

Exercises for Forms 40N and 40P

Tax-Aide Instructors and Volunteers:

This supplement is designed to be used with the 2007 Oregon *Nonresident and Part-Year Resident* tax booklet. Volunteers should familiarize themselves with all the information provided in the booklet. Also see the inside of the booklet for what's new for 2007. After reading through the booklet, volunteers should complete the four exercises using the blank Forms 40N and 40P. Solutions follow the blank forms.

The Tax-Aide publications are updated every year. We value your comments and suggestions. We'll use your suggestions to improve this publication, so please share them with us. Please mail your comments to one of the addresses below:

Oregon Department of Revenue Policy and Systems Unit Tax-Aide Coordinator 955 Center Street NE Salem OR 97301-2555

E-mail: prac.revenue@state.or.us (In the subject line write: Tax-Aide, 2007)

Thank you.

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Oregon Form 40N—Nonresident Return Exercises

Exercise 1:

Arnold and Maria Smith are married filing jointly and have no dependents.

Arnold—date of birth: 09/19/1948. SSN: 001-00-0000. Maria—date of birth: 04/19/1949. SSN: 002-00-0000.

Home address: 2 Her Road, Battle Ground, Washington 98036. Telephone: 360-000-1111. They have lived in Battle Ground for 20 years.

Arnold worked for the Oregon Department of Transportation (ODOT) for 28 years. He retired in 2002.

Maria works for Megapixel, Inc., headquartered in Gresham, Oregon. She worked the entire year in their Vancouver, Washington, office.

In December 2007, the Smiths sold a Portland, Oregon, duplex rental property.

Here's their income:

Arnold's ODOT pension, fully taxable	\$18,000
Maria's wages	25,000
Interest from U.S. Bank, Gresham, OR	200
Interest from Rainier Bank, Seattle, WA	400
Taxable capital gain on sale of Oregon rental property	22,000

Here's the information from the Smiths' Schedule A itemized deductions:

Total medical expenses	\$6,750	
Federal AGI	65,600	
Limit: 7.5 percent of federal AGI	4,920	
Net medical expenses on Schedule A	1	,830
State income tax withheld—Oregon	2	,250
Home mortgage interest	,	7,910
Property taxes	3	,500
T (1 (1 1 1)		100
Total federal itemized deductions	\$15	5.490

Their federal income tax liability after credits is \$4,720.

Complete the Smiths' Form 40N.

Amended Re	eturn		ORE	GO	N		Form						
000	7	7 INDIVIDU			AX RETUR	NI .		T		For	office ι	ise only	
200								N					
		F(OR NONRI	ESIDE	NTS								
Oregon reside	nt:	mm dd	уууу	mm	dd yyyy	Fis	cal year	ending		K F	P J		T
	Fr	om / /	То	/						N F			
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Current mailing ad	dress					Deceased			Telephon	e number			
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Ctatura	Single					Exempti		Г	•		Г	•	Total
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only 3 L	Married separate	slv.				1	useRe			Severely di	sabled L	b	
box —		household Person who qua				6d Disa	lependent		iames				
1 = 1		ng widow(er) with depen				child	dren only		iarries			Total ● 6e	
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apply→ Spo	use wa	s: 65 or older Blir	nd ext e	nsion	REIT, or	RIC		Forn					
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INCOME		ages, salaries, and oth								.00	_		.00
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		ate and local income								.00	_		.00
		mony received from f								.00	_		.00
		siness income or loss								.00	_		.00
of withholding		pital gain or loss fron								.00	•14S		.00
(W-2s, 1099s), payment,	15 Otl	ner gains or losses fro	om federal Fo	rm 1040), line 14			15F		.00	● 15S		.00
and payment	16 IR/	A distributions from fe	ederal Form 1	040, line	e 15b			16F		.00	_		.00
voucher		nsions and annuities			,					.00	_		.00
		nts, royalties, partner								.00			.00
		m income or loss fro employment and othe								.00.	_		.00
		tal income. Add lines					-			.00	_		.00
		A or SEP and SIMPLE								.00			.00
		ucation deductions fr								.00	•23S		.00
2	24 Mc	ving expenses from	federal Form	1040, lir	ne 26			24F		.00	_ ● 24S		.00
2	25 De	duction for self-empl	oyment tax fro	om fede	eral Form 1040,	line 27		25F		.00	●25S		.00
2		lf-employed health in									● 26S		.00
		mony paid from feder					_			.00	_		.00
		er adjustments to income.		•28	-,		28z ∐			.00			.00
		tal adjustments to inc come after adjustmen			•					.00.	_		.00
		erest on state and loc								.00			.00
		deral election on inter	•			•				.00	_		.00
		er additions. Identify: •33x				attached 33				.00	_		.00
;	34 To	tal additions. Add line	es 31 through	33				• 34F		.00	● 34S		.00
		ome after additions.								.00	_		.00
		cial Security and tier 1					_			.00.			
		er subtractions. Identify:		,	•	edule attached					●37S		.00
		ome after subtraction								.00	● 38S	▲ Carry	.00
;	og Ur	egon percentage. Li	ile 305 ÷ Ilne	oor (no	i more inan 100	J.U‰)■39		_•%				amount to	

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Page 2 — 2007	Fo	rm 40N				
	40	Amount from front of form, line 38S (Oregon amount)			40	.00
DEDUCTIONS		Itemized deductions from federal Schedule A, line 29		.00])	
AND MODIFICATIONS	42	State income tax or sales tax claimed as itemized deduction	• 42	.00] }	
WODIFICATIONS	43	Net Oregon itemized deductions. Line 41 minus line 42	• 43	.00	إ	EITHER, NOT BOTH
	44	Standard deduction from page 27	● 44	.00	_{ } }	NOTBOTH
	45	2007 federal tax liability (\$0-\$5,500; see instructions for the correct am	_	.00	4	
	46		ıle 46z . ● 46	.00	4	
		Deductions and modifications X Oregon percentage. See page 29		.00	-	
		Deductions and modifications not multiplied by the Oregon percentage. See		.00	_	00
	49 50	Total deductions and other modifications. Add lines 47 and 48 Oregon taxable income. Line 40 minus line 49				
OREGON		Tax. See page 29 for instructions. Enter tax here		.00	_	1 .00
TAX	٠.	Check if tax is from: 51a ☐ Tax charts or ● 51b ☐ Form FIA-40N or			_	
	52	Interest on certain installment sales	• 52	.00]	
	53	Total tax before credits. Add lines 51 and 52		OREGON TAX->	_ • 53	.00
	54	Exemption credit. See instructions, page 30	• 54	.00	\Box	
CREDITS Attach proof	55	Credit for income taxes paid to another state. State: ●55y Schedul	le 55z □ ● 55	.00	_ا (ADD TOGETHER
Attacii prooi —	56	Other credits. Identify: ● 56x ● 56y Schedule attached 56z	z □ ● 56	.00	JJ	
		Total non-refundable credits. Add lines 54 through 56				
		Net income tax. Line 53 minus line 57. If line 57 is more than line 53, en				3 .00
PAYMENTS AND REFUNDABLE		Oregon income tax withheld from income. Attach Forms W-2 and 109		.00	⊣ I	
CREDITS		Estimated tax payments for 2007 and payments made with your extens		.00	⊣ I	
		Nonresidents. Tax withheld from pass-through entity		.00	⊣ ۱	ADD TOGETHER
Attach Schadula		Earned income credit. See instructions, page 33		.00	⊣ (ADD TOGETHER
WFC-N/P if you	}	Number from WFC-N/P, line 5 • 63a Amount from WFC-N/P, line 18 • 63b \$	03	.00	-	
claim this credit	J 64	Mobile home park closure credit. Attach Schedule MPC	a 64	.00	٦J	
		Total payments and refundable credits. Add lines 59 through 64				.00
		Overpayment. Is line 58 less than line 65? If so, line 65 minus line 58 .				
		Tax to pay. Is line 58 more than line 65? If so, line 58 minus line 65				
		Penalty and interest for filing or paying late. See instructions, page 33		.00	٦١	
	69	Interest on underpayment of estimated tax. Attach Form 10 and check	box □ • 69	.00]	DD TOGETHER
		Exception # from Form 10, line 1 ● 69a				
	70	Total penalty and interest due. Add lines 68 and 69			70	.00
		Amount you owe. Line 67 plus line 70				
		Refund. Is line 66 more than line 70? If so, line 66 minus line 70			¬ -	.00
	73	Estimated tax. Fill in the part of line 72 you want applied to 2008 estimated tax.		.00	- I	
CHARITABLE		Oregon Nongame Wildlife ● 74 .00 Child Abuse Pr		.00	⊣ ∎	
PAGE 34		Alzheimer's Disease Research • 76 .00 Stop Dom. & Sexual		.00	⊣ I	These will
I want to		AIDS/HIV Education & Services ● 78 .00 OR Military Financia Habitat for Humanity ● 80 .00 OR Head Start Ass		.00	-	reduce
donate part of my tax		Habitat for Humanity ● 80 .00 OR Head Start Ass American Diabetes Association ● 82 .00 Oregon Coast A		.00	⊣ ∎	your refund
refund to the following		SMART • 84 .00	SOLV • 85	.00	⊣	
fund(s)		Charity code ●86a ●86b .00 Charity code ●87a		.00	⊣ ,	
	88	Total. Add lines 73 through 87. Total can't be more than your refund on			_ ● 88	.00
		NET REFUND. Line 72 minus line 88. This is your net refund			• 89	0.0
DIRECT	90	For direct deposit of your refund, see the instructions on page 36.	• Tvi	pe of Account:	Check	king or Savings
DEPOSIT						
	• F	louting No. Account No.			\bot	
Important:	Atta	ach a copy of your federal Form 1040, 1040A, 1040EZ, or	1040NR. Do	o not attach othe	er fe	deral schedules.
Under penalty	for	false swearing, I declare that the information in this return and attachmen	nts is true co	rrect, and complete		
Your signature			preparer other t			nse No.
		X				
X Spanso's signatu	uro /	Address		Telephone	No.	
opouse's signatu	ire (l	filing jointly, BOTH must sign) Date				
X						
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Exercise 2:

Assume the same facts as in Exercise 1, with the following changes:

Arnold is age 65 and his DOB is 09/19/1942.

Maria worked 192 days in Megapixel's Oregon office out of a total of 240 days worked in 2007.

Arnold gave \$50 to the Washington Republican Party, while Maria sent \$75 to the U.S. Democratic Party.

The \$2,250 Oregon total payments is a combination of \$1,853 withholding for 2007 from Maria's wages, plus an estimated tax payment of \$397.

Complete their Oregon Form 40N.

Amended Return OREGON	Form	n		For o	office u	ise only	
INDIVIDUAL INCOME TAX RETU	RN 4	NI					
FOR NONRESIDENTS	TU						
Oregon resident: mm dd yyyy mm dd yy	yy Fiscal year	ending	K	F	- J		Т
From / To /				' '		- f l- i-d- /	(-1-11)
Last name First name and initial	Social Sec	curity No	o. (SSN)		Date	of birth (mm)	ad/yyyy)
Spouse's last name if joint return Spouse's first name and initial if joint	Deceased Spouse's S	SSN if jo	oint return		Date	e of birth (mm.	/dd/yyyy)
Compart we We a saldware	Deceased						
Current mailing address			Telephone n	umber \			
City State ZIP code	Country		If you filed	a return	last ye	ear, and you	r
			*			ent, check h	
● Filing 1 ☐ Single	Exemptions		•			•	Total
Status 2 Married filing jointly	6a YourselfRe	egular	Se	everely dis	abled	6a	ı
Check only 3 Married filling Spouse's name	6b SpouseRe	egular	Se	everely dis	abled _	b)
one separately Spouse's SSN	6c All dependent	ts First r	names			• c	:
4 Head of household Person who qualifies you	_ 6d Disabled children only	First r	names			• d	
5 Qualifying widow(er) with dependent child	(see instruction	ons)				Total ● 6e	,
Check all that You were: ☐ 65 or older ☐ Blind 7b ● ☐ You federa	n have 7d [You f					
The state of the s	or RIC	Forn					
	·		Federal co	lumn (F)		Oregon co	lumn (S)
INCOME 8 Wages, salaries, and other pay for work. Staple all Forms	W-2 below	8F		.00	8S		.00
9 Taxable interest income from federal Form 1040, line 8a		9F			9S		.00
10 Dividend income from federal Form 1040, line 9a					●10S		.00
11 State and local income tax refunds from federal Form 104				.00	+ -		.00
12 Alimony received from federal Form 1040, line 11					●12S		.00
Staple proof 13 Business income or loss from federal Form 1040, line 12				.00.	+		.00.
(W-2s, 1099s), navment. 14 Capital gain or loss from federal Form 1040, line 13				.00	+ '''		.00
and 16 IRA distributions from federal Form 1040, line 15b				.00	┥		.00
payment 17 Ponsions and appuitios from fodoral Form 10/10 line 16b					●17S		.00
here 18 Rents, royalties, partnerships, etc., from federal Form 104.				.00	•18S		.00
19 Farm income or loss from federal Form 1040, line 18				.00	•19S		.00
20 Unemployment and other income from federal Form 1040,	lines 19 through 21	20F		.00	● 20S		.00
21 Total income. Add lines 8 through 20		● 21F		.00	●21S		.00
ADJUSTMENTS 22 IRA or SEP and SIMPLE contributions, federal Form 1040					● 22S		.00
TO INCOME 23 Education deductions from federal Form 1040, lines 23, 33	3, and 34	23F		.00	● 23S		.00
24 Moving expenses from federal Form 1040, line 26				_	●24S		.00
25 Deduction for self-employment tax from federal Form 104					●25S		.00
26 Self-employed health insurance deduction from federal Fo					●26S		.00
27 Alimony paid from federal Form 1040, line 31a					●27S		.00
28 Other adjustments to income. Identify: ●28x ●28y ●28y ●28y	Schedule 28z				●28S ●29S		.00
29 Total adjustments to income. Add lines 22 through 2830 Income after adjustments. Line 21 minus line 29					●29S ●30S		.00
ADDITIONS 31 Interest on state and local government bonds outside of C					•31S		.00
32 Federal election on interest and dividends of a minor child				.00	┥		.00
	lule attached 33z				•33S		.00
34 Total additions. Add lines 31 through 33					•34S		.00
35 Income after additions. Add lines 30 and 34					•35S		.00
SUBTRACTIONS 36 Social Security and tier 1 Railroad Retirement Board benefits i	ncluded on line 20F	• 36F		.00			
37 Other subtractions. Identify: ●37x ●37y \$	chedule attached 37z 🗆	● 37F		.00	●37S		.00
38 Income after subtractions. Line 35 minus lines 36 and 37.				.00	●38S		.00
39 Oregon percentage. Line 38S ÷ line 38F (not more than 1	00.0%)•39[_•%				▲ Carry to	

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Page 2 — 2007 Form 40N

	40	Amount from front of form, line 38S (Oregon amount)			40		.00
DEDUCTIONS		Itemized deductions from federal Schedule A, line 29			T .	'	'
AND		State income tax or sales tax claimed as itemized deduction		.00	1}		
MODIFICATIONS	43	Net Oregon itemized deductions. Line 41 minus line 42	• 43	.00]]	EITHER,	
	44	Standard deduction from page 27	• 44	.00	1	NOT BOTH	
	45	2007 federal tax liability (\$0-\$5,500; see instructions for the correct amount)	• 45	.00	7		
		Other deductions and modifications. Identify: ●46x ●46y \$ Schedule 46z		.00	1		
	47	Deductions and modifications X Oregon percentage. See page 29	• 47	.00			
		Deductions and modifications not multiplied by the Oregon percentage. See page 29		.00			
		Total deductions and other modifications. Add lines 47 and 48			_ ● 49	9	.00
	50	Oregon taxable income. Line 40 minus line 49			• 50	0	.00
OREGON	51	Tax. See page 29 for instructions. Enter tax here	• 51	.00			
TAX		Check if tax is from: 51a ☐ Tax charts or • 51b ☐ Form FIA-40N or • 51c ☐	Wo	rksheet FCG	_		
	52	Interest on certain installment sales	• 52	.00			
	53	Total tax before credits. Add lines 51 and 52		OREGON TAX->	_ • 50	3	.00
NONREFUNDABLE	54	Exemption credit. See instructions, page 30	• 54	.00	1		
CREDITS		Credit for income taxes paid to another state. State: ●55y Schedule 55z		.00] } <i>\</i>	ADD TOGETHE	ER
Attach proof —	56	Other credits. Identify: ●56x ●56y \$ Schedule attached 56z □	• 56	.00] J		
	57	Total non-refundable credits. Add lines 54 through 56			• 57	7	.00
	58	Net income tax. Line 53 minus line 57. If line 57 is more than line 53, enter -0			● 58	3	.00
PAYMENTS AND	59	Oregon income tax withheld from income. Attach Forms W-2 and 1099	• 59	.00])		
REFUNDABLE CREDITS	60	Estimated tax payments for 2007 and payments made with your extension	• 60	.00	J I		
OHEDITO	61	Nonresidents. Tax withheld from pass-through entity	• 61	.00	J l		
	62	Earned income credit. See instructions, page 33	6 2	.00	<u> </u>	ADD TOGETHE	ER
Attach Schedule	63	Working family child care credit from WFC-N/P, line 21	● 63	.00	╛┃		
WFC-N/P if you claim this credit	Ì	Number from WFC-N/P, line 5 ● 63a Amount from WFC-N/P, line 18 ● 63b \$			_		
olalii allo oroale	64	Mobile home park closure credit. Attach Schedule MPC	• 64	.00	<u></u>])		
	65	Total payments and refundable credits. Add lines 59 through 64			• 6	5	.00
	66	Overpayment. Is line 58 less than line 65? If so, line 65 minus line 58	O	VERPAYMENT ->	• 66	ô	.00
	67	Tax to pay. Is line 58 more than line 65? If so, line 58 minus line 65		TAX TO PAY→	• 67	7	.00
	68	Penalty and interest for filing or paying late. See instructions, page 33	68	.00]] 🛕	DD TOGETHER	R
	69	Interest on underpayment of estimated tax. Attach Form 10 and check box	• 69	.00	_]	DD TOGETHE	•
		Exception # from Form 10, line 1 ●69a					
	70	Total penalty and interest due. Add lines 68 and 69			70	o	.00
	71	Amount you owe. Line 67 plus line 70	AMC	OUNT YOU OWE→	• 7	1	.00
	72	Refund. Is line 66 more than line 70? If so, line 66 minus line 70		REFUND→	• 72	2	.00
	73	Estimated tax. Fill in the part of line 72 you want applied to 2008 estimated tax	• 73	.00	۱\		
CHARITABLE		Oregon Nongame Wildlife ● 74 .00 Child Abuse Prevention	• 75	.00	JI.		
CHECKOFFS PAGE 34		Alzheimer's Disease Research ● 76 .00 Stop Dom. & Sexual Violence	• 77	.00	↓ 	These will	
I want to		AIDS/HIV Education & Services ● 78 .00 OR Military Financial Assist.	• 79	.00	√ ا	reduce	
donate part		Habitat for Humanity ● 80 .00 OR Head Start Association	• 81	.00	⊣ ∎	your refund	
of my tax refund to		American Diabetes Association ● 82 .00 Oregon Coast Aquarium	• 83	.00	- I		
the following fund(s)		SMART ● 84 .00 SOLV	85	.00	⊣ ,		
rana(o)		Charity code ●86a ●86b .00 Charity code ●87a	87b	.00	」 ノ		
	88	Total. Add lines 73 through 87. Total can't be more than your refund on line 72.			• 88	3	.00
	89	NET REFUND. Line 72 minus line 88. This is your net refund		NET REFUND→	• 89	9	.00
DIRECT	90	For direct deposit of your refund, see the instructions on page 36.	• Тур	pe of Account: \Box	Chec	king or \square Sa	avings
DEPOSIT							
	• F	Routing No. Account No.					
Important:	Atta	ach a copy of your federal Form 1040, 1040A, 1040EZ, or 1040NF	R. Do	o not attach oth	er fe	deral sched	ules.
Under penalty	for	false swearing, I declare that the information in this return and attachments is tru	e, co	rrect, and complete			
Your signature		Date Signature of preparer of				nse No.	
		X					
X		Address		Telephone	No.		
Spouse's signatu	re (it	filing jointly, BOTH must sign) Date					
X							
150-101-048 (Rev. 12							

Oregon Form 40P—Part-Year Resident Return Exercises

Exercise 3:

Jada Kemp is divorced and filing as head of household. Date of birth: 10/12/1971. SSN: 003-00-0000. One dependent son, Cameron, age 10, lives with Jada. Date of birth: 3/8/1997. SSN: 003-00-0001.

Home address: 10 Boys Road, Brothers, Oregon 97712. Telephone: 541-000-0005.

Jada and Cameron moved to Oregon on August 1, 2007, from Winnemucca, Nevada. On November 30, 2007, Jada received a lump-sum payment of her retirement account from her Nevada employer.

She started her new career in Oregon in December 2007.

Here's Jada's income:

Wages from Nevada employer, all received before moving to Oregon	\$23,000
Interest from Series EE U.S. Savings Bonds cashed October 2, 2007	2,800
Nevada employer retirement account proceeds, fully taxable	11,000
Wages from Oregon employer	3,000

Jada's federal taxable income is \$25,150. Her federal tax liability after credits is \$2,656 (\$1,556 from Form 1040, line 57, and \$1,100 from Form 1040, line 60).

Jada will not itemize her deductions in 2007.

Jada's child-care expenses for the year are \$4,000. The amount on her federal Form 2441, line 6, is the maximum, \$3,000. Her child-care provider information:

Mary Poppins Daycare 224 Sugarplum Lane Winnemucca, Nevada 89445 775-444-5566 EIN: 33-4455667

Child-care payments for 2007: \$3,675

Mother Hubbard's Place 1014 Shoehorn Road Brothers, Oregon 97712 541-111-0005 EIN: 44-5566778

Child-care payments for 2007: \$325

Her Oregon withholding is \$367, and her December estimated tax payment is \$450.

Complete Jada's Form 40P and, if she qualifies, also complete Schedule WFC-N/P.

Amended	Hei	urn	ORE	GOI	N		F	orm						
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		FOR P	ART-YEA	H HE	SIDEN 15									
Oregon resid		/ /	уууу	mm /	dd yyyy	Fi	iscal y	year ending	י	K F	Р	J		
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Last Harrie			First Hairie all	u IIIIIai		Deceased	3001	ai Security i	10. (3314) -			Date of	DILLI (IIIIII)	Ju/yyyy)
Spouse's last na	me if	joint return	Spouse's first	name and	d initial if joint re		Spou	use's SSN if	joint retu	rn		Date of	birth (mm/c	dd/yyyy)
						Deceased		-	-					
Current mailing a	addre	ss							Telepho	ne number				
0.4			04-4-	7ID					()				
City			State	ZIP cod	ae	Country			1 -	filed a retu or address				
						-			Tiairie (or address	5 15 0		CHECK HE	
• Filing 1 L Status 2	_	•				Exemp			Ť	Carranalis	al:		6a	Total
Check 2		ried filing jointly ried filing Spouse's name						Regular _ Regular		Severely			b	
only one		arately Spouse's SSN				· ·		ndents First		ocvorory	aloubi		• c	
box 4	Hea	d of household Person who qu				6d Dis			names				• d	
5 🗆	Qua	lifying widow(er) with depen	dent child				ildren	only ructions)				-	Total ● 6e	
Check 7	<u> </u>	• •	7b ● □ \	∕ou	7c ● You			7d ☐ You	filed					
	ou we	= =	nd filed	d an	federa	Form 888		Ore	gon					
apply→ S	pouse	e was: 65 or older Bli	10 ext	ension	REIT,	or RIC		For	n 24	al column	/E\	0	regon colu	ump (C)
INCOME	8	Wages, salaries, and ot	ner nav for w	ork Star	ole all Forms	W-2 helo	w			al column	00 •		egon con	.00
		Taxable interest income									00			.00
		Dividend income from f									00		-	.00
	11	State and local income	tax refunds fr	om fede	ral Form 1040), line 10		11F		.0	00	118		.00
	12	Alimony received from t	ederal Form	1040, line	e 11			12F	:	.C	00	128		.00
Staple	13	Business income or los	s from federal	Form 1	040, line 12			13F			00			.00
proof of withholding		Capital gain or loss from									00			.00
(W-2s,		Other gains or losses from									00			.00
1099s), payment,		IRA distributions from for Pensions and annuities									00			.00
and payment		Rents, royalties, partner									00			.00
voucher here		Farm income or loss fro	•								_	198		.00
		Unemployment and other								.0	00	208		.00
	21	Total income. Add lines	8 through 20					• 21F		.0	00 •	21S		.00
ADJUSTMENTS TO INCOME	22	IRA or SEP and SIMPLE			,						00			.00
TO INCOME	23	Education deductions for									00			.00
		Moving expenses from									00			.00
		Deduction for self-empl Self-employed health in	,			,					00			.00
	27	Alimony paid from fede									00			.00
	28	Other adjustments to income.		•28	1			Bz □ • 28F			00			.00
	29	Total adjustments to inc	ome. Add lin	es 22 thi	ough 28			• 29F		.С	00	298		.00
	30	Income after adjustmen	ts. Line 21 mi	nus line	29			• 30F		.0	00 •	308		.00
ADDITIONS		Interest on state and loo	•			•					00			.00
		Federal election on inte									00			.00
		Other additions. Identify: •33:						● 33F			00			.00
		Total additions. Add line Income after additions.									00			.00
SUBTRACTIONS		Social Security and tier 1									00	000		1.00
		Other subtractions. Identify: •						□• 37F			00	378		.00
		Income after subtraction		,							00			.00
	39	Oregon percentage. Li	ne 38S ÷ line	38F (not	more than 10	0.0%) •39	9 _	9	▲ Ca	rry this 🛦				

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Page 2 — 2007	Fo	rm 40P				
	40	Amount from front of form, line 38F (federal amount)			40	00
DEDUCTIONS		Itemized deductions from federal Schedule A, line 29		.00)	
AND		State income tax or sales tax claimed as itemized deduction	Г	.00	}	
MODIFICATIONS		Net Oregon itemized deductions. Line 41 minus line 42	Г	.00	EITHER,	
		Standard deduction from page 27		.00	NOT BOTH	
		2007 federal tax liability (\$0-\$5,500 ; see instructions for the correct a		.00	J	
			dule 46z □ • 46	.00		
		Add lines 43, 45, and 46 if itemizing. Otherwise, add lines 44, 45, and			• 47	00
		Taxable income. Line 40 minus line 47				00
OREGON		Tax from tax charts. ☐ See instructions, page 29 • 49	.00			
TAX		Oregon income tax. Line 49 X Oregon percentage from line 39, or.	• 50	.00		
		Check if tax is from: ● 50a ☐ Form FIA-40P or ● 50b ☐ Workshee	_			
	51	Interest on certain installment sales		.00		
		Total tax before credits. Add lines 50 and 51	_	OREGON TAX→	• 52	00
NONREFUNDABLE	53	Exemption credit. See instructions, page 30	● 53	.00)	
CREDITS		Child and dependent care credit. See instructions, page 31		.00	400 700571150	
ATTACH PROOF			dule 55z □● 55	.00	ADD TOGETHER	
,		Other credits. Identify: ●56x ●56y \$ Schedule attached 50		.00	J	
		Total non-refundable credits. Add lines 53 through 56	_		• 57	00
		Net income tax. Line 52 minus line 57. If line 57 is more than line 52,				00
PAYMENTS AND		Oregon income tax withheld from income. Attach Forms W-2 and 10		.00)	
REFUNDABLE		Estimated tax payments for 2007 and payments made with your exte		.00		
CREDITS		Nonresidents. Tax withheld from pass-through entity		.00		
		Earned income credit. See instructions, page 33	Г	.00	ADD TOGETHER	
Attach Schedule		Working family child care credit from WFC-N/P, line 21		.00		
WFC-N/P if you	}	Number from WFC-N/P, line 5 ● 63a Amount from WFC-N/P, line 18 ● 63b \$				
claim this credit	64	Mobile home park closure credit. Attach Schedule MPC	● 64	.00	J	
		Total payments and refundable credits. Add lines 59 through 64			• 65	00
		Overpayment. Is line 58 less than line 65? If so, line 65 minus line 58				00
		Tax to pay. Is line 58 more than line 65? If so, line 58 minus line 65.				00
		Penalty and interest for filing or paying late. See instructions, page 33		.00)	
		Interest on underpayment of estimated tax. Attach Form 10 and check		.00	ADD TOGETHER	
		Exception # from Form 10, line 1 • 69a			,	
	70	Total penalty and interest due. Add lines 68 and 69			70	00
		Amount you owe. Line 67 plus line 70				00
		Refund. Is line 66 more than line 70? If so, line 66 minus line 70			• 72	00
	73	Estimated tax. Fill in the part of line 72 you want applied to 2008 estim	nated tax • 73	.00)	
CHARITABLE			Prevention • 75	.00		
CHECKOFFS		Alzheimer's Disease Research ● 76 .00 Stop Dom. & Sexu		.00		
PAGE 34		AIDS/HIV Education & Services • 78 .00 OR Military Finance		.00	These will	
I want to donate part		Habitat for Humanity • 80 .00 OR Head Start A		.00	reduce	
of my tax			Aquarium • 83	.00	your refund	
refund to the following		SMART • 84 .00	SOLV • 85	.00		
fund(s)		Charity code ● 86a ● 86b .00 Charity code ● 8		.00	J	
	88	Total. Add lines 73 through 87. Total can't be more than your refund of			• 88	00
		NET REFUND. Line 72 minus line 88. This is your net refund				00
		The first of the f				
DIRECT DEPOSIT	90	For direct deposit of your refund, see the instructions on page 36.	 Type 	e of Account: 🗆 C	hecking or 🗌 Savir	ngs
	D	outing No. • Account No.				
	• 11	outing No. Account No.				_
Important: A	Atta	ch a copy of your federal Form 1040, 1040A, 1040EZ, or	1040NR. Do	not attach othe	r federal schedule	es.
Linder penalty	for t	alse swearing. I declare that the information in this return and attachm	ente is true corr	ect and complete		
Your signature	101		preparer other than		License No.	
		3				
X		X Address		Telephone No).	
Spouse's signature	(if fil	ng jointly, BOTH must sign) Date				
_						_
X 150-101-055 (Rev. 12	2-07)					

Schedule Or WFC-N/P	egon Working Far for Form 40N an					dit	2	2007
Last name	First name and initial		Social	Secu	urity No. (SSN)		Attending s	chool DP is attached
Spouse's last name if joint return	Spouse's first name and initial if joint	return	Spous	se's S -	SN if joint return		Attending s Form WFC-	chool DP is attached
YOU MAY BE REQUIRED TO PROV								
PAYMENT OF YOUR CHILD CARE Household Size Calculation 1. Enter the number of exemptions you claimed on your federal return 2. Enter the number of exemptions you claim on your federal return because the exemption to the child's other p 3. Add lines 1 and 2	bu claimed on did not live in ding exemptions er parent, or who or adoption 4	F	OR	C	ОМРИТ	ER	USE	ONLY
Qualifying Child Care Expenses Pa	aid in 2007. Complete all inform	nation for	each	chile	d care provide	r you	paid in 20	007.
Provider's full name and complete address 6. Name Address City, State, ZIP Code	S				ider's SSN or FEIN	o	child to Provid delationship (ente	er code) Amount You Paid to Provider
Provider's full name and complete address 7. Name	S				ider's SSN or FEIN	0. R	Child to Provid delationship (ente	er code) Amount You Paid to Provider
Provider's full name and complete address 8. Name				Prov	ider's SSN or FEIN	o.	8	er code) Amount You Paid to Provider
9. Add amounts on lines 6 through 8 an Qualifying Child Information—Complet		more than	three	prov	iders, check her	re 9a	Child to	<u> </u>
First and Last Name of Child	e all information for each child	Child's	s SSN		Child's Date of Birtl		Taxpayer Relationship (enter code)	Qualifying Expenses You Paid for Child
10.								\$ \$
<u>11.</u> 12.								\$
13.								\$
14. Add amounts on lines 10 through 13 and 6	enter the result here. If you have more th	an four quali	ifvina ch	ildrer	. check here 14a	П	14	\$
Computation of Credit	,		, , ,		,			1.
15. Enter your federal adjusted gross in	ncome (Form 40N or Form 40P, li	ine 30F)						15
16. Enter your Oregon adjusted gross i	ncome (Form 40N or Form 40P,	line 30S) .						16
17. Enter the larger of line 15 or line 16								17
18. Enter the total qualifying child care	expenses you paid in 2007 from	line 9 abo	ove					18
19. Enter the decimal amount from the								
matches your household size on lir								
20. Multiply the amount on line 18 by t								20
21. Multiply line 20 by the Oregon pero								
here and on Form 40N or Form 40F —YOU MUST ATTACH TH								

150-101-170 (Rev. 12-07) DRAFT 08/27/2007

Exercise 4:

Townsend and Rose Pete are married filing jointly.

Townsend—date of birth: 03/07/1951. SSN: 005-00-0000. Rose—date of birth: 12/17/1949. SSN: 004-00-0000.

Their two dependent daughters live with them: Piper, age 16, and Pumpkin, age 12.

Current home address: 5 Married Lane, Miami, Florida 34444. Telephone: 342-000-2000.

The Petes lived in Elkton, Oregon, from 1987 through March 31, 2007. They moved to Miami, Florida, on April 1, 2007. The Petes are on business here in Oregon (making repairs to their rental so they can put it up for sale).

Here's their income:

Rose's Oregon wages (received before moving to Florida)	\$3,000
Townsend's Oregon wages (received before moving to Florida)	9,000
Rose's Florida wages	6,000
Interest from a CD at Miami Trust Co., matured and paid July 1, 2007	680
Interest from Oregon banks received evenly throughout 2007	360
Net income from Oregon rental property received evenly throughout 2007	4,800

Rose received a gift of \$8,000 from her parents on August 14, 2007.

The Petes had deductible moving expenses of \$2,610 to move from Oregon to Florida.

They don't itemize their deductions.

Combined, Townsend and Rose have a total of \$840 Oregon income tax withholding in 2007.

Their 2007 federal tax liability after credits is \$0. Their federal earned income credit is \$3,908.

The Petes want to use direct deposit if they have a refund. Here's their bank account information:

• Account type: Savings

Bank routing number: 12-4564564Bank account number: 123123123555

Complete the Petes' Form 40P.

Amended I	Ret	urn	ORE	GO	N		Form								
											For o	office u	ise or	nly	
20		Individu	ial Inco	ome Ta	ax Returi	n 🔼									
	U	FOR P	ART-YE	AR RES	SIDENTS				1						
						1 =			-						
Oregon reside		mm dd	уууу	mm /	dd yyyy	FIS	scal year ei	naing		K	F	Р.	J		
Last name		From / /	First name	and initial	/		Social Secu	rity No	(M22)			Date	of hir	th <i>(mm/a</i>	ld/www)
Last name			T ilot riamo	aria iriidai		Deceased		- -	_			Date	01 611	ar (mm/	(d, y y y y)
Spouse's last nan	ne if	joint return	Spouse's fir	rst name an	 d initial if joint ret		Spouse's S	SN if joi	nt return			Date	e of bir	th <i>(mm/a</i>	ld/yyyy)
						Deceased		-	-			1			
Current mailing a	ddre	SS	1					1	Telephone	e nun	nber				
								(,)				
City			State	ZIP co	de	Country		I	f you file	ed a	return	last ye	ar, an	d your	
								r	name or	add	ress is	s differ	ent, cl	neck he	re
● Filing 1 🗌	Sing	le				Exempt	ions	•	•				•	_	Total
	Man	ried filing jointly				6a You	rselfRegi	ular		.Seve	rely dis	abled _		6a	
Check 3		ried filing Spouse's name				6b Spo	ouseRegi	ular		.Seve	rely dis	abled _		b	
one box		arately Spouse's SSN				6c All o	dependents	First na	mes					_• c	
4 📙		d of household Person who qu				6d Dis	abled dren only	First na	mes					_● d	
5 📙	Qua	lifying widow(er) with depen	dent child				instruction	s)					Tot	al ● 6e L	
Check 7a		0 0 11 0 01	7b ●	_	7c ● You		_	You fil							
I I	u we	re: 65 or older Bli was: 65 or older Bli		ed an xtension	federal I	Form 888 r BIC	6,	Orego Form							
113			0.	ALC: IOIOII	11211, 01				ederal	colu	mn (F)		Oreo	on colu	ımn (S)
INCOME	8	Wages, salaries, and ot	her pay for	work. Sta i	ole all Forms V	N-2 belov	v					• 8S			.00
		Taxable interest income									.00	• 98			.00
		Dividend income from f									.00	●10S			.00
	11	State and local income	tax refunds	from fede	ral Form 1040,	line 10		.11F			.00	● 11S			.00
	12	Alimony received from f	ederal Forn	n 1040, lin	e 11			. 12F			.00	●12S			.00
Staple	13	Business income or loss	s from fede	ral Form 1	040, line 12			13F			.00	● 13S			.00
proof of withholding	14	Capital gain or loss from	n federal Fo	rm 1040, l	ine 13			14F			.00	┪			.00
(W-2s,		Other gains or losses from									+	●15S			.00
1099s), payment,		IRA distributions from fe									.00	┪			.00
and payment		Pensions and annuities									+	●17S			.00
voucher here		Rents, royalties, partner	-									●18S			.00
ilei e		Farm income or loss fround Unemployment and other									+	●19S ●20S			.00
		Total income. Add lines					•				.00	┥			.00
ADJUSTMENTS		IRA or SEP and SIMPLE									+	•22S			.00
TO INCOME		Education deductions fi		,	,			-				•23S			.00
		Moving expenses from										● 24S			.00
		Deduction for self-empl										● 25S			.00
	26	Self-employed health in	surance de	duction fro	om federal Forr	n 1040, lir	ne 29	26F			.00	● 26S			.00
	27	Alimony paid from feder	ral Form 10	40, line 31	a			. 27F			.00	●27S			.00
	28	Other adjustments to income.	Identify: ●28x	•28	3y \$	Schedu	le 28z 🗌 🗨	28F			.00	● 28S			.00
	29	Total adjustments to inc			•							● 29S			.00
	30	Income after adjustmen										•30S			.00
ADDITIONS											+	•31S			.00
		Federal election on inte									_	●32S			.00
		Other additions. Identify: •33					3z ∐ ●					●33S ●34S			.00
		Total additions. Add line Income after additions.	•									-			.00
SUBTRACTIONS		Social Security and tier 1									.00				1.55
2322.0110110		Other subtractions. Identify: •		37y \$			37z □ •				_	●37S			.00
		Income after subtraction										•38S			.00
		Oregon percentage. Li							▲ Carr	y thi	•				
		=		•					mount	to li	ne 40				

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NOW GO TO THE BACK OF THE FORM \rightarrow

Page 2 — 2007	Fo	rm 40P				
	40	Amount from front of form, line 38F (federal amount)			40	.00
DEDUCTIONS	41	Itemized deductions from federal Schedule A, line 29	• 41	.00		
AND MODIFICATIONS	42	State income tax or sales tax claimed as itemized deduction	• 42	.00	}	
modii ioziriono	43	Net Oregon itemized deductions. Line 41 minus line 42	• 43	.00	EITHER, NOT BOTH	
		Standard deduction from page 27		.00		
		2007 federal tax liability (\$0-\$5,500; see instructions for the correct amount)		.00		
		Other deductions and modifications. Identify: •46x •46y \$ Schedule 46z	-	.00		
		Add lines 43, 45, and 46 if itemizing. Otherwise, add lines 44, 45, and 46			● 47 ● 48	.00
OREGON		Taxable income. Line 40 minus line 47 Tax from tax charts. ☐ See instructions, page 29	.00		9 40	1.00
TAX		Oregon income tax. Line 49 X Oregon percentage from line 39, or		.00		
	00	Check if tax is from: ● 50a ☐ Form FIA-40P or ● 50b ☐ Worksheet FCG	• 50	1.00		
	51	Interest on certain installment sales	• 51	.00		
		Total tax before credits. Add lines 50 and 51		OREGON TAX->	52	.00
NONREFUNDABLE	53	Exemption credit. See instructions, page 30	• 53	.00)	
CREDITS	54	Child and dependent care credit. See instructions, page 31	• 54	.00	ADD TOGETHE	=R
ATTACH PROOF	55	Credit for income taxes paid to another state. State: ●55y Schedule 55z	• 55	.00	ADD TOGETHE	-11
	56	Other credits. Identify: ● 56x ● 56y \$ Schedule attached 56z □	• 56	.00	,	
		Total non-refundable credits. Add lines 53 through 56				.00
	58	Net income tax. Line 52 minus line 57. If line 57 is more than line 52, enter -0-		\	58	.00
PAYMENTS AND REFUNDABLE		Oregon income tax withheld from income. Attach Forms W-2 and 1099		.00)	
CREDITS		Estimated tax payments for 2007 and payments made with your extension		.00		
		Nonresidents. Tax withheld from pass-through entity		.00	ADD TOGETHE	-D
Attach Schedule		Earned income credit. See instructions, page 33		.00	ADD TOGETHI	-n
WFC-N/P if you	63	Working family child care credit from WFC-N/P, line 21	• 63	.00		
claim this credit	61	Mobile home park closure credit. Attach Schedule MPC	6 4	.00	J	
		Total payments and refundable credits. Add lines 59 through 64			65	.00
		Overpayment. Is line 58 less than line 65? If so, line 65 minus line 58				.00
		Tax to pay. Is line 58 more than line 65? If so, line 58 minus line 65				.00
		Penalty and interest for filing or paying late. See instructions, page 33		.00)	
		Interest on underpayment of estimated tax. Attach Form 10 and check box		.00	ADD TOGETHER	1
		Exception # from Form 10, line 1 • 69a				
	70	Total penalty and interest due. Add lines 68 and 69			70	.00
	71	Amount you owe. Line 67 plus line 70	AMC	OUNT YOU OWE ->	▶ 71	.00
	72	Refund. Is line 66 more than line 70? If so, line 66 minus line 70			72	.00
	73	Estimated tax. Fill in the part of line 72 you want applied to 2008 estimated tax	• 73	.00)	
CHARITABLE		Oregon Nongame Wildlife ● 74 .00 Child Abuse Prevention	• 75	.00		
CHECKOFFS PAGE 34		Alzheimer's Disease Research ● 76 .00 Stop Dom. & Sexual Violence	• 77	.00	These will	
I want to		AIDS/HIV Education & Services • 78 .00 OR Military Financial Assist.	• 79	.00	reduce	
donate part of my tax		Habitat for Humanity ● 80 .00 OR Head Start Association		.00	your refund	
refund to		American Diabetes Association ● 82 .00 Oregon Coast Aquarium		.00		
the following fund(s)		SMART ● 84 .00 SOLV		.00		
			●87b	.00	<i>)</i>	
		Total. Add lines 73 through 87. Total can't be more than your refund on line 72			● 88 ● 89	.00
	89	NET REFUND. Line 72 minus line 88. This is your net refund		NET REFUND >	09	.00
DIRECT	90	For direct deposit of your refund, see the instructions on page 36.	• Тур	e of Account: 🗆 C	necking or Sa	avings
DEPOSIT	a D	outing No.				
	• K	outing No.				_
Important: A	۱tta	nch a copy of your federal Form 1040, 1040A, 1040EZ, or 1040NF	R. Do	not attach other	federal sched	ules.
	for 1	false swearing, I declare that the information in this return and attachments is tru				
Your signature		Date Signature of preparer oth	er thar	n taxpayer ■ I	icense No.	
X		X		Talanda a St		
	(if fil	ing jointly, BOTH must sign) Address		Telephone No.		
\ <u>\</u>						
X 150-101-055 (Rev. 12	-07)					

Form 40N, Exercise 1 Solution

Amended Return	0	REC	301	N		Form						
									For c	ffice u	se only	
	INDIVIDUAL	INCO	ME T	AX RETUR	N /		M					
400 1	FOR	NONRE	SIDE	NTS		· U	V .					
	1011	i i i i i i i i i i i i i i i i i i i		1110								
Oregon resident:	mm dd yy	уу	mm	dd yyyy	Fisc	al year e	nding	lκ	F F	э Ј		
From	//	То	/	/					' '			
Last name		t name and	l initial		S	ocial Secu	-	, ,			of birth (mm/a	d/yyyy)
Smith		nold			Deceased			0000			/19/1948	
Spouse's last name if joint ret	'.		name an	d initial if joint ret	urn S	oouse's S					of birth (mm/c	ld/yyyy)
Smith	M	aria			Deceased	002	- 00	0000	,	04.	/19/1949	
Current mailing address								Telephone nu				
2 Her Road City		State	ZIP co	10	Country			`		-1111		
Battle Ground		WA	9803		USA			-			ear, and your ent, check he	ere
		VVA	9000	50				•	a1000 10	dillor	•	
● Filing 1 Single Status 2 Married filip					Exemptio		. г	4		Г		Total
Check - Warned Illing						selfReg	- L	4	erely dis		6a	1
only 3 Married filing						iseReg			ereiy ais	abled _	lb	
box	Spouse's SSN sehold Person who qualifies					ependents					C	$\overline{}$
	idow(er) with dependent				6d Disal child	en only	First r	ames			● d Total ● 6e	2
, 3	idow(er) with dependent				· · ·	nstruction					iotai • 6e i	
Check 7a You were:	65 or older Blind	7b ● Yo filed		7c ● You I	nave Form 8886	7d	You f					
apply→ Spouse was:	1		nsion	REIT, or		'	Forn					
								Federal colu	ımn (F)		Oregon colu	umn (S)
INCOME 8 Wages	s, salaries, and other	pay for wo	rk. Staj	ole all Forms V	V-2 below		. 8F	25,00	00.	8S		.00
	e interest income froi	n federal l	Form 10	040, line 8a			. 9F	60	00.	98		.00
	nd income from feder								.00	•10S		.00
11 State	and local income tax i	efunds fro	om fede	ral Form 1040,	line 10		.11F		.00	•11S		.00
12 Alimor	y received from feder	ral Form 1	040, lin	e 11			. 12F		.00	●12S		.00
Staple proof 13 Busine	ess income or loss fro	m federal	Form 1	040, line 12			. 13F		.00	● 13S		.00
of withholding (W-2s, 1099s), 14 Capita	I gain or loss from fed	deral Form	1040, 1	ine 13			. 14F	22,00	00. C	●14S	22,000	00. 0
payment, 15 Other	gains or losses from f	ederal For	m 1040), line 14			. 15F		.00	●15S		.00
	stributions from feder	al Form 10	040, line	15b			. 16F			●16S		.00
payment voucher 17 Pension	ons and annuities fron	n federal F	orm 10	40, line 16b			. 17F	18,00	00. 0	●17S		.00
here 18 Rents,	royalties, partnership	s, etc., fro	om fede	ral Form 1040,	line 17		. 18F		.00	●18S		.00
19 Farm i	ncome or loss from fe	ederal Forr	n 1040,	line 18			. 19F		.00	● 19S		.00
	oloyment and other in			*		0			.00	+		.00
	ncome. Add lines 8 th							65,60		●21S	22,000	
ADOUGHMENTO	SEP and SIMPLE cor			,						●22S		.00
	tion deductions from									•23S		.00
	g expenses from fede									●24S		.00
	tion for self-employm									•25S		.00
	mployed health insura									•26S		.00
	y paid from federal F									•27S		.00
	ljustments to income. Ident	-	•28	,	Schedule 2					●28S ●29S		.00
	idjustments to income e after adjustments. L			J				65.60	_	-	22.00	_
	•							65,60		•30S	22,000	
	st on state and local g									●31S ●32S		.00
	al election on interest Iditions. Identify: •33x	and divide ●33y	zilus ut		attached 33z					•33S		.00
	additions. Add lines 3		33							•34S		.00
	e after additions. Add							65,60	_	•35S	22,000	-
	e after additions. Add Security and tier 1 Raili							55,00	.00	-333		J 1.00
	btractions. Identify: •37x	1			edule attached					•37S		.00
	e after subtractions. L							65,60		•38S	22,000	_
	n percentage. Line 3							23,00	_ , .55	_ 555	▲ Carry th	
22 2.09 2			(J, 55			1			amount to	

150-101-048 (Rev. 12-07)

Form 40N, Exercise 1 Solution

Page 2 - 2007 Form 40N 22,000 .00 40 Amount from front of form, line 38S (Oregon amount)..... .40 15.490 **DEDUCTIONS** .00 2,250 .00 42 State income tax or sales tax claimed as itemized deduction...... • 42 MODIFICATIONS EITHER. 13,240 .00 43 Net Oregon itemized deductions. Line 41 minus line 42 ● 43 **NOT BOTH** .00 44 Standard deduction from page 27..... ● 44 .00 45 2007 federal tax liability (\$0-\$5,500; see instructions for the correct amount).... ● 45 4,720 46 Other deductions and modifications. Identify: ●46x ●46y \$ Schedule 46z ■ • 46 .00 47 Deductions and modifications X Oregon percentage. See page 29...... ● 47 6,017 .00 48 Deductions and modifications **not** multiplied by the Oregon percentage. See page 29 ● 48 49 Total deductions and other modifications. Add lines 47 and 48 6.017 .00 15,983 .00 50 Oregon taxable income. Line 40 minus line 49..... 1,038 .00 OREGON 51 **Tax.** See page 29 for instructions. Enter tax here● 51 TAX Check if tax is from: 51a X Tax charts or ● 51b Form FIA-40N or ● 51c Worksheet FCG .00 52 Interest on certain installment sales..... ● 52 53 Total tax before credits. Add lines 51 and 52 1,038 .00 OREGON TAX→ • 53 111 .00 NONREFUNDABLE 54 Exemption credit. See instructions, page 30 **ADD TOGETHER** → 55 Credit for income taxes <u>paid to</u> anoth<u>er state. State: ●5</u>5y Schedule 55z • 55 .00 Attach proof -.00 56 Other credits. Identify: ●56x ●56y \$ Schedule attached 56z ● 56 111 .00 57 Total non-refundable credits. Add lines 54 through 56 58 Net income tax. Line 53 minus line 57. If line 57 is more than line 53, enter -0-...... 927 .00 **•** 58 PAYMENTS AND 59 Oregon income tax withheld from income. Attach Forms W-2 and 1099 ● 59 .00 60 Estimated tax payments for 2007 and payments made with your extension...... ● 60 **CREDITS** .00 61 Nonresidents. Tax withheld from pass-through entity...... • 61 .00 **ADD TOGETHER** 62 Earned income credit. See instructions, page 33..... ● 62 Attach Schedule 63 Working family child care credit from WFC-N/P, line 21 63 .00 WFC-N/P if you Number from WFC-N/P, line 5 ● 63a Amount from WFC-N/P, line 18 ● 63b \$ claim this credit 64 Mobile home park closure credit. Attach Schedule MPC..... ● 64 2,250 .00 65 Total payments and refundable credits. Add lines 59 through 64...... ● 65 1,323 .00 66 Overpayment. Is line 58 less than line 65? If so, line 65 minus line 58OVERPAYMENT → ● 66 .00 **ADD TOGETHER** .00 69 Interest on underpayment of estimated <u>tax</u>. Attach Form 10 and check box ☐ ● 69 Exception # from Form 10, line 1 ● 69a .00 .00 1,323 .00 72 Refund. Is line 66 more than line 70? If so, line 66 minus line 70 73 Estimated tax. Fill in the part of line 72 you want applied to 2008 estimated tax • 73 .00 .00 .00 Oregon Nongame Wildlife ● 74 Child Abuse Prevention • 75 CHARITABLE CHECKOFFS PAGE 34 .00 .00 Alzheimer's Disease Research ● 76 Stop Dom. & Sexual Violence • 77 These will .00 .00 AIDS/HIV Education & Services ● 78 OR Military Financial Assist. • 79 reduce I want to .00 .00 your refund Habitat for Humanity ● 80 OR Head Start Association • 81 of my tax .00 .00 American Diabetes Association ● 82 Oregon Coast Aquarium • 83 refund to .00 .00 the following SMART ● 84 SOLV • 85 fund(s) .00 .00 Charity code ●87a Charity code ●86a ●86b ●87b .00 88 Total. Add lines 73 through 87. Total can't be more than your refund on line 72 1,323 .00 89 **NET REFUND**. Line 72 minus line 88. This is your net refund**NET REFUND**→ ● 89 DIRECT 90 For direct deposit of your refund, see the instructions on page 36. Type of Account: ☐ Checking or ☐ Savings DEPOSIT Routing No. Important: Attach a copy of your federal Form 1040, 1040A, 1040EZ, or 1040NR. Do not attach other federal schedules. Under penalty for false swearing, I declare that the information in this return and attachments is true, correct, and complete. Your signature signature of preparer other than taxpaye License No. Address Telephone No. Spouse's signature (if filing jointly, BOTH must sign) Date 150-101-048 (Rev. 12-07)

Form 40N, Exercise 2 Solution

Amended Return OREGON Form																	
000	17	INDIVIDU	ΙΔΙ	INCOL	AE TA	Y RET	HRN			$\Gamma N \Gamma$			For o	ffice u	ise on	У	
ZUU	<i>)</i> /						OITIN	4	LU,								
		F	OR I	NONRE	SIDE	NTS											
Oregon residen	nt: From	mm dd	ууу. /	у То	mm /	dd /	уууу	Fisc	cal yea	r ending		K	F F	o J			
Last name		, ,	First	name and	initial			S	ocial Se	ecurity No	o. (SSN)			Date	of birth	n (mm/dc	d/yyyy)
Smith			1	nold				ceased			00 - 00			09	/19/19	942	
Spouse's last name	e if joint retui	rn	Spot	use's first n	name an	d initial if joir	nt return	n S	pouse's	SSN if jo	oint returi	1		Date	of birth	n <i>(mm/da</i>	d/yyyy)
Smith			Ma	ıria			De	ceased	00	2 - 00	00 - 00			04	/19/1	949	
Current mailing add	dress										Telepho						
2 Her Road				State	ZIP cod	40	10	ountry			(36			1111			
,	4			WA				JSA			If you fi						re 🗀
Battle Ground				VVA	9803	00					•	addi	1633 13	unien	SIII , OII		
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Check Z IVI	larried filing							6a Yours			4		rely disa			6a	1
Office	larried filing eparately						-	6b Spot		_		Sever	rely disa	abled [b	-
box		Spouse's SSN sehold Person who qu					-	6c All de 6d Disal								_• c • d	-
_ =		dow(er) with deper	-				_		ren only		names				Total	_	2
		ao II (o.) III depo.				I	, ,		instruct		CI I					- 00 [
OHOOK	were: ×	65 or older Bli	nd /	7b ● Yo filed a		7c ● Y		ve ∙m 8886		You f							
	use was:	65 or older 🔲 Bli	nd	exter			T, or R		<u>' </u>	Forn							
											Federa					on colu	
INCOME	8 Wages,	, salaries, and ot	her pa	ay for wo	rk. Sta j	ole all Form	ms W-	2 below		8F	25	,000		8S	2	0,000	
		e interest income										600	_	• 9S			.00
		id income from f											_	•10S			.00
		nd local income					,						.00	•11S			.00
		y received from											.00	●12S ●13S			.00
of withholding		ss income or los gain or loss fror				,					22	.000		●14S		2,000	
(W-2s, 1099s),	•	gain or loss iron gains or losses fr										,,,,,,	.00	●15S		2,000	.00
paymont,	_	tributions from f											.00	•16S			.00
navment		ns and annuities									18	,000	.00	•17S			.00
	8 Rents, i	royalties, partne	rships	s, etc., fro	m fede	ral Form 10	040, lin	e 17		18F			.00	•18S			.00
1:	9 Farm in	come or loss fro	om fec	deral Forn	n 1040,	line 18				19F			.00	● 19S			.00
2	0 Unemp	loyment and oth	er inc	ome from	federa	l Form 104	10, lines	s 19 thro	ugh 2	1 20F			.00	●20S			.00
2	21 Total in	come. Add lines	8 thr	ough 20.						● 21F	65	,600		_		2,000	
		SEP and SIMPLI											.00	•22S			.00
		ion deductions f											.00	-			.00
		expenses from			,									•24S			.00
		ion for self-emp	,				,							•25S •26S			.00
		nployed health ir y paid from fede												•27S			.00
	-	ustments to income.			•28			Schedule 2						•28S			.00
	•	djustments to in	-	,									.00	•29S			.00
		after adjustmer				•					65	,600		•30S	4	2,000	
ADDITIONS 3	1 Interest	on state and lo	cal go	vernmen	t bonds	outside o	f Orego	on		● 31F			.00	•31S			.00
	32 Federal	l election on inte	r <u>est a</u>	<u>ın</u> d divi <u>de</u>	nds of	a minor ch	ild			● 32F			.00	•32S			.00
33	3 Other add	ditions. Identify: •33	х	●33y\$		Sc	hedule att	ached 33z	□	• 33F			.00	•33S			.00
		dditions. Add lin		•									.00	● 34S			.00
		after additions.									65	,600		●35S	4	2,000	00.
		Security and tier 1				ard benefit							.00				100
		otractions. Identify:		●37y		- 00 - 10		e attached			0.5	600	_	•37S		0.000	.00
		after subtractio										,600	.00	●38S		2,000 arry thi	
3	e Uregor	n percentage. L	me 38	so ÷ iine 3	or (not	. more than	1 100.0	‰) ≖ 39	<u> </u>	<u></u> _%	"]					int to li	

150-101-048 (Rev. 12-07)

Form 40N, Exercise 2 Solution

Page 2 - 2007 Form 40N 42,000 .00 40 40 Amount from front of form, line 38S (Oregon amount)..... 15,490 | .00 42 State income tax or sales tax claimed as itemized deduction...... • 42 2,250 .00 MODIFICATIONS EITHER. 13,240 .00 43 Net Oregon itemized deductions. Line 41 minus line 42 ● 43 **NOT BOTH** .00 44 Standard deduction from page 27 ● 44 45 2007 federal tax liability (\$0-\$5.500; see instructions for the correct amount).... ● 45 4,720 .00 46 Other deductions and modifications. Identify: ●46x | 606 | ●46y | \$ 4,920 | Schedule 46z □ ● 46 4.920 .00 47 Deductions and modifications X Oregon percentage. See page 29..... ● 47 14,643 48 Deductions and modifications **not** multiplied by the Oregon percentage. See page 29 ● 48 14,643 .00 49 Total deductions and other modifications. Add lines 47 and 48 27,357 .00 50 Oregon taxable income. Line 40 minus line 49..... • 50 2,062 .00 **OREGON** Check if tax is from: 51a X Tax charts or ● 51b Form FIA-40N or ● 51c Worksheet FCG .00 2,062 .00 53 Total tax before credits. Add lines 51 and 52 OREGON TAX→ NONREFUNDABLE 54 Exemption credit. See instructions, page 3000 211 **ADD TOGETHER** → 55 Credit for income taxes <u>paid to</u> anoth<u>er state. State:</u> •55y Schedule 55z □ • 55 .00 Attach proof -75 Schedule attached 56z □..... • 56 75 .00 56 Other credits. Identify: ● 56x | 723 | ● 56y | \$ 57 Total non-refundable credits. Add lines 54 through 56 286 .00 • 57 58 Net income tax. Line 53 minus line 57. If line 57 is more than line 53, enter -0-...... 1,776 .00 1,853 .00 PAYMENTS AND 59 Oregon income tax withheld from income. Attach Forms W-2 and 1099 ● 59 REFUNDABLE 397 .00 60 Estimated tax payments for 2007 and payments made with your extension...... ● 60 61 Nonresidents. Tax withheld from pass-through entity...... • 61 .00 **ADD TOGETHER** .00 62 Earned income credit. See instructions, page 33 ● 62 Attach Schedule 63 Working family child care credit from WFC-N/P, line 21 63 .00 WFC-N/P if you Number from WFC-N/P, line 5 ● 63a Amount from WFC-N/P, line 18 ● 63b \$ claim this credit 64 Mobile home park closure credit. Attach Schedule MPC...... 64 65 Total payments and refundable credits. Add lines 59 through 64...... ● 65 2,250 .00 474 .00 .00 **ADD TOGETHER** .00 69 Interest on underpayment of estimated <u>tax</u>. Attach Form 10 and check box ☐ • 69 Exception # from Form 10, line 1 ● 69a .00 .00 474 .00 .00 73 Estimated tax. Fill in the part of line 72 you want applied to 2008 estimated tax • 73 .00 .00 Oregon Nongame Wildlife • 74 Child Abuse Prevention ● 75 CHARITABLE CHECKOFFS Alzheimer's Disease Research ● 76 .00 Stop Dom. & Sexual Violence • 77 .00 PAGE 34 These will .00 .00 AIDS/HIV Education & Services ● 78 OR Military Financial Assist. • 79 I want to reduce .00 .00 donate part Habitat for Humanity ● 80 OR Head Start Association • 81 your refund of my tax .00 .00 American Diabetes Association ● 82 Oregon Coast Aquarium • 83 refund to .00 .00 the following SMART • 84 SOLV • 85 .00 .00 ●87b ●86b Charity code ●86a Charity code ●87a .00 88 Total. Add lines 73 through 87. Total can't be more than your refund on line 72 474 .00 89 NET REFUND. Line 72 minus line 88. This is your net refundNET REFUND → ● 89 DIRECT 90 For direct deposit of your refund, see the instructions on page 36. • Type of Account: ☐ Checking or ☐ Savings DEPOSIT Account No Routing No. Important: Attach a copy of your federal Form 1040, 1040A, 1040EZ, or 1040NR. Do not attach other federal schedules. Under penalty for false swearing, I declare that the information in this return and attachments is true, correct, and complete. Signature of preparer other than taxpayer Your signature Date Χ Address Telephone No. Spouse's signature (if filing jointly, BOTH must sign) Date 150-101-048 (Rev. 12-07)

Form 40P, Exercise 3 Solution

Jada Kemp is not entitled to the working family child care credit because her Oregon earned income was only \$3,000 and she needs \$7,550 to qualify for this credit.

Amended I				REGON				For office use only							
20	U				ax Retur SIDENTS	'n	4	UP							
Oregon reside		mm dd	уууу то	mm 12 / 3	dd yyyy 31 / 2007		Fiscal	year ending	К	F	P J	ı			
Last name			First name	and initial			Soc	cial Security No				of birth (mm	dd/yyyy)		
Kemp	16	totak ook oo	Jada			Deceas		003 - 00				12/1971			
Spouse's last nar	пеп	joint return	Spouse's III	st name an	d initial if joint re	7		ouse's SSN if jo	oint return		Date	of birth (mm)	aa/yyyy)		
Current mailing a	ddre	99				Deceas	sed	_	Telephone nui	nher					
10 Boys Ro									(541)000-	0005				
City	uu		State	ZIP cod	de	Coun	try		If you filed a			ar. and vou			
Brothers			OR	9771	2	USA	Α		name or add						
• Filing 1	Sing	le				Exen	nption	s	•			•	Total		
	Mari	ried filing jointly				6a	Yoursel	fRegular	1Sev	erely disa	abled	6a	1		
Office		ried filing Spouse's name						eRegular	Sev		abled	b			
6		arately Spouse's SSN		1.6		6c	All dep	endents First n	_{ames} Camer	on		• c	1		
4 🗷		d of household Person who qua		neron K	<u>emp</u>		Disable children		ames			• d			
5 📙	Qua	lifying widow(er) with depen-	dent child					tructions)				Total ● 6e	2		
Check 7a		OF or older Div	7b ● _		7c ● You			7d You f							
	u we	re: 65 or older Blir was: 65 or older Blir		ed an xtension	REIT, o	Form 8	8886,	Oreg Form							
-					,				Federal colu	ımn (F)		Oregon col	umn (S)		
INCOME	8	Wages, salaries, and oth	ner pay for	work. Stap	ole all Forms	W-2 be	elow	8F	26,000	.00	8S	3,00	00. 0		
	9	Taxable interest income	from feder	al Form 10	040, line 8a			9F	2,800	.00	9S	2,80	00. 0		
	10	Dividend income from fe	ederal Form	1040, line	e 9a			10F		.00	●10S		.00		
		State and local income						1			●11S		.00		
		Alimony received from f						1			●12S		.00		
Staple proof of		Business income or loss			,			1			●13S		.00		
withholding		Capital gain or loss from						1		.00	●14S		.00		
(W-2s, 1099s),		Other gains or losses from for						1			●15S ●16S		.00		
payment,		IRA distributions from fe Pensions and annuities		,				1	11,000		●17S	11,00			
and payment		Rents, royalties, partner			,			1	11,000	_	●18S	11,00	.00		
voucher here		Farm income or loss fro						1		.00	•19S		.00		
		Unemployment and other						1			•20S		.00		
	21	Total income. Add lines	8 through 2	20	······			• 21F	39,800	.00	●21S	16,80	0 .00		
	22	IRA or SEP and SIMPLE	contribution	ons, federa	al Form 1040,	lines 28	and 3	32 22F		.00	•22S		.00		
TO INCOME	23	Education deductions fr	om federal	Form 104	0, lines 23, 33	, and 34	4	23F		.00	●23S		.00		
	24	Moving expenses from t	federal Forr	n 1040, lin	ie 26			24F		.00	● 24S		.00		
		Deduction for self-emple	•					1			●25S		.00		
		Self-employed health in									●26S		.00		
		Alimony paid from feder									●27S		.00		
		Other adjustments to income.	-					28z			●28S ●29S		.00		
		Total adjustments to inc Income after adjustment			-			1	39,800		•30S	16,80			
ADDITIONS		Interest on state and loc							20,000		•31S	. 0,00	.00		
		Federal election on inter	•			0		1			•32S		.00		
		Other additions. Identify: ●33x					_] ● 33F			•33S		.00		
	34	Total additions. Add line	es 31 throu	gh 33				● 34F		.00	● 34S		.00		
		Income after additions.							39,800	.00	●35S	16,80	00. 0		
SUBTRACTIONS		Social Security and tier 1								.00	١,				
		Other subtractions. Identify: •						z □ • 37F	2,800		●37S	2,80			
		Income after subtraction							37,000		●38S	14,00	0 .00		
	39	Oregon percentage. Lin	ne 38S ÷ lin	e 38F (not	more than 100	J.U%) •	39 <u> </u>	_ <u>3_/0_</u> %	A Carry th amount to						

150-101-055 (Rev. 12-07)

NOW GO TO THE BACK OF THE FORM \rightarrow

Form 40P, Exercise 3 Solution

Page 2 — 2007 Form 40P

Page 2 — 2007	Fo	rm 40P					
	40	Amount from front of form, line 38F (federal amount)				40	37,000 .00
DEDUCTIONS	41	Itemized deductions from federal Schedule A, line 29	• 41		.00)	
AND MODIFICATIONS	42	State income tax or sales tax claimed as itemized deduction	• 42		.00	}	
MODIFICATIONS	43	Net Oregon itemized deductions. Line 41 minus line 42	• 43		.00	Į.	EITHER,
	44	Standard deduction from page 27	• 44	2,940	.00	}	NOT BOTH
		2007 federal tax liability (\$0-\$5,500; see instructions for the correct amount)		2,656	.00		
		Other deductions and modifications. Identify: •46x •46y\$ Schedule 46z			.00		
	47	Add lines 43, 45, and 46 if itemizing. Otherwise, add lines 44, 45, and 46				• 47	5,596 .00
	48	Taxable income. Line 40 minus line 47				• 48	31,404 .00
OREGON	49	Tax from tax charts. ☐ See instructions, page 29 49 2,426	.00				
TAX	50	Oregon income tax. Line 49 X Oregon percentage from line 39, or	• 50	917	.00		
		Check if tax is from: ● 50a ☐ Form FIA-40P or ● 50b ☐ Worksheet FCG					
	51	Interest on certain installment sales	• 51		.00		
	52	Total tax before credits. Add lines 50 and 51		OREGON T	ДХ→	• 52	917 .00
	53	Exemption credit. See instructions, page 30	• 53	125	.00)	
CREDITS	54	Child and dependent care credit. See instructions, page 31	• 54	57	.00	L	DD TOGETHER
ATTACH PROOF	55	Credit for income taxes paid to another state. State: ●55y Schedule 55z	• 55		.00	(^	DD TOGETHER
-	56	Other credits. Identify: ● 56x ● 56y \$ Schedule attached 56z □	• 56		.00	J	
	57	Total non-refundable credits. Add lines 53 through 56				• 57	182 .00
	58	Net income tax. Line 52 minus line 57. If line 57 is more than line 52, enter -0-				• 58	735 .00
PAYMENTS AND	59	Oregon income tax withheld from income. Attach Forms W-2 and 1099	• 59	367	.00)	
REFUNDABLE CREDITS	60	Estimated tax payments for 2007 and payments made with your extension	• 60	450	.00		
	61	Nonresidents. Tax withheld from pass-through entity					
	62	Earned income credit. See instructions, page 33	• 62		.00	> A	DD TOGETHER
Attach Schedule	63	Working family child care credit from WFC-N/P, line 21	• 63		.00		
WFC-N/P if you claim this credit	•	Number from WFC-N/P, line 5 ● 63a Amount from WFC-N/P, line 18 ● 63b \$					
,	64	Mobile home park closure credit. Attach Schedule MPC	• 64		.00)	
	65	Total payments and refundable credits. Add lines 59 through 64				• 65	817 .00
	66	Overpayment. Is line 58 less than line 65? If so, line 65 minus line 58		OVERPAYME	NT→	• 66	82 .00
	67	Tax to pay. Is line 58 more than line 65? If so, line 58 minus line 65		TAX TO PA	ΔY→	67	.00.
	68	Penalty and interest for filing or paying late. See instructions, page 33	68		.00	LAD	D TOGETHER
	69	Interest on underpayment of estimated tax. Attach Form 10 and check box	• 69		.00	J	2 1002111211
		Exception # from Form 10, line 1 ●69a					
	70	Total penalty and interest due. Add lines 68 and 69				70	.00
	71	Amount you owe. Line 67 plus line 70	AMO	UNT YOU OV	VE→	• 71	.00
	72	Refund. Is line 66 more than line 70? If so, line 66 minus line 70		REFUN	ND→	• 72	82 .00
	73	Estimated tax. Fill in the part of line 72 you want applied to 2008 estimated tax	• 73		.00)	
CHARITABLE		Oregon Nongame Wildlife ● 74 .00 Child Abuse Prevention	• 75		.00		
CHECKOFFS PAGE 34		Alzheimer's Disease Research ● 76 .00 Stop Dom. & Sexual Violence	• 77		.00		
I want to		AIDS/HIV Education & Services ● 78 .00 OR Military Financial Assist.	• 79		.00		These will
donate part		Habitat for Humanity ● 80 .00 OR Head Start Association	• 81		.00	7	reduce your refund
of my tax refund to		American Diabetes Association ● 82 .00 Oregon Coast Aquarium	• 83		.00		•
the following		SMART ● 84 .00 SOLV	• 85		.00		
fund(s)		Charity code ● 86a ● 86b .00 Charity code ● 87a ●	87b		.00	J	
	88	Total. Add lines 73 through 87. Total can't be more than your refund on line 72				• 88	.00
		NET REFUND. Line 72 minus line 88. This is your net refund					1.00
		The second secon					<u> </u>

Form 40P, Exercise 4 Solution

Amended F	Ret	urn	OF	RFC	GOI	N			Fo	rm							
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Oregon reside		mm dd	уууу 2 007		mm 03 / 3	,	уууу 007	Fisc	cal ye	ear ending	1	K	F	Р	J		
Last name			First na	ame and	d initial			S	ocial	Security N	lo. (SSN)					h <i>(mm/d</i>	d/yyyy)
Pete			_	nsenc				Deceased	_	05 – 00					/07/19		
Spouse's last nan	ne if	joint return	Spous	e's first	name and	d initial if jo	oint retur	n S	pous	e's SSN if	joint retu	rn		Date	e of birt	h (mm/da	d/yyyy)
Pete			Rose	е				Deceased	0	04 - 00	0 - 0	000		12	/17/19	949	
Current mailing ad	ddre	SS									Telepho	ne num	ber				
5 Married La	ane)			_						(34	12)	000-	2000			
City				tate	ZIP cod			Country			1 -	filed a ı		-		-	
Miami			F	L	3444	4		USA			name	or add	ress is	differ	ent, ch	eck her	е <u>Х</u>
● Filing 1 □	Sing	le						Exemptio	ons	_	•				•	-	Total
Status 2 X	Marı	ried filing jointly						6a Yours	self	Regular	1	Sever	ely disa	abled		6a	1
Offiny - —		ried filing Spouse's name						6b Spou	use	Regular	<u>1</u>		ely disa			b	1
one box	sepa	arately Spouse's SSN						6c All de	epend	dents First	_{names} Pi	per, F	ump	kin		_• c	2
4 🗆	Hea	d of household Person who qu	alifies you					6d Disal			names					_● d	
5 🗌	Qua	lifying widow(er) with deper	ndent chi	ild				childr (see i		nly ctions)					Tota	I ● 6e L	4
Check 7a	1	• •	7t	•	ou.	7c ●	You ha	(d You	filed						
	u we		nd	filed	an	fed	deral F o	orm 8886		Oreg	gon						
apply→ Sp	ouse	e was: 65 or older Bl	nd	exte	ension	RE	EIT, or I	RIC		Forr							
												al colur	- 	1		on colu	
INCOME		Wages, salaries, and of			-							3,000	.00	• 8S	1	2,000	1.0.0
		Taxable interest income										1,040	-	• 9S		90	1
		Dividend income from			,								.00	+			.00
		State and local income											.00	●11S			.00
		Alimony received from											.00	●12S			.00
Staple proof of		Business income or los				,							.00	●13S			.00
withholding		Capital gain or loss from											.00	●14S			.00
(W-2s,		Other gains or losses fr											.00	●15S			.00
1099s), payment,		IRA distributions from f											.00	●16S			.00
and payment		Pensions and annuities				-,						4 000	.00	●17S		4 000	.00
voucher		Rents, royalties, partne										4,800	.00	•18S		4,800	
here		Farm income or loss fro											.00	+			.00
		Unemployment and oth							_			2 0 40	.00	•20S		<u> </u>	.00
		Total income. Add lines										3,840	.00	•21S	I	6,890	_
TO INCOME		IRA or SEP and SIMPL			•		,						.00	●22S ●23S			.00
		Education deductions f										2,610		•23S •24S			.00
		Moving expenses from										2,010		•24S •25S			.00
		Deduction for self-emp Self-employed health in	-											•26S			.00
		. ,						,						•27S			.00
		Alimony paid from fede Other adjustments to income.			•28			_		27F □ • 28F				•28S			.00
		Total adjustments to in	-										.00	1			.00
	29 30	Income after adjustmen				0					_	1,230	.00	•30S	1	6,890	_
ADDITIONS	31	Interest on state and lo									_	.,_50	T	•31S	<u> </u>	5,550	.00
ADDITIONS		Federal election on inte	•				_							•32S			.00
		Other additions. Identify: •33		•33y\$						● 32F ● 33F			.00	7			.00
		Total additions. Add lin											.00	7			.00
		Income after additions.		_							_	1,230	.00	7		6,890	_
SUBTRACTIONS		Social Security and tier 1										.,200	.00	-353		0,000	1.00
CODITACTIONS		Other subtractions. Identify:		•37\		alu Delle	\neg		_	r ● 36F]● 37F				•37S			.00
		Income after subtraction				s 36 and						1,230		•38S		6,890	
		Oregon percentage.										rry this		000		0,000	
	00	o. ogon poroentage. L	500		, (110t	more ura	100.0	, u, = uu		/(nt to lii					

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Form 40P, Exercise 4 Solution

Page 2 — 2007	Fo	rm 40P			
	40	Amount from front of form, line 38F (federal amount)			40 21,230 .00
DEDUCTIONS	41	Itemized deductions from federal Schedule A, line 29	41	.00	
AND		State income tax or sales tax claimed as itemized deduction		.00	}
MODIFICATIONS		Net Oregon itemized deductions. Line 41 minus line 42		.00	EITHER,
		Standard deduction from page 27	0.050	.00	NOT BOTH
		2007 federal tax liability (\$0-\$5,500 ; see instructions for the correct amount) • 4		.00	,
		Other deductions and modifications. Identify: •46x •46y\$ Schedule 46z • 4		.00	•
		Add lines 43, 45, and 46 if itemizing. Otherwise, add lines 44, 45, and 46			• 47 3,650 .00
		Taxable income. Line 40 minus line 47			
OREGON		Tax from tax charts. See instructions, page 29	_		17,500 .00
TAX		, , , , , , , , , , , , , , , , , , , ,		.00	1
	50	Oregon income tax. Line 49 X Oregon percentage from line 39, or	341	.00	J
	F-4	Check if tax is from: ● 50a ☐ Form FIA-40P or ● 50b ☐ Worksheet FCG	-4	.00]
		Interest on certain installment sales			• 52 941 .00
		Total tax before credits. Add lines 50 and 51			52 941 .00
NONREFUNDABLE CREDITS		Exemption credit. See instructions, page 30		.00	- <u> </u>
		Child and dependent care credit. See instructions, page 31		.00	ADD TOGETHER
ATTACH PROOF		Credit for income taxes paid to another state. State: ●55y Schedule 55z ●5		.00	-
		Other credits. Identify: ● 56x ● 56y Schedule attached 56z ● 5		.00])
		Total non-refundable credits. Add lines 53 through 56			
		Net income tax. Line 52 minus line 57. If line 57 is more than line 52, enter -0			• 58 416 .00
PAYMENTS AND REFUNDABLE	59	Oregon income tax withheld from income. Attach Forms W-2 and 1099●	59 <u>840</u>	.00	
CREDITS	60	Estimated tax payments for 2007 and payments made with your extension • 6	60	.00	
	61	Nonresidents. Tax withheld from pass-through entity		.00	. (
_	62	Earned income credit. See instructions, page 33	62 <u>156</u>	.00	ADD TOGETHER
Attach Schedule	63	Working family child care credit from WFC-N/P, line 21	63	.00	
WFC-N/P if you claim this credit		Number from WFC-N/P, line 5 ● 63a Amount from WFC-N/P, line 18 ● 63b \$,
ĺ	64	Mobile home park closure credit. Attach Schedule MPC●	64	.00]/
	65	Total payments and refundable credits. Add lines 59 through 64			● 65 996 .00
	66	Overpayment. Is line 58 less than line 65? If so, line 65 minus line 58	OVERPAYME	NT→	● 66 580 .00
	67	Tax to pay. Is line 58 more than line 65? If so, line 58 minus line 65	TAX TO P	ΔY →	● 67 .00
	68	Penalty and interest for filing or paying late. See instructions, page 33	68	.00	ADD TOGETHER
	69	Interest on underpayment of estimated tax. Attach Form 10 and check box	69	.00] ADD TOGETHER
		Exception # from Form 10, line 1 ● 69a			
	70	Total penalty and interest due. Add lines 68 and 69			70 .00
	71	Amount you owe. Line 67 plus line 70	MOUNT YOU OV	VE→	• 71 .00
	72	Refund. Is line 66 more than line 70? If so, line 66 minus line 70	REFUI	ND→	• 72 580 .00
		Estimated tax. Fill in the part of line 72 you want applied to 2008 estimated tax • 7		.00)
CHARITABLE		Oregon Nongame Wildlife ● 74 .00 Child Abuse Prevention ● 7	75	.00	į I
CHECKOFFS		Alzheimer's Disease Research ● 76 .00 Stop Dom. & Sexual Violence ● 7		.00	
PAGE 34		AIDS/HIV Education & Services • 78 .00 OR Military Financial Assist. • 7		.00	These will
I want to donate part		Habitat for Humanity ● 80 .00 OR Head Start Association ● 8		.00	reduce
of my tax		American Diabetes Association • 82 .00 Oregon Coast Aquarium • 8		.00	your refund
refund to the following		SMART • 84 .00 SOLV • 8		.00	·
fund(s)		Charity code ●86a ●86b .00 Charity code ●87a ●87		.00	†
	00				200 00
		Total. Add lines 73 through 87. Total can't be more than your refund on line 72			• 8800 • 89 580 .00
	89	NET REFUND. Line 72 minus line 88. This is your net refund	NET REFUI	10 -	360 .00
DIRECT	90	For direct deposit of your refund, see the instructions on page 36.	Type of Account	: 🗆 (Checking or X Savings
DEPOSIT		outing No. 1 2 4 5 6 4 5 6 4 • Account No. 1 2 3 1 2	3 1 2 3	5 5	5 5
	• R	louting No. 1 2 4 5 6 4 5 6 4 • Account No. 1 2 3 1 2	3 1 2 3	5 5) 3
Important: /	Atta	ach a copy of your federal Form 1040, 1040A, 1040EZ, or 1040NR. I	Do not attach	othe	er federal schedules.
	tor 1	false swearing, I declare that the information in this return and attachments is true, or			N. C. C. C. N.
Your signature		Date Signature of preparer other t	nan taxpayer	•	License No.
		X			
X Spouse's signature	e (jf fil	ling jointly, BOTH must sign) Address	Telep	hone N	0.
,	ç				
Χ					
150-101-055 (Rev. 15	0.71			_	·