interest of \$50 from Bank of Oregon.

Their youngest child, Darcie, attends Aumsville Child Center. They paid \$3,472 for child care. Aumsville Child Center is at 123 ABC Street; Aumsville OR 97325. Their employer ID number is 93-7776777 and their phone number is 503-000-5566. Darcie's Social Security number is 555-00-0003.

If the Hartmans have a refund, they would like it deposited directly into their checking account. Refer to the Hartmans' Form 1040A for bank numbers.

A copy of their federal return is attached. Complete their Oregon return and Schedule WFC and answer the questions on pages 17 and 18.

Form 1040A U.S. Individual Income Tax Return (99) 2007 Department of the Treasury—Internal Revenue Service IRS Use Only—Do not write or staple in this space.

Label (See page 18.)	Your first name and initial	Last name	OMB No. 1545-0074
	Sergio	Hartman	Your social security number 555 | 99 | 0000
Use the IRS label. Otherwise, please print or type.	If a joint return, spouse's first name and initial	Last name	Spouse's social security number 555 | 00 | 9999
	Patsy	Hartman	▲ You must enter your SSN(s) above. ▲
Presidential Election Campaign	Home address (number and street). If you have a P.O. box, see page 18.		Checking a box below will not change your tax or refund.
	5 Tree Blvd.		
City, town or post office, state, and ZIP code. If you have a foreign address, see page 18.		Apt. no.	
Aumsville OR 97325			

Check here if you, or your spouse if filing jointly, want \$3 to go to this fund (see page 18) You Spouse

Filing status
Check only one box.

1 Single
 2 Married filing jointly (even if only one had income)
 3 Married filing separately. Enter spouse's SSN above and full name here. ▶
 4 Head of household (with qualifying person). (See page 19.) If the qualifying person is a child but not your dependent, enter this child's name here. ▶
 5 Qualifying widow(er) with dependent child (see page 20)

Exemptions

6a Yourself. If someone can claim you as a dependent, do not check box 6a.

b Spouse

c Dependents:

(1) First name	Last name	(2) Dependent's social security number	(3) Dependent's relationship to you	(4) <input checked="" type="checkbox"/> if qualifying child for child tax credit (see page 21)
Beth	Hartman	555 | 00 | 0001	Daughter	<input type="checkbox"/>
Carin	Hartman	555 | 00 | 0002	Daughter	<input checked="" type="checkbox"/>
Darcie	Hartman	555 | 00 | 0003	Daughter	<input checked="" type="checkbox"/>
				<input type="checkbox"/>
				<input type="checkbox"/>
				<input type="checkbox"/>

Boxes checked on 6a and 6b: **2**

No. of children on 6c who:
 • lived with you: **3**
 • did not live with you due to divorce or separation (see page 22):

Dependents on 6c not entered above:

Add numbers on lines above ▶ **5**

Income

7 Wages, salaries, tips, etc. Attach Form(s) W-2. 7 **33,000**

8a Taxable interest. Attach Schedule 1 if required. 8a **50**

b Tax-exempt interest. Do not include on line 8a. 8b

9a Ordinary dividends. Attach Schedule 1 if required. 9a

b Qualified dividends (see page 25). 9b

10 Capital gain distributions (see page 25). 10

11a IRA distributions. 11a

11b Taxable amount (see page 25). 11b

12a Pensions and annuities. 12a

12b Taxable amount (see page 26). 12b

13 Unemployment compensation and Alaska Permanent Fund dividends. 13

14a Social security benefits. 14a

14b Taxable amount (see page 28). 14b

15 Add lines 7 through 14b (far right column). This is your total income. ▶ 15 **33,050**

Adjusted gross income

16 Educator expenses (see page 28). 16

17 IRA deduction (see page 28). 17

18 Student loan interest deduction (see page 31). 18

19 Tuition and fees deduction. Attach Form 8917. 19

20 Add lines 16 through 19. These are your total adjustments. 20

21 Subtract line 20 from line 15. This is your adjusted gross income. ▶ 21 **33,050**

For Disclosure, Privacy Act, and Paperwork Reduction Act Notice, see page 58. Cat. No. 11327A Form 1040A (2007)

Tax, credits, and payments	22 Enter the amount from line 21 (adjusted gross income).	22	33,050
Standard Deduction for— • People who checked any box on line 23a or 23b or who can be claimed as a dependent, see page 32. • All others: Single or Married filing separately, \$5,350 Married filing jointly or Qualifying widow(er), \$10,700 Head of household, \$7,850	23a Check if: <input type="checkbox"/> You were born before January 2, 1943, <input type="checkbox"/> Blind <input type="checkbox"/> Spouse was born before January 2, 1943, <input type="checkbox"/> Blind } Total boxes checked ▶ 23a <input type="checkbox"/>		
	b If you are married filing separately and your spouse itemizes deductions, see page 32 and check here ▶ 23b <input type="checkbox"/>		
	24 Enter your standard deduction (see left margin).	24	10,700
	25 Subtract line 24 from line 22. If line 24 is more than line 22, enter -0-.	25	22,350
	26 If line 22 is \$117,300 or less, multiply \$3,400 by the total number of exemptions claimed on line 6d. If line 22 is over \$117,300, see the worksheet on page 32.	26	17,000
	27 Subtract line 26 from line 25. If line 26 is more than line 25, enter -0-. This is your taxable income .	27	5,350
	28 Tax , including any alternative minimum tax (see page 32).	28	538
	29 Credit for child and dependent care expenses. Attach Schedule 2.	29	538
	30 Credit for the elderly or the disabled. Attach Schedule 3.	30	
	31 Education credits. Attach Form 8863.	31	
32 Child tax credit (see page 37). Attach Form 8901 if required.	32		
33 Retirement savings contributions credit. Attach Form 8880.	33		
34 Add lines 29 through 33. These are your total credits .	34	538	
35 Subtract line 34 from line 28. If line 34 is more than line 28, enter -0-.	35	0	
36 Advance earned income credit payments from Form(s) W-2, box 9.	36		
37 Add lines 35 and 36. This is your total tax .	37	0	
38 Federal income tax withheld from Forms W-2 and 1099.	38		
39 2007 estimated tax payments and amount applied from 2006 return.	39		
40a Earned income credit (EIC) .	40a	1,413	
b Nontaxable combat pay election. 40b			
41 Additional child tax credit. Attach Form 8812.	41	2,000	
42 Add lines 38, 39, 40a, and 41. These are your total payments .	42	3,413	
Refund	43 If line 42 is more than line 37, subtract line 37 from line 42. This is the amount you overpaid .	43	3,413
Direct deposit? See page 53 and fill in 44b, 44c, and 44d or Form 8888.	44a Amount of line 43 you want refunded to you . If Form 8888 is attached, check here ▶ <input type="checkbox"/> 44a 3,413		
	b Routing number <input type="text" value="124124124"/> ▶ c Type: <input checked="" type="checkbox"/> Checking <input type="checkbox"/> Savings		
	d Account number <input type="text" value="2361236123614"/>		
45 Amount of line 43 you want applied to your 2008 estimated tax .	45		
Amount you owe	46 Amount you owe . Subtract line 42 from line 37. For details on how to pay, see page 54.	46	
47 Estimated tax penalty (see page 54).	47		
Third party designee	Do you want to allow another person to discuss this return with the IRS (see page 55)? <input type="checkbox"/> Yes. Complete the following. <input type="checkbox"/> No		
	Designee's name ▶	Phone no. ▶ ()	Personal identification number (PIN) ▶
Sign here	Under penalties of perjury, I declare that I have examined this return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and accurately list all amounts and sources of income I received during the tax year. Declaration of preparer (other than the taxpayer) is based on all information of which the preparer has any knowledge.		
Joint return? See page 18. Keep a copy for your records.	Your signature	Date	Your occupation
	Spouse's signature. If a joint return, both must sign.	Date	Spouse's occupation
Paid preparer's use only	Preparer's signature ▶	Date	Preparer's SSN or PTIN
	Firm's name (or yours if self-employed), address, and ZIP code ▶	Check if self-employed <input type="checkbox"/>	EIN ; Phone no. ()

Schedule 2
(Form 1040A)

Department of the Treasury—Internal Revenue Service

Child and Dependent Care Expenses for Form 1040A Filers (99) **2007**

OMB No. 1545-0074

Name(s) shown on Form 1040A

Sergio and Patsy Hartman

Your social security number

555 : 99 : 0000

Before you begin: You need to understand the following terms. See **Definitions** on page 1 of the separate instructions.

• **Dependent care benefits**

• **Qualifying person(s)**

• **Qualified expenses**

Part I

Persons or organizations who provided the care

You **must** complete this part.

1	(a) Care provider's name	(b) Address (number, street, apt. no., city, state, and ZIP code)	(c) Identifying number (SSN or EIN)	(d) Amount paid (see instructions)
	Aumsville Child Center	123 ABC Street Aumsville OR 97325	93-7776777	3,472 00

If you have more than two care providers, see the instructions.

Did you receive dependent care benefits?	No	→ Complete only Part II below.
	Yes	→ Complete Part III on the back next.

Caution. If the care was provided in your home, you may owe employment taxes. If you do, you must use Form 1040. See **Schedule H** and its instructions for details.

Part II

Credit for child and dependent care expenses

2 Information about your **qualifying person(s)**. If you have more than two qualifying persons, see the instructions.

(a) Qualifying person's name		(b) Qualifying person's social security number	(c) Qualified expenses you incurred and paid in 2007 for the person listed in column (a)
First	Last		
Darcie	Hartman	555 : 00 : 0003	3,472 00

3 Add the amounts in column (c) of line 2. **Do not** enter more than \$3,000 for one qualifying person or \$6,000 for two or more persons. If you completed Part III, enter the amount from line 29.

4 Enter your **earned income**. See the instructions.

5 If married filing jointly, enter your spouse's earned income (if your spouse was a student or was disabled, see the instructions); **all others**, enter the amount from line 4.

6 Enter the **smallest** of line 3, 4, or 5.

7 Enter the amount from Form 1040A, line 22.

8 Enter on line 8 the decimal amount shown below that applies to the amount on line 7.

If line 7 is:			If line 7 is:		
Over	But not over	Decimal amount is	Over	But not over	Decimal amount is
\$0—15,000		.35	\$29,000—31,000		.27
15,000—17,000		.34	31,000—33,000		.26
17,000—19,000		.33	33,000—35,000		.25
19,000—21,000		.32	35,000—37,000		.24
21,000—23,000		.31	37,000—39,000		.23
23,000—25,000		.30	39,000—41,000		.22
25,000—27,000		.29	41,000—43,000		.21
27,000—29,000		.28	43,000—No limit		.20

9 Multiply **line 6** by the decimal amount on line 8. If you paid 2006 expenses in 2007, see the instructions.

10 Enter the amount from the Alternative Minimum Tax Worksheet, line 22. See the instructions.

11 Enter the amount from the Alternative Minimum Tax Worksheet, line 21. See the instructions.

12 Subtract line 11 from line 10. If zero or less, **stop**. You **cannot** take the credit.

13 **Credit for child and dependent care expenses.** Enter the **smaller** of line 9 or line 12 here and on Form 1040A, line 29.

Amended Return <input type="checkbox"/> OREGON 2007 INDIVIDUAL INCOME TAX RETURN Full-Year Residents Only		Form 40	For office use only	
		Fiscal year ending	K F P J	
Last name	First name and initial <input type="checkbox"/> Deceased	Social Security No. (SSN) - -	Date of birth (mm/dd/yyyy)	
Spouse's last name if joint return	Spouse's first name and initial if joint return <input type="checkbox"/> Deceased	Spouse's SSN if joint return - -	Date of birth (mm/dd/yyyy)	
Current mailing address		Telephone number ()		
City	State	ZIP code	Country	
If you filed a return last year, and your name or address is different, check here <input type="checkbox"/>				
Filing Status Check only one box 1 <input type="checkbox"/> Single 2 <input type="checkbox"/> Married filing jointly 3 <input type="checkbox"/> Married filing separately Spouse's name _____ Spouse's SSN _____ 4 <input type="checkbox"/> Head of household Person who qualifies you _____ 5 <input type="checkbox"/> Qualifying widow(er) with dependent child		Exemptions Total 6a Yourself ...Regular <input type="checkbox"/>Severely disabled <input type="checkbox"/>6a <input type="checkbox"/> 6b Spouse.....Regular <input type="checkbox"/>Severely disabled <input type="checkbox"/>b <input type="checkbox"/> 6c All dependents First names c <input type="checkbox"/> 6d Disabled children only d <input type="checkbox"/> (see instructions) Total 6e <input type="checkbox"/>		
Check all that apply →	7a You were: <input type="checkbox"/> 65 or older <input type="checkbox"/> Blind Spouse was: <input type="checkbox"/> 65 or older <input type="checkbox"/> Blind	7b <input type="checkbox"/> You filed an extension	7c <input type="checkbox"/> You have federal Form 8886, REIT, or RIC	7d <input type="checkbox"/> You filed Oregon Form 24
8 Federal adjusted gross income. Federal Form 1040, line 37; 1040A, line 21; 1040EZ, line 4; 1040NR, line 35; or 1040NR-EZ, line 10. See instructions, page 24 8 <input type="text"/> .00				
ADDITIONS				
9 Interest and dividends on state and local government bonds outside of Oregon... 9 <input type="text"/> .00				
10 Other additions. Identify: 10x <input type="text"/> 10y \$ <input type="text"/> Schedule attached 10z <input type="checkbox"/> 10 <input type="text"/> .00				
11 Total additions. Add lines 9 and 10 11 <input type="text"/> .00				
12 Income after additions. Add lines 8 and 11 12 <input type="text"/> .00				
SUBTRACTIONS				
13 2007 federal tax liability (\$0-\$5,500 ; see instructions for the correct amount) 13 <input type="text"/> .00				
14 Social Security included on federal Form 1040, line 20b; or Form 1040A, line 14b... 14 <input type="text"/> .00				
15 Oregon income tax refund included in federal income 15 <input type="text"/> .00				
16 Interest from U.S. government, such as Series EE, HH, and I bonds 16 <input type="text"/> .00				
17 Federal pension income. See instructions, page 27. 17a <input type="text"/> % 17b <input type="text"/> % 17 <input type="text"/> .00				
18 Other subtractions. Identify: 18x <input type="text"/> 18y \$ <input type="text"/> Schedule attached 18z <input type="checkbox"/> 18 <input type="text"/> .00				
19 Total subtractions. Add lines 13 through 18 19 <input type="text"/> .00				
20 Income after subtractions. Line 12 minus line 19 20 <input type="text"/> .00				
DEDUCTIONS If you are claiming itemized deductions, fill in lines 21–25. If you are claiming the standard deduction, fill in line 26 only.				
21 Itemized deductions from federal Schedule A, line 29 21 <input type="text"/> .00				
22 Special Oregon medical deduction (age restricted, see instructions, page 29) 22 <input type="text"/> .00				
23 Total Oregon itemized deductions. Add lines 21 and 22 23 <input type="text"/> .00				
24 State income tax or sales tax claimed as an itemized deduction 24 <input type="text"/> .00				
25 Net Oregon itemized deductions. Line 23 minus line 24 25 <input type="text"/> .00				
OR				
26 Standard deduction from page 30 26 <input type="text"/> .00				
27 Total deductions. Line 25 or line 26, whichever is larger 27 <input type="text"/> .00				
28 Oregon taxable income. Line 20 minus line 27. If line 27 is more than line 20, enter -0- 28 <input type="text"/> .00				
TAX				
29 Tax. See instructions, page 30. Enter tax here 29 <input type="text"/> .00				
Check if tax is from: 29a <input type="checkbox"/> Tax tables or charts or 29b <input type="checkbox"/> Form FIA-40 or 29c <input type="checkbox"/> Worksheet FCG				
30 Interest on certain installment sales 30 <input type="text"/> .00				
31 Total tax before credits. Add lines 29 and 30 OREGON TAX BEFORE CREDITS 31 <input type="text"/> .00				

Page 2 — 2007 Form 40 — Remember to reprint page 1 if any changes are made on this page.

	32 Total tax before credits from front of form, line 31.....	32			.00
NONREFUNDABLE CREDITS	33 Exemption credit. If the amount on line 8 is less than \$117,300, multiply your total exemptions on line 6e by \$165. Otherwise, see instructions on page 31.....	● 33			.00
	34 Retirement income credit. See instructions, page 31.....	● 34			.00
	35 Child and dependent care credit. See instructions, page 32.....	● 35			.00
	36 Credit for the elderly or the disabled. See instructions, page 32.....	● 36			.00
	37 Political contribution credit. See limits, page 32.....	● 37			.00
Attach proof	38 Credit for income taxes paid to another state. State: ● 38y <input type="text"/> Schedule attached 38z <input type="checkbox"/>	● 38			.00
	39 Other credits. Identify: ● 39x <input type="text"/> ● 39y \$ <input type="text"/> Schedule attached 39z <input type="checkbox"/>	● 39			.00
	40 Total non-refundable credits. Add lines 33 through 39.....	● 40			.00
	41 Net income tax. Line 32 minus line 40. If line 40 is more than line 32, enter -0-.....	● 41			.00
PAYMENTS AND REFUNDABLE CREDITS	42 Oregon income tax withheld. Attach Form(s) W-2 and 1099	● 42			.00
	43 Estimated tax payments for 2007. Include payments made with your extension...	● 43			.00
	44 Earning income credit. See instructions, page 34.....	● 44			.00
	45 Working family child care credit from WFC, line 18.....	● 45			.00
	Number from WFC, line 5 ● 45a <input type="text"/> Amount from WFC, line 16 ● 45b \$ <input type="text"/>				
Attach Schedule WFC if you claim this credit	46 Mobile home park closure credit. Attach Schedule MPC.....	● 46			.00
	47 Total payments and refundable credits. Add lines 42 through 46.....	● 47			.00
	48 Overpayment. If line 41 is less than line 47, you overpaid. Line 47 minus line 41 OVERPAYMENT →	● 48			.00
	49 Tax to pay. If line 41 is more than line 47, you have tax to pay. Line 41 minus line 47.... TAX TO PAY →	● 49			.00
	50 Penalty and interest for filing or paying late. See instructions, page 35.....	50			.00
	51 Interest on underpayment of estimated tax. Attach Form 10 and check box <input type="checkbox"/> Exception # from Form 10, line 1 ● 51a <input type="text"/>	● 51			.00
	52 Total penalty and interest due. Add lines 50 and 51.....	52			.00
	53 Amount you owe. Line 49 plus line 52 AMOUNT YOU OWE →	● 53			.00
	54 Refund. Is line 48 more than line 52? If so, line 48 minus line 52 REFUND →	● 54			.00
	55 Estimated tax. Fill in the part of line 54 you want applied to 2008 estimated tax ...	● 55			.00
CHARITABLE CHECKOFFS PAGE 12 <i>I want to donate part of my tax refund to the following fund(s)</i>	Oregon Nongame Wildlife ● 56			.00	
	Alzheimer's Disease Research ● 58			.00	
	AIDS/HIV Education & Services ● 60			.00	
	Habitat for Humanity ● 62			.00	
	American Diabetes Association ● 64			.00	
	SMART ● 66			.00	
	Charity code ● 68a <input type="text"/> ● 68b <input type="text"/>			.00	
	Child Abuse Prevention ● 57			.00	
	Stop Dom. & Sexual Violence ● 59			.00	
	OR Military Financial Assist. ● 61			.00	
OR Head Start Association ● 63			.00		
Oregon Coast Aquarium ● 65			.00		
SOLV ● 67			.00		
Charity code ● 69a <input type="text"/> ● 69b <input type="text"/>			.00		
	70 Total. Add lines 55 through 69. Total can't be more than your refund on line 54.....	● 70			.00
	71 NET REFUND. Line 54 minus line 70. This is your net refund NET REFUND →	● 71			.00

DIRECT DEPOSIT 72 For direct deposit of your refund, see the instructions on page 36. ● **Type of Account:** Checking or Savings

● Routing No. ● Account No.

Important: Attach a copy of your federal Form 1040, 1040A, 1040EZ, 1040NR, or 1040NR-EZ.

Under penalty for false swearing, I declare that the information in this return and any attachments is true, correct, and complete.

Your signature	Date	Signature of preparer other than taxpayer	● License No.
X		X	
Spouse's signature (if filing jointly, BOTH must sign)	Date	Address	Telephone No.
X			

If you owe, make your check or money order payable to the **Oregon Department of Revenue**. Write your daytime telephone number and **"2007 Oregon Form 40"** on your check or money order. **Attach your payment, along with the payment voucher** on page ____, to this return.

Mail TAX-TO-PAY returns to Oregon Department of Revenue PO Box 14555 Salem OR 97309-0940	Mail REFUND returns and NO-TAX-DUE returns to REFUND PO Box 14700 Salem OR 97309-0930
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150-101-040 (Rev. 12-07) DRAFT 08/29/2007

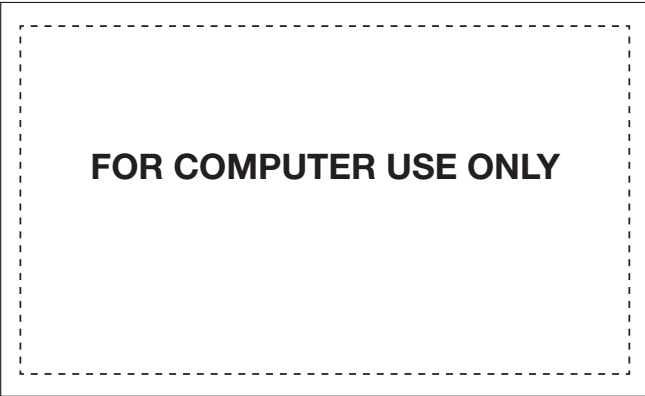
Schedule Oregon Working Family Child Care Credit 2007
WFC for Form 40 and Form 40S Filers

Last name	First name and initial	Social Security No. (SSN) - -	<input type="checkbox"/> Attending school
			<input type="checkbox"/> Form WFC-DP is attached
Spouse's last name if joint return	Spouse's first name and initial if joint return	Spouse's SSN if joint return - -	<input type="checkbox"/> Attending school
			<input type="checkbox"/> Form WFC-DP is attached

YOU MAY BE REQUIRED TO PROVIDE PROOF OF YOUR PAYMENT OF YOUR CHILD CARE EXPENSES

Household Size Calculation

1. Enter the number of exemptions you claimed on your federal return 1
2. Enter the number of exemptions you did not claim on your federal return because you released the exemption to the child's other parent 2
3. Add lines 1 and 2 3
4. Enter the number of exemptions you claimed on your federal return for people who did not live in your household during 2007, including exemptions released to you by your child's other parent, or who are not related by blood, marriage, or adoption 4
5. Household size. Line 3 minus line 4 5



Qualifying Child Care Expenses Paid in 2007. Complete all information for each child care provider you paid in 2007.

Provider's full name and complete address	Provider's SSN or FEIN	Child to Provider Relationship	
6. Name _____	<input style="width: 100%;" type="text"/>	<input style="width: 40px;" type="text"/> (enter code)	
Address _____	Provider's Telephone No. _____	Amount You Paid to Provider	
City, State, ZIP Code _____	..... 6	\$ <input style="width: 60px;" type="text"/>	

Provider's full name and complete address	Provider's SSN or FEIN	Child to Provider Relationship	
7. Name _____	<input style="width: 100%;" type="text"/>	<input style="width: 40px;" type="text"/> (enter code)	
Address _____	Provider's Telephone No. _____	Amount You Paid to Provider	
City, State, ZIP Code _____	..... 7	\$ <input style="width: 60px;" type="text"/>	

Provider's full name and complete address	Provider's SSN or FEIN	Child to Provider Relationship	
8. Name _____	<input style="width: 100%;" type="text"/>	<input style="width: 40px;" type="text"/> (enter code)	
Address _____	Provider's Telephone No. _____	Amount You Paid to Provider	
City, State, ZIP Code _____	..... 8	\$ <input style="width: 60px;" type="text"/>	

9. Add amounts on lines 6 through 8 and enter the result here. If you have more than three providers, check here 9a 9 \$

Qualifying Child Information—Complete all information for each child	Child's SSN	Child's Date of Birth	Child to Taxpayer Relationship (enter code)	Qualifying Expenses You Paid for Child
10. First and Last Name of Child				\$
11.				\$
12.				\$
13.				\$
14. Add amounts on lines 10 through 13 and enter the result here. If you have more than four qualifying children, check here 14a <input type="checkbox"/> 14				\$ <input style="width: 60px;" type="text"/>

Computation of Credit

15. Enter your federal adjusted gross income (Form 40S, line 8; or Form 40, line 8) 15
16. Enter the total qualifying child care expenses you paid in 2007 from line 9 above 16
17. Enter the decimal amount from the working family child care credit table on the back (use the table that matches your household size on line 5 above). For example, if the amount on line 5 is 4, use Table 4. 17 X .
18. Multiply the amount on line 16 by the decimal amount on line 17. Enter the result here and on Form 40S, line 21; or Form 40, line 45. This is your working family child care credit 18

150-101-169 (Rev. 12-07) DRAFT 08/27/2007

— YOU MUST ATTACH THIS SCHEDULE TO YOUR OREGON TAX RETURN TO RECEIVE THIS CREDIT —

Working Family Child Care Credit—2007 Tables

Table 1, household size = 1		
If the amount on Schedule WFC, line 15 is:		Enter this decimal amount on Schedule WFC, line 17:
at least:	but not more than:	
---	\$20,400	.40
20,401	21,450	.36
21,451	22,450	.32
22,451	23,500	.24
23,501	24,500	.16
24,501	25,550	.08
25,551	---	.00

Table 2, household size = 2		
If the amount on Schedule WFC, line 15 is:		Enter this decimal amount on Schedule WFC, line 17:
at least:	but not more than:	
---	\$27,400	.40
27,401	28,750	.36
28,751	30,100	.32
30,101	31,500	.24
31,501	32,850	.16
32,851	34,250	.08
34,251	---	.00

Table 3, household size = 3		
If the amount on Schedule WFC, line 15 is:		Enter this decimal amount on Schedule WFC, line 17:
at least:	but not more than:	
---	\$34,350	.40
34,351	36,050	.36
36,051	37,750	.32
37,751	39,500	.24
39,501	41,200	.16
41,201	42,950	.08
42,951	---	.00

Table 4, household size = 4		
If the amount on Schedule WFC, line 15 is:		Enter this decimal amount on Schedule WFC, line 17:
at least:	but not more than:	
---	\$41,300	.40
41,301	43,350	.36
43,351	45,450	.32
45,451	47,500	.24
47,501	49,550	.16
49,551	51,650	.08
51,651	---	.00

Table 5, household size = 5		
If the amount on Schedule WFC, line 15 is:		Enter this decimal amount on Schedule WFC, line 17:
at least:	but not more than:	
---	\$48,250	.40
48,251	50,650	.36
50,651	53,100	.32
53,101	55,500	.24
55,501	57,900	.16
57,901	60,350	.08
60,351	---	.00

Table 6, household size = 6		
If the amount on Schedule WFC, line 15 is:		Enter this decimal amount on Schedule WFC, line 17:
at least:	but not more than:	
---	\$55,200	.40
55,201	58,000	.36
58,001	60,750	.32
60,751	63,500	.24
63,501	66,250	.16
66,251	69,050	.08
69,051	---	.00

Table 7, household size = 7		
If the amount on Schedule WFC, line 15 is:		Enter this decimal amount on Schedule WFC, line 17:
at least:	but not more than:	
---	\$62,200	.40
62,201	65,300	.36
65,301	68,400	.32
68,401	71,500	.24
71,501	74,600	.16
74,601	77,750	.08
77,751	---	.00

Table 8, household size = 8*		
If the amount on Schedule WFC, line 15 is:		Enter this decimal amount on Schedule WFC, line 17:
at least:	but not more than:	
---	\$69,150	.40
69,151	72,600	.36
72,601	76,050	.32
76,051	79,500	.24
79,501	82,950	.16
82,951	86,450	.08
86,451	---	.00

* If your household size is more than eight, contact the department for the tables you need.

Section C – Problem 1 (22 points) Hartman**11 questions (2 pts. each)**

1. How many exemptions will the Hartmans claim (Form 40, box 6e)?
 - A. 4
 - B. 5
 - C. 6
 - D. 7
2. What is the Hartmans' Oregon standard deduction (Form 40, line 26)?
 - A. \$3,650
 - B. \$2,940
 - C. \$4,650
 - D. \$5,650
3. What is the Hartmans' Oregon taxable income (Form 40, line 28)?
 - A. \$30,110
 - B. \$28,400
 - C. \$29,400
 - D. \$27,400
4. What is the Hartmans' Oregon tax before credits (Form 40, line 31)?
 - A. \$2,451
 - B. \$2,242
 - C. \$2,161
 - D. \$2,251
5. What is the Hartmans' exemption credit (Form 40, line 33)?
 - A. \$660
 - B. \$990
 - C. \$825
 - D. \$1,155
6. What is the Hartmans' child and dependent care credit (Form 40, line 35)?
 - A. \$240
 - B. \$521
 - C. \$900
 - D. \$450
7. What is the Hartmans' net income tax (Form 40, line 41)?
 - A. \$811
 - B. \$802
 - C. \$1,011
 - D. \$976

8. What is the Hartmans' refundable earned income credit (Form 40, line 44)?
- A. \$707
 - B. \$85
 - C. \$71
 - D. \$100
9. What is the Hartmans' household size (Schedule WFC, line 5)?
- A. 4
 - B. 5
 - C. 6
 - D. 7
10. What is the Hartmans' working family credit (Form 40, line 45)?
- A. \$1,200
 - B. \$1,389
 - C. \$1,111
 - D. \$1,140
11. What is the Hartmans' net refund (line 71)?
- A. \$1,913
 - B. \$1,715
 - C. \$649
 - D. \$1,904

Section C—Problem 2 (22 points) Stein

Bella Stein brings in her 2007 income tax information for her Oregon return. She tells you the following:

- Address: 22 My Way, The Dalles, Oregon 97701. This is a new address for Bella. She moved from Burns, Oregon to The Dalles in August 2007.
- Social Security number: 200-50-0000.
- Telephone number: 541-000-8000.
- Bella is 72 years old (DOB 07/02/1935) and hasn't remarried since her husband's death in 2002.
- She brought in her prescription for trifocals. She must wear them to see clearly. She has heard about a severely disabled exemption credit and is certain she will qualify.
- Bella worked part-time. Her wages were \$4,500, and her Oregon income tax withholding was \$180.
- Her deceased husband, Abe, worked for the U.S. Department of Defense from November 22, 1962, until October 2, 1998. Bella receives surviving spouse pension benefits.

Her income on Form 1040 is:

Wages	\$4,500
U.S. federal pension*	12,000
PERS pension*	2,500
Nike pension*	1,900
Social Security benefits, taxable amount	3,900

*All pension income is fully taxable for federal purposes.

Her interest and dividend income on Schedule B is:

Oregon Mutual Savings Bank interest income	\$ 290
Series HH bonds interest income	450
Oregon Employees Federal Credit Union interest income	155
Total interest income	<u>\$ 895</u>
Interest on Tennessee state bonds	510
AT&T ordinary stock dividends	140

Included in Bella's medical deductions on Schedule A are long-term care insurance premiums of \$1,000. She first purchased this policy in 2000.

If she has a refund, she wants to contribute \$30 to Habitat for Humanity.

Copies of Bella's completed federal Form 1040 and Schedule A are on the following pages. Schedule B was completed but is not shown for this problem. Fill out her Oregon Form 40 to answer the questions that follow.

Form **1040**

Department of the Treasury—Internal Revenue Service
U.S. Individual Income Tax Return 2007

(99) IRS Use Only—Do not write or staple in this space.

Label

(See instructions on page 16.)
Use the IRS label. Otherwise, please print or type.

For the year Jan. 1–Dec. 31, 2007, or other tax year beginning _____, 2007, ending _____, 20

Your first name and initial Bella	Last name Stein
If a joint return, spouse's first name and initial	Last name
Home address (number and street). If you have a P.O. box, see page 16. 22 My Way	
City, town or post office, state, and ZIP code. If you have a foreign address, see page 16. The Dalles, OR 97701	

OMB No. 1545-0074

Your social security number
200 50 0000

Spouse's social security number

▲ You must enter your SSN(s) above. ▲

Presidential Election Campaign

Check here if you, or your spouse if filing jointly, want \$3 to go to this fund (see page 16) You Spouse

Filing Status

Check only one box.

- 1 Single
- 2 Married filing jointly (even if only one had income)
- 3 Married filing separately. Enter spouse's SSN above and full name here. ▶
- 4 Head of household (with qualifying person). (See page 17.) If the qualifying person is a child but not your dependent, enter this child's name here. ▶
- 5 Qualifying widow(er) with dependent child (see page 17)

Exemptions

If more than four dependents, see page 19.

6a Yourself. If someone can claim you as a dependent, do not check box 6a

b Spouse

c Dependents:

(1) First name	Last name	(2) Dependent's social security number	(3) Dependent's relationship to you	(4) <input checked="" type="checkbox"/> if qualifying child for child tax credit (see page 19)
				<input type="checkbox"/>
				<input type="checkbox"/>
				<input type="checkbox"/>
				<input type="checkbox"/>

d Total number of exemptions claimed **1**

Boxes checked on 6a and 6b **1**
No. of children on 6c who:
• lived with you
• did not live with you due to divorce or separation (see page 20)
Dependents on 6c not entered above
Add numbers on lines above ▶

Income

Attach Form(s) W-2 here. Also attach Forms W-2G and 1099-R if tax was withheld.

If you did not get a W-2, see page 23.

Enclose, but do not attach, any payment. Also, please use Form 1040-V.

7	Wages, salaries, tips, etc. Attach Form(s) W-2	7	4,500
8a	Taxable interest. Attach Schedule B if required	8a	895
b	Tax-exempt interest. Do not include on line 8a	8b	510
9a	Ordinary dividends. Attach Schedule B if required	9a	140
b	Qualified dividends (see page 23)	9b	
10	Taxable refunds, credits, or offsets of state and local income taxes (see page 24)	10	
11	Alimony received	11	
12	Business income or (loss). Attach Schedule C or C-EZ	12	
13	Capital gain or (loss). Attach Schedule D if required. If not required, check here ▶ <input type="checkbox"/>	13	
14	Other gains or (losses). Attach Form 4797	14	
15a	IRA distributions	15a	
b	Taxable amount (see page 25)	15b	
16a	Pensions and annuities	16a	
b	Taxable amount (see page 26)	16b	16,400
17	Rental real estate, royalties, partnerships, S corporations, trusts, etc. Attach Schedule E	17	
18	Farm income or (loss). Attach Schedule F	18	
19	Unemployment compensation	19	
20a	Social security benefits	20a	
b	Taxable amount (see page 27)	20b	3,900
21	Other income. List type and amount (see page 29)	21	
22	Add the amounts in the far right column for lines 7 through 21. This is your total income ▶	22	25,835

Adjusted Gross Income

23	Educator expenses (see page XX)	23	
24	Certain business expenses of reservists, performing artists, and fee-basis government officials. Attach Form 2106 or 2106-EZ	24	
25	Health savings account deduction. Attach Form 8889	25	
26	Moving expenses. Attach Form 3903	26	
27	One-half of self-employment tax. Attach Schedule SE	27	
28	Self-employed SEP, SIMPLE, and qualified plans	28	
29	Self-employed health insurance deduction (see page 29)	29	
30	Penalty on early withdrawal of savings	30	
31a	Alimony paid b Recipient's SSN ▶	31a	
32	IRA deduction (see page 31)	32	
33	Student loan interest deduction (see page 33)	33	
34	Tuition and fees deduction. Attach Form 8917	34	
35	Domestic production activities deduction. Attach Form 8903	35	
36	Add lines 23 through 31a and 32 through 35	36	
37	Subtract line 36 from line 22. This is your adjusted gross income ▶	37	25,835

For Disclosure, Privacy Act, and Paperwork Reduction Act Notice, see page 80.

Cat. No. 11320B

Form **1040** (2007)

Tax and Credits	38	Amount from line 37 (adjusted gross income)	38	25,835
	39a	Check <input checked="" type="checkbox"/> You were born before January 2, 1943, <input type="checkbox"/> Blind. Total boxes if: <input type="checkbox"/> Spouse was born before January 2, 1943, <input type="checkbox"/> Blind. checked ▶ 39a	1	
	b	If your spouse itemizes on a separate return or you were a dual-status alien, see page 34 and check here ▶ 39b	<input type="checkbox"/>	
	40	Itemized deductions (from Schedule A) or your standard deduction (see left margin)	40	8,414
	41	Subtract line 40 from line 38	41	17,421
	42	If line 38 is \$117,300 or less, multiply \$3,400 by the total number of exemptions claimed on line 6d. If line 38 is over \$117,300, see the worksheet on page XX	42	3,400
	43	Taxable income. Subtract line 42 from line 41. If line 42 is more than line 41, enter -0-	43	14,021
	44	Tax (see page 36). Check if any tax is from: a <input type="checkbox"/> Form(s) 8814 b <input type="checkbox"/> Form 4972 c <input type="checkbox"/> Form(s) 8889	44	1,713
	45	Alternative minimum tax (see page 39). Attach Form 6251	45	
	46	Add lines 44 and 45	46	1,713
	47	Credit for child and dependent care expenses. Attach Form 2441	47	
	48	Credit for the elderly or the disabled. Attach Schedule R	48	
	49	Education credits. Attach Form 8863	49	
	50	Residential energy credits. Attach Form 5695	50	
	51	Foreign tax credit. Attach Form 1116 if required	51	
	52	Child tax credit (see page XX). Attach Form 8901 if required	52	
	53	Retirement savings contributions credit. Attach Form 8880	53	
	54	Credits from: a <input type="checkbox"/> Form 8396 b <input type="checkbox"/> Form 8859 c <input type="checkbox"/> Form 8839	54	
	55	Other credits: a <input type="checkbox"/> Form 3800 b <input type="checkbox"/> Form 8801 c <input type="checkbox"/> Form	55	
	56	Add lines 47 through 55. These are your total credits	56	
	57	Subtract line 56 from line 46. If line 56 is more than line 46, enter -0-	57	1,713
	58	Other Taxes Self-employment tax. Attach Schedule SE	58	
	59	Unreported social security and Medicare tax from: a <input type="checkbox"/> Form 4137 b <input type="checkbox"/> Form 8919	59	
	60	Additional tax on IRAs, other qualified retirement plans, etc. Attach Form 5329 if required	60	
	61	Advance earned income credit payments from Form(s) W-2, box 9	61	
	62	Household employment taxes. Attach Schedule H	62	
	63	Add lines 57 through 62. This is your total tax	63	1,713
	64	Payments Federal income tax withheld from Forms W-2 and 1099	64	
	65	2007 estimated tax payments and amount applied from 2006 return	65	
	66a	Earned income credit (EIC)	66a	
	b	Nontaxable combat pay election ▶ 66b		
	67	Excess social security and tier 1 RRTA tax withheld (see page 60)	67	
	68	Additional child tax credit. Attach Form 8812	68	
	69	Amount paid with request for extension to file (see page 60)	69	
	70	Payments from: a <input type="checkbox"/> Form 2439 b <input type="checkbox"/> Form 4136 c <input type="checkbox"/> Form 8885	70	
	71	Refundable credit for prior year minimum tax from Form 8801, line 27	71	
	72	Add lines 64, 65, 66a, and 67 through 71. These are your total payments	72	
	73	If line 72 is more than line 63, subtract line 63 from line 72. This is the amount you overpaid	73	
	74a	Amount of line 73 you want refunded to you . If Form 8888 is attached, check here ▶ <input type="checkbox"/>	74a	
	b	Routing number		
	c	Type: <input type="checkbox"/> Checking <input type="checkbox"/> Savings		
	d	Account number		
	75	Amount of line 73 you want applied to your 2008 estimated tax ▶	75	
	76	Amount you owe. Subtract line 72 from line 63. For details on how to pay, see page 62 ▶	76	1,713
	77	Estimated tax penalty (see page 62)	77	

Third Party Designee Do you want to allow another person to discuss this return with the IRS (see page 63)? Yes. Complete the following. No

Designee's name _____ Phone no. () _____ Personal identification number (PIN) _____

Sign Here Under penalties of perjury, I declare that I have examined this return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

Joint return? See page 17. Keep a copy for your records.

Your signature	Date	Your occupation	Daytime phone number ()
Spouse's signature. If a joint return, both must sign.	Date	Spouse's occupation	

Paid Preparer's Use Only

Preparer's signature _____ Date _____ Check if self-employed

Firm's name (or yours if self-employed), address, and ZIP code _____ EIN _____ Preparer's SSN or PTIN _____

Phone no. () _____

SCHEDULES A&B (Form 1040)		Schedule A—Itemized Deductions (Schedule B is on back)			OMB No. 1545-0074 2007 Attachment Sequence No. 07	
Department of the Treasury Internal Revenue Service (99)		▶ Attach to Form 1040. ▶ See Instructions for Schedules A&B (Form 1040).				
Name(s) shown on Form 1040					Your social security number	
Bella Stein					200 50 0000	
Medical and Dental Expenses	1	Medical and dental expenses (see page A-1)	1	2,162		
	2	Enter amount from Form 1040, line 38	2	25,835		
	3	Multiply line 2 by 7.5% (.075)	3	1,938		
	4	Subtract line 3 from line 1. If line 3 is more than line 1, enter -0-	4		224	
Taxes You Paid (See page A-2.)	5	State and local (check only one box): a <input checked="" type="checkbox"/> Income taxes, or b <input type="checkbox"/> General sales taxes	5	180		
	6	Real estate taxes (see page A-5)	6	2,150		
	7	Personal property taxes	7			
	8	Other taxes. List type and amount ▶	8			
	9	Add lines 5 through 8	9		2,330	
Interest You Paid (See page A-5.)	10	Home mortgage interest and points reported to you on Form 1098	10	5,360		
	11	Home mortgage interest not reported to you on Form 1098. If paid to the person from whom you bought the home, see page A-6 and show that person's name, identifying no., and address ▶	11			
	12	Points not reported to you on Form 1098. See page A-6 for special rules	12			
	13	Qualified mortgage insurance premiums (See page A-7)	13			
	14	Investment interest. Attach Form 4952 if required. (See page A-7.)	14			
15	Add lines 10 through 14	15		5,360		
Gifts to Charity If you made a gift and got a benefit for it, see page A-7.	16	Gifts by cash or check. If you made any gift of \$250 or more, see page A-8	16	500		
	17	Other than by cash or check. If any gift of \$250 or more, see page A-8. You must attach Form 8283 if over \$500	17			
	18	Carryover from prior year	18			
	19	Add lines 16 through 18	19		500	
Casualty and Theft Losses	20	Casualty or theft loss(es). Attach Form 4684. (See page A-9.)	20			
Job Expenses and Certain Miscellaneous Deductions (See page A-9.)	21	Unreimbursed employee expenses—job travel, union dues, job education, etc. Attach Form 2106 or 2106-EZ if required. (See page A-9.) ▶	21			
	22	Tax preparation fees.	22			
	23	Other expenses—investment, safe deposit box, etc. List type and amount ▶	23			
	24	Add lines 21 through 23	24			
	25	Enter amount from Form 1040, line 38	25			
26	Multiply line 25 by 2% (.02)	26				
27	Subtract line 26 from line 24. If line 26 is more than line 24, enter -0-	27				
Other Miscellaneous Deductions	28	Other—from list on page A-9. List type and amount ▶	28			
Total Itemized Deductions	29	Is Form 1040, line 38, over \$156,400 (over \$78,200 if married filing separately)? <input checked="" type="checkbox"/> No. Your deduction is not limited. Add the amounts in the far right column for lines 4 through 28. Also, enter this amount on Form 1040, line 40. <input type="checkbox"/> Yes. Your deduction may be limited. See page A-10 for the amount to enter.	29		8,414	
	30	If you elect to itemize deductions even though they are less than your standard deduction, check here <input type="checkbox"/>				

For Paperwork Reduction Act Notice, see Form 1040 instructions.

Cat. No. 11330X

Schedule A (Form 1040) 2007

Amended Return <input type="checkbox"/> OREGON 2007 INDIVIDUAL INCOME TAX RETURN Full-Year Residents Only		Form 40	For office use only		
		Fiscal year ending	K F P J		
Last name	First name and initial	Social Security No. (SSN)	Date of birth (mm/dd/yyyy)		
	<input type="checkbox"/> Deceased	- -			
Spouse's last name if joint return	Spouse's first name and initial if joint return	Spouse's SSN if joint return	Date of birth (mm/dd/yyyy)		
	<input type="checkbox"/> Deceased	- -			
Current mailing address			Telephone number		
			()		
City	State	ZIP code	Country	If you filed a return last year, and your name or address is different, check here <input type="checkbox"/>	
Filing Status Check only one box 1 <input type="checkbox"/> Single 2 <input type="checkbox"/> Married filing jointly 3 <input type="checkbox"/> Married filing separately Spouse's name _____ Spouse's SSN _____ 4 <input type="checkbox"/> Head of household Person who qualifies you _____ 5 <input type="checkbox"/> Qualifying widow(er) with dependent child			Exemptions Total 6a Yourself ...Regular <input type="checkbox"/>Severely disabled <input type="checkbox"/>6a <input type="checkbox"/> 6b Spouse.....Regular <input type="checkbox"/>Severely disabled <input type="checkbox"/>b <input type="checkbox"/> 6c All dependents First names _____ ● c <input type="checkbox"/> 6d Disabled children only First names _____ ● d <input type="checkbox"/> (see instructions) Total ● 6e <input type="checkbox"/>		
Check all that apply →	7a ● You were: <input type="checkbox"/> 65 or older <input type="checkbox"/> Blind Spouse was: <input type="checkbox"/> 65 or older <input type="checkbox"/> Blind	7b ● <input type="checkbox"/> You filed an extension	7c ● <input type="checkbox"/> You have federal Form 8886, REIT, or RIC	7d ● <input type="checkbox"/> You filed Oregon Form 24	
8 Federal adjusted gross income. Federal Form 1040, line 37; 1040A, line 21; 1040EZ, line 4; 1040NR, line 35; or 1040NR-EZ, line 10. See instructions, page 24 ● 8				Round to the nearest dollar .....00	
ADDITIONS					
9 Interest and dividends on state and local government bonds outside of Oregon... ● 9				.00	
10 Other additions. Identify: ● 10x <input type="checkbox"/> ● 10y \$ <input type="checkbox"/> Schedule attached 10z <input type="checkbox"/> ● 10				.00	
11 Total additions. Add lines 9 and 10 ● 11				.00	
12 Income after additions. Add lines 8 and 11 ● 12				.00	
SUBTRACTIONS					
13 2007 federal tax liability (\$0-\$5,500 ; see instructions for the correct amount) ● 13				.00	
14 Social Security included on federal Form 1040, line 20b; or Form 1040A, line 14b... ● 14				.00	
15 Oregon income tax refund included in federal income ● 15				.00	
16 Interest from U.S. government, such as Series EE, HH, and I bonds ● 16				.00	
17 Federal pension income. See instructions, page 27. 17a <input type="checkbox"/> % 17b <input type="checkbox"/> % ● 17				.00	
18 Other subtractions. Identify: ● 18x <input type="checkbox"/> ● 18y \$ <input type="checkbox"/> Schedule attached 18z <input type="checkbox"/> ● 18				.00	
19 Total subtractions. Add lines 13 through 18 ● 19				.00	
20 Income after subtractions. Line 12 minus line 19 ● 20				.00	
DEDUCTIONS					
If you are claiming itemized deductions, fill in lines 21–25. If you are claiming the standard deduction, fill in line 26 only.					
21 Itemized deductions from federal Schedule A, line 29 ● 21				.00	
22 Special Oregon medical deduction (age restricted, see instructions, page 29) ● 22				.00	
23 Total Oregon itemized deductions. Add lines 21 and 22 ● 23				.00	
24 State income tax or sales tax claimed as an itemized deduction ● 24				.00	
25 Net Oregon itemized deductions. Line 23 minus line 24 ● 25				.00	
OR					
26 Standard deduction from page 30 ● 26				.00	
27 Total deductions. Line 25 or line 26, whichever is larger ● 27				.00	
28 Oregon taxable income. Line 20 minus line 27. If line 27 is more than line 20, enter -0- ● 28				.00	
} Either line 25 or 26					
TAX					
29 Tax. See instructions, page 30. Enter tax here ● 29				.00	
Check if tax is from: 29a <input type="checkbox"/> Tax tables or charts or ● 29b <input type="checkbox"/> Form FIA-40 or ● 29c <input type="checkbox"/> Worksheet FCG					
30 Interest on certain installment sales..... ● 30				.00	
31 Total tax before credits. Add lines 29 and 30 OREGON TAX BEFORE CREDITS ● 31				.00	

Page 2 — 2007 Form 40 — Remember to reprint page 1 if any changes are made on this page.

	32 Total tax before credits from front of form, line 31.....	32			.00
NONREFUNDABLE CREDITS	33 Exemption credit. If the amount on line 8 is less than \$117,300, multiply your total exemptions on line 6e by \$165. Otherwise, see instructions on page 31.....	● 33			.00
	34 Retirement income credit. See instructions, page 31.....	● 34			.00
	35 Child and dependent care credit. See instructions, page 32.....	● 35			.00
	36 Credit for the elderly or the disabled. See instructions, page 32.....	● 36			.00
	37 Political contribution credit. See limits, page 32.....	● 37			.00
Attach proof	38 Credit for income taxes paid to another state. State: ● 38y <input type="text"/> Schedule attached 38z <input type="checkbox"/>	● 38			.00
	39 Other credits. Identify: ● 39x <input type="checkbox"/> ● 39y \$ <input type="text"/> Schedule attached 39z <input type="checkbox"/>	● 39			.00
	40 Total non-refundable credits. Add lines 33 through 39.....	● 40			.00
	41 Net income tax. Line 32 minus line 40. If line 40 is more than line 32, enter -0-.....	● 41			.00
PAYMENTS AND REFUNDABLE CREDITS	42 Oregon income tax withheld. Attach Form(s) W-2 and 1099	● 42			.00
	43 Estimated tax payments for 2007. Include payments made with your extension...	● 43			.00
	44 Earning income credit. See instructions, page 34.....	● 44			.00
	45 Working family child care credit from WFC, line 18.....	● 45			.00
	Number from WFC, line 5 ● 45a <input type="text"/> Amount from WFC, line 16 ● 45b \$ <input type="text"/>				
Attach Schedule WFC if you claim this credit	46 Mobile home park closure credit. Attach Schedule MPC.....	● 46			.00
	47 Total payments and refundable credits. Add lines 42 through 46.....	● 47			.00
	48 Overpayment. If line 41 is less than line 47, you overpaid. Line 47 minus line 41 OVERPAYMENT →	● 48			.00
	49 Tax to pay. If line 41 is more than line 47, you have tax to pay. Line 41 minus line 47.... TAX TO PAY →	● 49			.00
	50 Penalty and interest for filing or paying late. See instructions, page 35.....	50			.00
	51 Interest on underpayment of estimated tax. Attach Form 10 and check box <input type="checkbox"/> Exception # from Form 10, line 1 ● 51a <input type="text"/>	● 51			.00
	52 Total penalty and interest due. Add lines 50 and 51.....	52			.00
	53 Amount you owe. Line 49 plus line 52 AMOUNT YOU OWE →	● 53			.00
	54 Refund. Is line 48 more than line 52? If so, line 48 minus line 52 REFUND →	● 54			.00
	55 Estimated tax. Fill in the part of line 54 you want applied to 2008 estimated tax ...	● 55			.00
CHARITABLE CHECKOFFS PAGE 12 <i>I want to donate part of my tax refund to the following fund(s)</i>	Oregon Nongame Wildlife ● 56			.00	
	Alzheimer's Disease Research ● 58			.00	
	AIDS/HIV Education & Services ● 60			.00	
	Habitat for Humanity ● 62			.00	
	American Diabetes Association ● 64			.00	
	SMART ● 66			.00	
	Charity code ● 68a <input type="text"/> ● 68b <input type="text"/>			.00	
	Child Abuse Prevention ● 57			.00	
	Stop Dom. & Sexual Violence ● 59			.00	
	OR Military Financial Assist. ● 61			.00	
OR Head Start Association ● 63			.00		
Oregon Coast Aquarium ● 65			.00		
SOLV ● 67			.00		
Charity code ● 69a <input type="text"/> ● 69b <input type="text"/>			.00		
	70 Total. Add lines 55 through 69. Total can't be more than your refund on line 54.....	● 70			.00
	71 NET REFUND. Line 54 minus line 70. This is your net refund NET REFUND →	● 71			.00

DIRECT DEPOSIT 72 For direct deposit of your refund, see the instructions on page 36. ● **Type of Account:** Checking or Savings

● Routing No. ● Account No.

Important: Attach a copy of your federal Form 1040, 1040A, 1040EZ, 1040NR, or 1040NR-EZ.

Under penalty for false swearing, I declare that the information in this return and any attachments is true, correct, and complete.

Your signature	Date	Signature of preparer other than taxpayer	● License No.
X		X	
Spouse's signature (if filing jointly, BOTH must sign)	Date	Address	Telephone No.
X			

If you owe, make your check or money order payable to the **Oregon Department of Revenue.** Write your daytime telephone number and **"2007 Oregon Form 40"** on your check or money order. **Attach your payment, along with the payment voucher** on page ____, to this return.

Mail TAX-TO-PAY returns to Oregon Department of Revenue PO Box 14555 Salem OR 97309-0940	Mail REFUND returns and NO-TAX-DUE returns to REFUND PO Box 14700 Salem OR 97309-0930
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150-101-040 (Rev. 12-07) DRAFT 08/29/2007

Section C – Problem 2 (22 points) Stein**11 questions (2 pts. each)**

1. How many exemptions will Bella claim in box 6e?
 - A. 0
 - B. 1
 - C. 2
 - D. 3

2. What is the amount of Bella's other additions (Form 40, line 10)?
 - A. \$404
 - B. \$104
 - C. \$150
 - D. \$510

3. What is Bella's income after additions (Form 40, line 12)?
 - A. \$25,939
 - B. \$26,389
 - C. \$26,495
 - D. \$26,449

4. What is Bella's federal pension subtraction (Form 40, line 17)?
 - A. \$9,636
 - B. \$12,000
 - C. \$9,660
 - D. \$0

5. What is Bella's income after subtractions (Form 40, line 20)?
 - A. \$14,626
 - B. \$10,726
 - C. \$11,176
 - D. \$8,386

6. What is Bella's net Oregon itemized deduction (Form 40, line 25)?
 - A. \$10,396
 - B. \$10,352
 - C. \$8,234
 - D. \$10,172

7. What is Bella's Oregon taxable income (Form 40, line 28)?
 - A. \$554
 - B. \$2,492
 - C. \$1,004
 - D. \$494

8. What is Bella's Oregon tax (Form 40, line 31)?
- A. \$53
 - B. \$23
 - C. \$123
 - D. \$28
9. What is the amount of Bella's other credits (Form 40, line 39)?
- A. \$500
 - B. \$150
 - C. \$104
 - D. \$134
10. What is Bella's net income tax (Form 40, line 41)?
- A. \$28
 - B. \$53
 - C. \$0
 - D. \$23
11. What is Bella's net refund (Form 40, line 71)?
- A. \$150
 - B. \$152
 - C. \$122
 - D. \$180

Section C—Problem 3 (30 points) Cotter**Federal and Oregon returns**

- Kevin and Thelma Cotter are married filing a joint return.
- Kevin's Social Security number is 333-22-1111.
- Thelma's Social Security number is 777-55-4444.
- Kevin is 68 (DOB 07/09/1939) and Thelma is 63 (DOB 08/09/1944).
- They live at 14 Park Avenue, Coos Bay, Oregon 97331. Their telephone number is 541-000-1000.
- They have five children who are grown and married, and 19 grandchildren.
- Kevin is an State of Oregon retiree. He received a fully taxable PERS pension of \$9,300 in 2007. He gives you a 1099R from PERS that shows withholding totaling \$1,000 for federal and \$365 for state.
- Kevin received \$7,080 in Social Security income in 2007. None of his Social Security benefits are taxable for federal tax purposes.
- Thelma worked for IBM through September 2007. Her IBM wages were \$11,000. Her W-2 shows federal withholding of \$1,600 and state withholding of \$590.
- Thelma started receiving her private pension in October 2007. Her total pension income is \$3,750. Thelma didn't start withholding income tax from her pension until 2008.
- They have canceled checks that show they made an Oregon estimated tax payment of \$750 in 2007 for tax year 2007.
- Kevin and Thelma have certificates of deposit and earned interest of \$2,475 during the year.
- The Cotters received a \$275 Oregon income tax refund in April 2007. They itemized their deductions in the prior year.
- They paid \$3,720 for medical and dental insurance. Thelma spent \$100 on new prescription eyeglasses and \$50 on Weight Watcher's fees because she wanted to lose 15 pounds for bathing suit season. Kevin spent \$150 to participate in a stop smoking program. They both spent \$375 on prescription medicine and co-pays during the year.
- They paid \$960 in home mortgage interest and \$1,510 in property taxes.
- Kevin gave office furniture (a desk, chair, and floor lamp) to a qualified political party. These items were valued at \$435. The political party gave him a receipt showing the donation.
- They contributed \$3,700 cash to their community church this year.
- If they have a refund, the Cotters would like to donate \$100 to the Oregon Humane Society and put \$500 toward their Oregon 2008 estimated tax.
- They would like to use direct deposit for any remaining refund. Here is their bank information:
Savings account
Routing number: 121212123
Account number: 7657657657657

Complete the Cotter's federal return, federal Schedule A, and Oregon state return including schedules. (You don't need to complete federal Schedule B.) Answer the questions that follow.

Form 1040

Department of the Treasury—Internal Revenue Service U.S. Individual Income Tax Return 2007

(99) IRS Use Only—Do not write or staple in this space.

Label (See instructions on page 16.) Use the IRS label. Otherwise, please print or type.

Form fields for name, address, and social security numbers.

Form fields for social security numbers and checkboxes for tax changes.

Presidential Election Campaign Check here if you, or your spouse if filing jointly, want \$3 to go to this fund (see page 16) You Spouse

Filing Status 1 Single 2 Married filing jointly 3 Married filing separately 4 Head of household 5 Qualifying widow(er)

Exemptions 6a Yourself 6b Spouse 6c Dependents (table with columns for name, SSN, and relationship) 6d Total number of exemptions claimed

Income 7 Wages, salaries, tips, etc. 8a Taxable interest 8b Tax-exempt interest 9a Ordinary dividends 9b Qualified dividends 10 Taxable refunds, credits, or offsets of state and local income taxes 11 Alimony received 12 Business income or (loss) 13 Capital gain or (loss) 14 Other gains or (losses) 15a IRA distributions 15b Taxable amount 16a Pensions and annuities 16b Taxable amount 17 Rental real estate, royalties, partnerships, S corporations, trusts, etc. 18 Farm income or (loss) 19 Unemployment compensation 20a Social security benefits 20b Taxable amount 21 Other income 22 Add the amounts in the far right column for lines 7 through 21. This is your total income

Adjusted Gross Income 23 Educator expenses 24 Certain business expenses of reservists, performing artists, and fee-basis government officials 25 Health savings account deduction 26 Moving expenses 27 One-half of self-employment tax 28 Self-employed SEP, SIMPLE, and qualified plans 29 Self-employed health insurance deduction 30 Penalty on early withdrawal of savings 31a Alimony paid 31b Recipient's SSN 32 IRA deduction 33 Student loan interest deduction 34 Tuition and fees deduction 35 Domestic production activities deduction 36 Add lines 23 through 31a and 32 through 35 37 Subtract line 36 from line 22. This is your adjusted gross income

Tax and Credits	38	Amount from line 37 (adjusted gross income)		38	
	39a	Check <input type="checkbox"/> You were born before January 2, 1943, <input type="checkbox"/> Blind. } Total boxes			
		if: <input type="checkbox"/> Spouse was born before January 2, 1943, <input type="checkbox"/> Blind. } checked ▶ 39a			
		b If your spouse itemizes on a separate return or you were a dual-status alien, see page 34 and check here ▶ 39b <input type="checkbox"/>			
		40 Itemized deductions (from Schedule A) or your standard deduction (see left margin)		40	
		41 Subtract line 40 from line 38		41	
		42 If line 38 is \$117,300 or less, multiply \$3,400 by the total number of exemptions claimed on line 6d. If line 38 is over \$117,300, see the worksheet on page XX		42	
		43 Taxable income. Subtract line 42 from line 41. If line 42 is more than line 41, enter -0-		43	
		44 Tax (see page 36). Check if any tax is from: a <input type="checkbox"/> Form(s) 8814 b <input type="checkbox"/> Form 4972 c <input type="checkbox"/> Form(s) 8889		44	
		45 Alternative minimum tax (see page 39). Attach Form 6251		45	
		46 Add lines 44 and 45		46	
		47 Credit for child and dependent care expenses. Attach Form 2441	47		
		48 Credit for the elderly or the disabled. Attach Schedule R	48		
		49 Education credits. Attach Form 8863	49		
		50 Residential energy credits. Attach Form 5695	50		
		51 Foreign tax credit. Attach Form 1116 if required	51		
		52 Child tax credit (see page XX). Attach Form 8901 if required	52		
	53 Retirement savings contributions credit. Attach Form 8880	53			
	54 Credits from: a <input type="checkbox"/> Form 8396 b <input type="checkbox"/> Form 8859 c <input type="checkbox"/> Form 8839	54			
	55 Other credits: a <input type="checkbox"/> Form 3800 b <input type="checkbox"/> Form 8801 c <input type="checkbox"/> Form	55			
	56 Add lines 47 through 55. These are your total credits		56		
	57 Subtract line 56 from line 46. If line 56 is more than line 46, enter -0-		57		
Other Taxes	58	Self-employment tax. Attach Schedule SE		58	
	59	Unreported social security and Medicare tax from: a <input type="checkbox"/> Form 4137 b <input type="checkbox"/> Form 8919		59	
	60	Additional tax on IRAs, other qualified retirement plans, etc. Attach Form 5329 if required		60	
	61	Advance earned income credit payments from Form(s) W-2, box 9		61	
	62	Household employment taxes. Attach Schedule H		62	
	63	Add lines 57 through 62. This is your total tax		63	
Payments	64	Federal income tax withheld from Forms W-2 and 1099	64		
	65	2007 estimated tax payments and amount applied from 2006 return	65		
	66a	Earned income credit (EIC)	66a		
		b Nontaxable combat pay election ▶ 66b			
	67	Excess social security and tier 1 RRTA tax withheld (see page 60)	67		
	68	Additional child tax credit. Attach Form 8812	68		
	69	Amount paid with request for extension to file (see page 60)	69		
	70	Payments from: a <input type="checkbox"/> Form 2439 b <input type="checkbox"/> Form 4136 c <input type="checkbox"/> Form 8885	70		
	71	Refundable credit for prior year minimum tax from Form 8801, line 27	71		
	72	Add lines 64, 65, 66a, and 67 through 71. These are your total payments		72	
Refund	73	If line 72 is more than line 63, subtract line 63 from line 72. This is the amount you overpaid		73	
	74a	Amount of line 73 you want refunded to you . If Form 8888 is attached, check here ▶ <input type="checkbox"/>		74a	
		b Routing number <input type="text"/> c Type: <input type="checkbox"/> Checking <input type="checkbox"/> Savings			
		d Account number <input type="text"/>			
	75	Amount of line 73 you want applied to your 2008 estimated tax ▶ 75			
Amount You Owe	76	Amount you owe. Subtract line 72 from line 63. For details on how to pay, see page 62 ▶		76	
	77	Estimated tax penalty (see page 62)	77		

Third Party Designee Do you want to allow another person to discuss this return with the IRS (see page 63)? **Yes.** Complete the following. **No**

Designee's name ▶	Phone no. ▶ ()	Personal identification number (PIN) ▶
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Sign Here Under penalties of perjury, I declare that I have examined this return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

Your signature	Date	Your occupation	Daytime phone number ()
Spouse's signature. If a joint return, both must sign.	Date	Spouse's occupation	

Paid Preparer's Use Only

Preparer's signature ▶	Date	Check if self-employed <input type="checkbox"/>	Preparer's SSN or PTIN
Firm's name (or yours if self-employed), address, and ZIP code ▶	EIN	Phone no. ()	

Amended Return <input type="checkbox"/> OREGON 2007 INDIVIDUAL INCOME TAX RETURN Full-Year Residents Only		Form 40	For office use only		
		Fiscal year ending	K F P J		
Last name	First name and initial	Social Security No. (SSN)	Date of birth (mm/dd/yyyy)		
	<input type="checkbox"/> Deceased	- -			
Spouse's last name if joint return	Spouse's first name and initial if joint return	Spouse's SSN if joint return	Date of birth (mm/dd/yyyy)		
	<input type="checkbox"/> Deceased	- -			
Current mailing address			Telephone number		
			()		
City	State	ZIP code	Country	If you filed a return last year, and your name or address is different, check here <input type="checkbox"/>	
Filing Status Check only one box 1 <input type="checkbox"/> Single 2 <input type="checkbox"/> Married filing jointly 3 <input type="checkbox"/> Married filing separately Spouse's name _____ Spouse's SSN _____ 4 <input type="checkbox"/> Head of household Person who qualifies you _____ 5 <input type="checkbox"/> Qualifying widow(er) with dependent child			Exemptions Total 6a Yourself ...Regular <input type="checkbox"/>Severely disabled <input type="checkbox"/>6a <input type="checkbox"/> 6b Spouse.....Regular <input type="checkbox"/>Severely disabled <input type="checkbox"/>b <input type="checkbox"/> 6c All dependents First names _____ ● c <input type="checkbox"/> 6d Disabled children only First names _____ ● d <input type="checkbox"/> (see instructions) Total ● 6e <input type="checkbox"/>		
Check all that apply →	7a ● You were: <input type="checkbox"/> 65 or older <input type="checkbox"/> Blind Spouse was: <input type="checkbox"/> 65 or older <input type="checkbox"/> Blind	7b ● <input type="checkbox"/> You filed an extension	7c ● <input type="checkbox"/> You have federal Form 8886, REIT, or RIC	7d ● <input type="checkbox"/> You filed Oregon Form 24	
8 Federal adjusted gross income. Federal Form 1040, line 37; 1040A, line 21; 1040EZ, line 4; 1040NR, line 35; or 1040NR-EZ, line 10. See instructions, page 24 ● 8				Round to the nearest dollar ● 8 <input type="text"/> .00	
ADDITIONS					
9 Interest and dividends on state and local government bonds outside of Oregon... ● 9				.00	
10 Other additions. Identify: ● 10x <input type="text"/> ● 10y \$ <input type="text"/> Schedule attached 10z <input type="checkbox"/> ● 10				.00	
11 Total additions. Add lines 9 and 10 .....				.00
12 Income after additions. Add lines 8 and 11 .....				.00
SUBTRACTIONS					
13 2007 federal tax liability (\$0-\$5,500 ; see instructions for the correct amount) ● 13				.00	
14 Social Security included on federal Form 1040, line 20b; or Form 1040A, line 14b... ● 14				.00	
15 Oregon income tax refund included in federal income .....				.00
16 Interest from U.S. government, such as Series EE, HH, and I bonds .....				.00
17 Federal pension income. See instructions, page 27. 17a <input type="text"/> % 17b <input type="text"/> %... ● 17				.00	
18 Other subtractions. Identify: ● 18x <input type="text"/> ● 18y \$ <input type="text"/> Schedule attached 18z <input type="checkbox"/> ● 18				.00	
19 Total subtractions. Add lines 13 through 18 .....				.00
20 Income after subtractions. Line 12 minus line 19 .....				.00
DEDUCTIONS If you are claiming itemized deductions, fill in lines 21–25. If you are claiming the standard deduction, fill in line 26 only.					
21 Itemized deductions from federal Schedule A, line 29 .....				.00
22 Special Oregon medical deduction (age restricted, see instructions, page 29) .....				.00
23 Total Oregon itemized deductions. Add lines 21 and 22 .....				.00
24 State income tax or sales tax claimed as an itemized deduction .....				.00
25 Net Oregon itemized deductions. Line 23 minus line 24.....				.00	
OR					
26 Standard deduction from page 30.....				.00	
27 Total deductions. Line 25 or line 26, whichever is larger .....				.00
28 Oregon taxable income. Line 20 minus line 27. If line 27 is more than line 20, enter -0- .....				.00
TAX					
29 Tax. See instructions, page 30. Enter tax here .....				.00
Check if tax is from: 29a <input type="checkbox"/> Tax tables or charts or ● 29b <input type="checkbox"/> Form FIA-40 or ● 29c <input type="checkbox"/> Worksheet FCG					
30 Interest on certain installment sales.....				.00	
31 Total tax before credits. Add lines 29 and 30 OREGON TAX BEFORE CREDITS ● 31				.00	

Page 2 — 2007 Form 40 — Remember to reprint page 1 if any changes are made on this page.

	32 Total tax before credits from front of form, line 31.....	32		.00
NONREFUNDABLE CREDITS	33 Exemption credit. If the amount on line 8 is less than \$117,300, multiply your total exemptions on line 6e by \$165. Otherwise, see instructions on page 31.....	● 33		.00
	34 Retirement income credit. See instructions, page 31.....	● 34		.00
	35 Child and dependent care credit. See instructions, page 32.....	● 35		.00
	36 Credit for the elderly or the disabled. See instructions, page 32.....	● 36		.00
	37 Political contribution credit. See limits, page 32.....	● 37		.00
	38 Credit for income taxes paid to another state. State: ● 38y <input type="text"/> Schedule attached 38z <input type="checkbox"/>	● 38		.00
	39 Other credits. Identify: ● 39x <input type="checkbox"/> ● 39y \$ <input type="text"/> Schedule attached 39z <input type="checkbox"/>	● 39		.00
Attach proof	40 Total non-refundable credits. Add lines 33 through 39.....	● 40		.00
	41 Net income tax. Line 32 minus line 40. If line 40 is more than line 32, enter -0-.....	● 41		.00
PAYMENTS AND REFUNDABLE CREDITS	42 Oregon income tax withheld. Attach Form(s) W-2 and 1099	● 42		.00
	43 Estimated tax payments for 2007. Include payments made with your extension...	● 43		.00
	44 Earned income credit. See instructions, page 34.....	● 44		.00
	45 Working family child care credit from WFC, line 18.....	● 45		.00
	Number from WFC, line 5 ● 45a <input type="text"/> Amount from WFC, line 16 ● 45b \$ <input type="text"/>			
	46 Mobile home park closure credit. Attach Schedule MPC.....	● 46		.00
	47 Total payments and refundable credits. Add lines 42 through 46.....	● 47		.00
48 Overpayment. If line 41 is less than line 47, you overpaid. Line 47 minus line 41 OVERPAYMENT →	● 48		.00	
49 Tax to pay. If line 41 is more than line 47, you have tax to pay. Line 41 minus line 47.... TAX TO PAY →	● 49		.00	
50 Penalty and interest for filing or paying late. See instructions, page 35.....	50		.00	
51 Interest on underpayment of estimated tax. Attach Form 10 and check box <input type="checkbox"/>	● 51		.00	
Exception # from Form 10, line 1 ● 51a <input type="text"/>				
52 Total penalty and interest due. Add lines 50 and 51.....	52		.00	
53 Amount you owe. Line 49 plus line 52..... AMOUNT YOU OWE →	● 53		.00	
54 Refund. Is line 48 more than line 52? If so, line 48 minus line 52..... REFUND →	● 54		.00	
55 Estimated tax. Fill in the part of line 54 you want applied to 2008 estimated tax ...	● 55		.00	
CHARITABLE CHECKOFFS PAGE 12 <i>I want to donate part of my tax refund to the following fund(s)</i>	Oregon Nongame Wildlife ● 56		.00	} These will reduce your refund
	Alzheimer's Disease Research ● 58		.00	
	AIDS/HIV Education & Services ● 60		.00	
	Habitat for Humanity ● 62		.00	
	American Diabetes Association ● 64		.00	
	SMART ● 66		.00	
	Charity code ● 68a <input type="text"/> ● 68b <input type="text"/>		.00	
	Child Abuse Prevention ● 57		.00	
	Stop Dom. & Sexual Violence ● 59		.00	
	OR Military Financial Assist. ● 61		.00	
OR Head Start Association ● 63		.00		
Oregon Coast Aquarium ● 65		.00		
SOLV ● 67		.00		
Charity code ● 69a <input type="text"/> ● 69b <input type="text"/>		.00		
70 Total. Add lines 55 through 69. Total can't be more than your refund on line 54.....	● 70		.00	
71 NET REFUND. Line 54 minus line 70. This is your net refund..... NET REFUND →	● 71		.00	

DIRECT DEPOSIT 72 For direct deposit of your refund, see the instructions on page 36. ● **Type of Account:** Checking or Savings

● Routing No. ● Account No.

Important: Attach a copy of your federal Form 1040, 1040A, 1040EZ, 1040NR, or 1040NR-EZ.

Under penalty for false swearing, I declare that the information in this return and any attachments is true, correct, and complete.

Your signature	Date	Signature of preparer other than taxpayer	● License No.
X		X	
Spouse's signature (if filing jointly, BOTH must sign)	Date	Address	Telephone No.
X			

If you owe, make your check or money order payable to the **Oregon Department of Revenue.** Write your daytime telephone number and **"2007 Oregon Form 40"** on your check or money order. **Attach your payment, along with the payment voucher** on page ____, to this return.

Mail TAX-TO-PAY returns to	Oregon Department of Revenue PO Box 14555 Salem OR 97309-0940	Mail REFUND returns and NO-TAX-DUE returns to	REFUND PO Box 14700 Salem OR 97309-0930
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150-101-040 (Rev. 12-07) DRAFT 08/29/2007

SCHEDULES A&B (Form 1040)		Schedule A—Itemized Deductions (Schedule B is on back)		OMB No. 1545-0074 2007 Attachment Sequence No. 07	
Department of the Treasury Internal Revenue Service (99)		▶ Attach to Form 1040. ▶ See Instructions for Schedules A&B (Form 1040).		Your social security number	
Name(s) shown on Form 1040					
Medical and Dental Expenses	Caution. Do not include expenses reimbursed or paid by others.				
	1 Medical and dental expenses (see page A-1)	1			
	2 Enter amount from Form 1040, line 38	2			
	3 Multiply line 2 by 7.5% (.075)	3			
	4 Subtract line 3 from line 1. If line 3 is more than line 1, enter -0-			4	
Taxes You Paid (See page A-2.)	5 State and local (check only one box):	5			
	a <input type="checkbox"/> Income taxes, or				
	b <input type="checkbox"/> General sales taxes				
	6 Real estate taxes (see page A-5)	6			
	7 Personal property taxes	7			
	8 Other taxes. List type and amount	8			
	9 Add lines 5 through 8			9	
Interest You Paid (See page A-5.)	10 Home mortgage interest and points reported to you on Form 1098	10			
	11 Home mortgage interest not reported to you on Form 1098. If paid to the person from whom you bought the home, see page A-6 and show that person's name, identifying no., and address	11			
	Note. Personal interest is not deductible.	12			
	12 Points not reported to you on Form 1098. See page A-6 for special rules	12			
	13 Qualified mortgage insurance premiums (See page A-7)	13			
	14 Investment interest. Attach Form 4952 if required. (See page A-7.)	14			
	15 Add lines 10 through 14			15	
Gifts to Charity If you made a gift and got a benefit for it, see page A-7.	16 Gifts by cash or check. If you made any gift of \$250 or more, see page A-8	16			
	17 Other than by cash or check. If any gift of \$250 or more, see page A-8. You must attach Form 8283 if over \$500	17			
	18 Carryover from prior year	18			
	19 Add lines 16 through 18			19	
Casualty and Theft Losses	20 Casualty or theft loss(es). Attach Form 4684. (See page A-9.)			20	
Job Expenses and Certain Miscellaneous Deductions (See page A-9.)	21 Unreimbursed employee expenses—job travel, union dues, job education, etc. Attach Form 2106 or 2106-EZ if required. (See page A-9.)	21			
	22 Tax preparation fees.	22			
	23 Other expenses—investment, safe deposit box, etc. List type and amount	23			
	24 Add lines 21 through 23	24			
	25 Enter amount from Form 1040, line 38	25			
	26 Multiply line 25 by 2% (.02)	26			
	27 Subtract line 26 from line 24. If line 26 is more than line 24, enter -0-			27	
Other Miscellaneous Deductions	28 Other—from list on page A-9. List type and amount			28	
Total Itemized Deductions	29 Is Form 1040, line 38, over \$156,400 (over \$78,200 if married filing separately)? <input type="checkbox"/> No. Your deduction is not limited. Add the amounts in the far right column for lines 4 through 28. Also, enter this amount on Form 1040, line 40. <input type="checkbox"/> Yes. Your deduction may be limited. See page A-10 for the amount to enter.			29	
	30 If you elect to itemize deductions even though they are less than your standard deduction, check here <input type="checkbox"/>				

For Paperwork Reduction Act Notice, see Form 1040 instructions.

Cat. No. 11330X

Schedule A (Form 1040) 2007

Section C – Problem 3 (30 points) Cotter**15 questions (2 pts. each)**

1. What is the Cotters' filing status on their federal and Oregon returns?
 - A. Married Filing Separately
 - B. Qualifying Widower
 - C. Head of Household
 - D. Married Filing Jointly
2. How many exemptions will the Cotters claim in box 6e on the Oregon return?
 - A. 1
 - B. 2
 - C. 3
 - D. 4
3. What is the Cotters's total income (Form 1040, line 22)?
 - A. \$24,325
 - B. \$33,880
 - C. \$26,800
 - D. \$26,525
4. What is the Cotters' federal standard deduction (Form 1040, line 40)?
 - A. \$11,750
 - B. \$10,700
 - C. \$5,350
 - D. \$12,800
5. What is the Cotters' federal taxable income (Form 1040, line 43)?
 - A. \$5,900
 - B. \$8,250
 - C. \$8,025
 - D. \$9,300
6. What is the Cotters' total federal tax (Form 1040, line 63)?
 - A. \$858
 - B. \$933
 - C. \$828
 - D. \$833
7. What is the amount of the Cotters' total subtractions (Form 40, line 19)?
 - A. \$1,208
 - B. \$1,108
 - C. \$833
 - D. \$1,103

8. What is the amount of the Cotters' medical and dental expenses (Schedule A, line 1)?
 - A. \$3,720
 - B. \$4,345
 - C. \$4,195
 - D. \$4,395
9. What is the amount of the Cotters' total itemized deductions (Schedule A, line 29 or Form 40, line 21)?
 - A. \$10,260
 - B. \$9,585
 - C. \$10,210
 - D. \$9,460
10. What is the Cotters' Oregon special medical deduction (Form 40, line 22)?
 - A. \$0
 - B. \$2,335
 - C. \$1,989
 - D. \$2,010
11. What is the amount of the Cotters' net Oregon itemized deductions (Form 40, line 25)?
 - A. \$10,494
 - B. \$10,515
 - C. \$8,505
 - D. \$10,210
12. What is the Cotters' Oregon taxable income (Form 40, line 28)?
 - A. \$15,198
 - B. \$17,187
 - C. \$15,177
 - D. \$15,182
13. What is the Cotters' Oregon tax (Form 40, line 31)?
 - A. \$1,144
 - B. \$1,344
 - C. \$1,164
 - D. \$964
14. What is the Cotters' retirement income credit (Form 40, line 34)?
 - A. \$713
 - B. \$400
 - C. \$1,175
 - D. \$637
15. What is the Cotters' net refund (Form 40, line 71)?
 - A. \$1,005
 - B. \$1,105
 - C. \$355
 - D. \$150

Test 2—Form 90R

Section A (15 points)

Check true or false. Each correct answer is worth one point. Read each statement carefully.

	True	False
1. The Social Security amount shown on Form 90R should always match the taxable amount shown on the federal income tax return.	_____	_____
2. Gifts received from a relative or friend are included in household income. The claimant subtracts the first \$1,000 of gifts.	_____	_____
3. To be eligible for Elderly Rental Assistance (ERA), a 60-year-old claimant can't have household assets valued at more than \$25,000 on December 31, 2007.	_____	_____
4. Each roommate may file a Form 90R and claim the rent, fuel, and utilities they actually paid.	_____	_____
5. If claimants married during the year, their household income is the combined income of each spouse for the entire year.	_____	_____
6. A person who buys a home and occupies it on November 17, 2007, may claim the rent they paid before the home was purchased.	_____	_____
7. 2007 ERA claims must be received at the Oregon Department of Revenue on or before July 1, 2008, to be considered for an ERA check in 2008.	_____	_____
8. Claimants who qualify for ERA may claim their telephone and cable television bills as part of total fuel and utilities.	_____	_____
9. Form 90R can't be filed on behalf of a decedent's estate.	_____	_____
10. A person who was vacationing in Montana in June may not file for ERA if they rented a home in Oregon during the year.	_____	_____
11. To qualify for ERA, the claimant must have paid more than 20 percent of their household income for rent, fuel, and utilities.	_____	_____
12. Household income is increased by adjustments (Form 1040, line 36; or Form 1040A, line 20) from the federal return.	_____	_____
13. The taxpayer must be at least age 58 as of December 31, 2007, to be eligible for ERA.	_____	_____
14. If a taxpayer rents a mobile home and owns the land, they will never qualify for ERA.	_____	_____
15. Claimants must have household income of no more than \$14,000 to qualify for ERA.	_____	_____

Section B (5 points)

Select one answer for each problem. Each correct answer is worth one point. Read each question carefully.

1. Which of the following item(s) are included in household income?
 - A. Public assistance.
 - B. Oregon income tax refund shown on the federal return.
 - C. Social Security benefits.
 - D. A and C.

2. Generally, what percentage of a nursing home payment is considered rent?
 - A. 80 percent.
 - B. 37 percent.
 - C. 20 percent.
 - D. None of the above.

3. A person may qualify for Elderly Rental Assistance only if:
 - A. They were single on December 31, 2007.
 - B. They were age 58 or older on December 31, 2007.
 - C. Their household income was at least \$17,500.
 - D. They paid more than 40 percent of household income for rent, fuel, and utilities.

4. The household assets list doesn't include:
 - A. A car used in the claimant's business.
 - B. Savings account funds.
 - C. A computer used by the claimant's family.
 - D. Notes receivable (debts owed) due to the claimant.

5. If a person owned their Oregon residence as of December 31, 2007, yet resided in a nursing home, they would:
 - A. Not be able to claim Elderly Rental Assistance.
 - B. Complete Form 90R if all other ERA qualifications were met.
 - C. Need to file Oregon Form 40S.
 - D. None of the above.

Section C

Complete Form 90R for these comprehensive ERA problems.

Problem 1 (10 points) Fitzroy

Kasper Fitzroy's DOB is 02/08/1940. He lives at 123 Great Lakes Ave., Apt. 4, Burns, Oregon 97103. His Social Security number is 888-99-7777. His telephone number is 541-000-4444. His annual income information is listed below.

PERS pension	\$5,000
Social Security benefits (total)	2,500
Interest income	900
Gift from a friend	200

Kasper rents his home for \$210 per month. He paid the following total amounts for fuel and utilities in 2007:

Electricity and gas	\$680
Water	190
Telephone	300

He had \$35,000 in certificates of deposit at year end.

Kasper rented at the same address for the entire year. His landlady is Jill Owner, 1 Your Lake, Burns, Oregon 97103. Her telephone number is 541-000-4141.

Section C – Problem 1 (10 points) Fitzroy**5 questions (2 pts. each)**

1. What is the total amount of work and investment income on Fitzroy's ERA claim (Form 90R, line 8)?
 - A. \$1,100
 - B. \$900
 - C. \$3,400
 - D. \$5,900
2. What is the total amount of retirement income on Fitzroy's ERA claim (Form 90R, line 11)?
 - A. \$7,500
 - B. \$2,500
 - C. \$5,000
 - D. \$900
3. What is the total household income on Fitzroy's ERA claim (Form 90R, line 20)?
 - A. \$900
 - B. \$7,500
 - C. \$8,400
 - D. \$5,900
4. What is the total Oregon rent on Fitzroy's ERA claim (Form 90R, line 22)?
 - A. \$210
 - B. \$2,100
 - C. \$2,310
 - D. \$2,520
5. What is the total fuel and utilities on Fitzroy's ERA claim (Form 90R, line 24)?
 - A. \$490
 - B. \$870
 - C. \$980
 - D. \$1,170

FORM 90R OREGON ELDERLY RENTAL ASSISTANCE 2007				For department use only Date received _____		
				You must fill in your date of birth in order to receive assistance.		
Last name	First name and initial	Enter your Social Security No. (SSN) - -	Date of birth (mm/dd/yyyy)			
Spouse's last name if joint claim	Spouse's first name and initial	Enter spouse's Social Security No. - -	Date of birth (mm/dd/yyyy)			
Current mailing address				For department use only 1 2 3		
City	State	ZIP code	Telephone number ()			

WORK AND INVESTMENT INCOME—Totals for the entire year

1 Wages, salaries, and other pay for work	1		.00
2 Interest and dividends (total taxable and nontaxable).....	2		.00
3 Business net income (loss limited to \$1,000)	3		.00
4 Farm net income (loss limited to \$1,000)	4		.00
5 Total gain on property sales (loss limited to \$1,000)	5		.00
6 Rental net income (loss limited to \$1,000)	6		.00
7 Other income from your federal return. Identify _____	7		.00
8 Add lines 1 through 7	• 8		.00

RETIREMENT INCOME—Totals for the entire year

9 Social Security, supplemental security income (SSI), railroad retirement (total for 2007).....	• 9		.00
10 Pensions and annuities (see instructions)	• 10		.00
11 Add lines 9 and 10	11		.00

OTHER INCOME—Totals for the entire year

12 Children, Adults, and Families (public assistance, not including food stamps).....	• 12		.00
13 Unemployment benefits	• 13		.00
14 Veteran's and military benefits.....	14		.00
15 Family support, gifts, and grants: Total received minus \$500	15		.00
16 Other sources: Identify _____	16		.00
17 Add lines 12 through 16	• 17		.00
18 Add lines 8, 11, and 17	18		.00
19 Adjustments to income from federal Form 1040, line 37 or federal Form 1040A, line 21	• 19		.00
20 YOUR TOTAL HOUSEHOLD INCOME. Line 18 minus line 19. If your household income is \$10,000 or more, STOP HERE! You don't qualify for elderly rental assistance	• 20		.00
21 YOUR TOTAL HOUSEHOLD ASSETS. Fill in your total household assets from the back of this form. (If you or your spouse are age 65 or older, the limitations do not apply. Fill in -0- on line 21.) If your household assets exceed \$25,000, STOP HERE! You don't qualify for elderly rental assistance	• 21		.00

QUALIFYING RENT

22 Total Oregon rent you paid during 2007 (from box 7 of rent schedule on the back)	• 22		.00
23 Special Shelter Allowance (see page 8).....	• 23		.00
24 Total fuel and utilities only (not telephone). Don't include rent! (see page 8)	• 24		.00
25 Check the box if you paid rent to a: <input type="checkbox"/> nursing home <input type="checkbox"/> retirement/rest home or center <input type="checkbox"/> group home			

Under penalties for false swearing, I declare that I have examined this claim, 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 the taxpayer, this declaration is based on all information of which the preparer has any knowledge.

SIGN HERE	→ _____ Your signature	_____ Date	_____ Signature of preparer other than taxpayer	_____ License No.
	→ _____ Spouse's signature (If filing jointly, BOTH must sign)		_____ Address	

Mail your completed 90R to: ERA CLAIMS, PO BOX 14700, SALEM OR 97309-0930

150-545-001 (Rev. 12-07)

RENT SCHEDULE

List the places you rented in Oregon during 2007. Attach additional schedules if needed.

	Residence A	Residence B (if needed)
1. Your street address, city, state, ZIP code	<input style="width: 100%; height: 20px;" type="text"/> <input style="width: 100%; height: 20px;" type="text"/>	<input style="width: 100%; height: 20px;" type="text"/> <input style="width: 100%; height: 20px;" type="text"/>
2. Full name of each roommate	<input style="width: 100%; height: 20px;" type="text"/> <input style="width: 100%; height: 20px;" type="text"/>	<input style="width: 100%; height: 20px;" type="text"/> <input style="width: 100%; height: 20px;" type="text"/>
3. Landlord's name, street address, city, state, ZIP code, and telephone number	<input style="width: 100%; height: 20px;" type="text"/> <input style="width: 100%; height: 20px;" type="text"/> <input style="width: 100%; height: 20px;" type="text"/> <input style="width: 100%; height: 20px;" type="text"/>	<input style="width: 100%; height: 20px;" type="text"/> <input style="width: 100%; height: 20px;" type="text"/> <input style="width: 100%; height: 20px;" type="text"/> <input style="width: 100%; height: 20px;" type="text"/>
4. 2007 rental period	From: <input style="width: 50%; height: 20px;" type="text"/> To: <input style="width: 50%; height: 20px;" type="text"/>	From: <input style="width: 50%; height: 20px;" type="text"/> To: <input style="width: 50%; height: 20px;" type="text"/>
5. Rent you paid per month..... 5A	\$ <input style="width: 100%; height: 20px;" type="text"/>5B \$ <input style="width: 100%; height: 20px;" type="text"/>
6. Total rent you paid (per address)..... 6A	\$ <input style="width: 100%; height: 20px;" type="text"/>6B \$ <input style="width: 100%; height: 20px;" type="text"/>
7. TOTAL RENT PAID IN 2007. Add boxes 6A and 6B and enter the total here. Also enter this amount in box 22 on the front of this form..... 7	\$ <input style="width: 100%; height: 20px;" type="text"/>	

2007 HOUSEHOLD ASSETS LIST

Use Fair Market Value of your assets as of December 31, 2007. If you or your spouse are age 65 or older, this list is **not** required.

1. Real property (includes fair market value of mobile home).....	\$ <input style="width: 100%; height: 20px;" type="text"/>
2. Personal property:	
A. Money on hand: Currency and bills of exchange or others (identify) _____	\$ <input style="width: 100%; height: 20px;" type="text"/>
B. Money on deposit:	
Checking and savings account	\$ <input style="width: 100%; height: 20px;" type="text"/>
Certificates of deposit or others (identify) _____	\$ <input style="width: 100%; height: 20px;" type="text"/>
C. Funds on deposit:	
Funds accruing due to death of the insured where withdrawal is at your option (insurance).....	\$ <input style="width: 100%; height: 20px;" type="text"/>
Funds accruing due to original maturity of a policy contract where withdrawal is at your option.....	\$ <input style="width: 100%; height: 20px;" type="text"/>
D. Money owed to you: Personal or business notes receivable or others (identify) _____	\$ <input style="width: 100%; height: 20px;" type="text"/>
E. Value of shares of stock:	
Capital, common, and preferred	\$ <input style="width: 100%; height: 20px;" type="text"/>
Shares in mutual funds and investment trusts or others (identify) _____	\$ <input style="width: 100%; height: 20px;" type="text"/>
F. Value of assets or property used in a trade or business in which you or your spouse have an ownership interest	\$ <input style="width: 100%; height: 20px;" type="text"/>
TOTAL HOUSEHOLD ASSETS. Fill in the total here and on line 21 on the front of this form	\$ <input style="width: 100%; height: 20px;" type="text"/>

Section C—Problem 2 (15 points) Walker and Woodman

Juanita Walker and Cliff Woodman live in a mobile home park at 8 Town Way, Space 17, Hood River, Oregon 97031. Juanita and Cliff are married and required to file a joint ERA claim. Their telephone number is unlisted, and they don't want it given out.

They own their mobile home, but pay \$280 per month to rent their space. They lived there the entire year.

Juanita's Social Security number is 555-88-5555, and Cliff's is 999-00-8888. Juanita's DOB is 06/17/1947 and Cliff's DOB is 10/12/1948.

Their landlords are Ted and Alice Roberts, 9 Lands Drive, Hood River, Oregon 97031, telephone number 541-000-6611.

Juanita and Cliff's annual income is:

Wages	\$6,375
Interest	245
Alimony received	600
Social Security disability	1,500
Gift from Juanita's daughter	1,700

Their annual fuel and utilities are:

Propane	\$540
Electricity	720
Telephone	410
Satellite TV	420

At year end, their household assets are:

Oregon mobile home	\$18,000
Savings	3,000
Stocks	1,460
Personal truck, stereo, TV, satellite dish	6,500
Sales contract receivable	500

Section C – Problem 2 (15 points) Walker and Woodman**5 questions (3 pts. each)**

1. What is the total amount of work and investment income on Walker and Woodman's ERA claim (Form 90R, line 8)?
 - A. \$6,620
 - B. \$6,975
 - C. \$6,375
 - D. \$7,220
2. What is the total amount of retirement income on Walker and Woodman's ERA claim (Form 90R, line 11)?
 - A. \$1,500
 - B. \$2,100
 - C. \$0
 - D. \$1,745
3. What is the total amount of other income on Walker and Woodman's ERA claim (Form 90R, line 17)?
 - A. \$1,500
 - B. \$0
 - C. \$1,200
 - D. \$1,745
4. What is the total amount of household assets on Walker and Woodman's ERA claim (Form 90R, line 21)?
 - A. \$29,460
 - B. \$22,960
 - C. \$6,500
 - D. \$21,500
5. What is the total fuel and utilities on Walker and Woodman's ERA claim (Form 90R, line 24)?
 - A. \$830
 - B. \$1,670
 - C. \$1,680
 - D. \$1,260

FORM 90R OREGON ELDERLY RENTAL ASSISTANCE 2007				For department use only Date received _____		
				You must fill in your date of birth in order to receive assistance.		
Last name	First name and initial	Enter your Social Security No. (SSN) - -	Date of birth (mm/dd/yyyy)			
Spouse's last name if joint claim	Spouse's first name and initial	Enter spouse's Social Security No. - -	Date of birth (mm/dd/yyyy)			
Current mailing address				For department use only 1 2 3		
City	State	ZIP code	Telephone number ()			

WORK AND INVESTMENT INCOME—Totals for the entire year

1 Wages, salaries, and other pay for work	1		.00	
2 Interest and dividends (total taxable and nontaxable).....	2		.00	
3 Business net income (loss limited to \$1,000)	3		.00	
4 Farm net income (loss limited to \$1,000)	4		.00	
5 Total gain on property sales (loss limited to \$1,000)	5		.00	
6 Rental net income (loss limited to \$1,000)	6		.00	
7 Other income from your federal return. Identify _____	7		.00	
8 Add lines 1 through 7	• 8		.00	

RETIREMENT INCOME—Totals for the entire year

9 Social Security, supplemental security income (SSI), railroad retirement (total for 2007).....	• 9		.00	
10 Pensions and annuities (see instructions)	• 10		.00	
11 Add lines 9 and 10	• 11		.00	

OTHER INCOME—Totals for the entire year

12 Children, Adults, and Families (public assistance, not including food stamps).....	• 12		.00	
13 Unemployment benefits	• 13		.00	
14 Veteran's and military benefits.....	14		.00	
15 Family support, gifts, and grants: Total received minus \$500	15		.00	
16 Other sources: Identify _____	16		.00	
17 Add lines 12 through 16	• 17		.00	
18 Add lines 8, 11, and 17	18		.00	
19 Adjustments to income from federal Form 1040, line 37 or federal Form 1040A, line 21	• 19		.00	
20 YOUR TOTAL HOUSEHOLD INCOME. Line 18 minus line 19. If your household income is \$10,000 or more, STOP HERE! You don't qualify for elderly rental assistance	• 20		.00	
21 YOUR TOTAL HOUSEHOLD ASSETS. Fill in your total household assets from the back of this form. (If you or your spouse are age 65 or older, the limitations do not apply. Fill in -0- on line 21.) If your household assets exceed \$25,000, STOP HERE! You don't qualify for elderly rental assistance	• 21		.00	

QUALIFYING RENT

22 Total Oregon rent you paid during 2007 (from box 7 of rent schedule on the back)	• 22		.00	
23 Special Shelter Allowance (see page 8).....	• 23		.00	
24 Total fuel and utilities only (not telephone). Don't include rent! (see page 8)	• 24		.00	
25 Check the box if you paid rent to a: <input type="checkbox"/> nursing home <input type="checkbox"/> retirement/rest home or center <input type="checkbox"/> group home				

Under penalties for false swearing, I declare that I have examined this claim, 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 the taxpayer, this declaration is based on all information of which the preparer has any knowledge.

SIGN HERE	→ Your signature _____ Date _____	Signature of preparer other than taxpayer _____ License No. _____
	→ Spouse's signature (if filing jointly, BOTH must sign) _____	Address _____

Mail your completed 90R to: ERA CLAIMS, PO BOX 14700, SALEM OR 97309-0930

150-545-001 (Rev. 12-07)

RENT SCHEDULE

List the places you rented in Oregon during 2007. Attach additional schedules if needed.

	Residence A	Residence B (if needed)
1. Your street address, city, state, ZIP code	<input type="text"/> <input type="text"/>	<input type="text"/> <input type="text"/>
2. Full name of each roommate	<input type="text"/> <input type="text"/>	<input type="text"/> <input type="text"/>
3. Landlord's name, street address, city, state, ZIP code, and telephone number	<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>	<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>
4. 2007 rental period	From: <input type="text"/> To: <input type="text"/>	From: <input type="text"/> To: <input type="text"/>
5. Rent you paid per month..... 5A	\$ <input type="text"/>5B \$ <input type="text"/>
6. Total rent you paid (per address)..... 6A	\$ <input type="text"/>6B \$ <input type="text"/>
7. TOTAL RENT PAID IN 2007. Add boxes 6A and 6B and enter the total here. Also enter this amount in box 22 on the front of this form..... 7	\$ <input type="text"/>	

2007 HOUSEHOLD ASSETS LIST

Use Fair Market Value of your assets as of December 31, 2007. If you or your spouse are age 65 or older, this list is **not** required.

1. Real property (includes fair market value of mobile home).....	\$	<input type="text"/>	<input type="text"/>
2. Personal property:			
A. Money on hand: Currency and bills of exchange or others (identify) _____	\$	<input type="text"/>	<input type="text"/>
B. Money on deposit:			
Checking and savings account	\$	<input type="text"/>	<input type="text"/>
Certificates of deposit or others (identify) _____	\$	<input type="text"/>	<input type="text"/>
C. Funds on deposit:			
Funds accruing due to death of the insured where withdrawal is at your option (insurance).....	\$	<input type="text"/>	<input type="text"/>
Funds accruing due to original maturity of a policy contract where withdrawal is at your option.....	\$	<input type="text"/>	<input type="text"/>
D. Money owed to you: Personal or business notes receivable or others (identify) _____	\$	<input type="text"/>	<input type="text"/>
E. Value of shares of stock:			
Capital, common, and preferred	\$	<input type="text"/>	<input type="text"/>
Shares in mutual funds and investment trusts or others (identify) _____	\$	<input type="text"/>	<input type="text"/>
F. Value of assets or property used in a trade or business in which you or your spouse have an ownership interest	\$	<input type="text"/>	<input type="text"/>
TOTAL HOUSEHOLD ASSETS. Fill in the total here and on line 21 on the front of this form	\$	<input type="text"/>	<input type="text"/>