

1996

DEPARTMENT OF REVENUE USE ONLY
Date Received

OREGON DEFERRAL OF REINVESTED GAIN

Taxpayer Name (as shown on return)	Social Security Number
Business Name (if different from taxpayer)	Federal Identification Number

If qualifying gain is reported by a partnership, limited liability company, S corporation or fiduciary, complete the following:

Partnership

 Limited Liability Company

 S Corporation

 Fiduciary

Name of Entity: _____ Federal Identification Number: _____ Owner's pro rata share: _____

SECTION A — DECLARATION OF INTENT TO REINVEST

	Property A	Property B	Property C
1. Description of property (see instructions)			
2. SIC code (see instructions)			
3. Expansion shares (see instructions)	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
4. Date property acquired			
5. Date property sold			
6. Sales price			
7. Cost or other basis (see instructions)			
8. Total gain on sale of property (line 6 minus line 7)			
9. Nonqualifying gain (see instructions)			
10. Gain qualifying for deferral (line 8 minus line 9)			
11. Gain not deferred (see instructions)			
12. Amount of gain deferred (line 10 minus line 11)			

Notice of Inconsistent Treatment. See "Filing instructions" on the back of this form.

SECTION B — REINVESTMENT OF PROCEEDS

	Property A	Property B	Property C
13. Amount reinvested			
14. Date new property acquired			
15. Description of property acquired			
16. Type of investment (check one)	<input type="checkbox"/> Qualified business interest in a C corporation <input type="checkbox"/> Qualified business activity with material participation	<input type="checkbox"/> Qualified business interest in a C corporation <input type="checkbox"/> Qualified business activity with material participation	<input type="checkbox"/> Qualified business interest in a C corporation <input type="checkbox"/> Qualified business activity with material participation
17. SIC code (see instructions)			

Under the provisions of ORS 316.877, I elect to defer Oregon state income tax on the gain shown above, and agree to report such gain as an addition to taxable income as required by Oregon law.

Signature X	Date
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INSTRUCTIONS FOR OREGON DEFERRAL OF REINVESTED GAIN

Refer to the information circular, "Oregon Deferral of Reinvested Gain" for definitions and explanations.

Filing Instructions

If you are electing to defer gain under these provisions and you have met the reinvestment requirements, complete Sections A and B of the Oregon Deferral of Reinvested Gain form. Attach it to your 1996 Oregon Individual Income Tax return.

If you are electing to defer gain, but you have not met the reinvestment requirements before filing your individual return, you should complete Section A only. Make a copy of the form and retain it with your records. Attach the original form, with Section A completed, to your 1996 Oregon Individual Income Tax return. When you have met the reinvestment requirements, complete Section B on the copy you retained. Mail it within 60 days to: Research, Oregon Department of Revenue, 955 Center Street NE, Salem OR 97310-2501.

Partnerships, Limited Liability Companies (LLCs), S Corporations and Fiduciaries. A partnership, LLC, S corporation or fiduciary may elect to defer qualifying gain on behalf of its owners. The entity must meet the reinvestment requirements within six months of the sale of the qualifying asset. Attach a copy of the completed form to the entity's tax return. Issue a separate form to each owner, using the name and identification number as shown on the owner's federal Schedule K-1 to complete the heading on the form. In Sections A and B of the form, show the owner's pro rata share of reported amounts.

If the entity does not make the election, the owners may elect individually to defer the gain by reinvesting within six months of the entity's year-end. The entity must complete Section A of the form, reporting the owner's pro rata share on lines 6 through 10. Owners who meet the reinvestment requirements prior to the due date of the individual income tax return should complete Section B of the form and file it with the tax return.

Owners who have not met the reinvestment requirements by the due date of the individual income tax return should see "filing instructions" above.

Individuals. If a partnership, LLC, S corporation or fiduciary has elected deferral of gain, you may opt out of the election by not claiming the subtraction on your individual return. See the instructions for line 11. Check the box labeled "Notice of Inconsistent Treatment" and attach the form to your individual income tax return. Be sure to retain a copy of the form with your tax records.

Line Instructions

Instructions are for lines not fully explained on the form.

Line 1. Identify the assets that qualify for gain deferral, including name, taxpayer identification number and industry classification, if applicable. If expansion shares were sold, identify by name and number of shares (i.e., 100 shares XYZ Corporation).

Line 2. Enter the code from the 1987 Standard Industrial Classification (SIC) Manual for the business activity in which the qualifying asset was used.

Line 3. Check the appropriate box. Refer to the information circular for a definition of expansion shares.

Line 7. Enter the adjusted basis of the asset(s), as determined for Oregon tax purposes.

Line 9. Enter the amount of gain included in line 8 that does not qualify for deferral.

Line 11. If you are filing this form to report gain from a partnership, LLC, S corporation or fiduciary, enter on this line any amount of qualifying gain that you are electing not to defer.

Line 12. Total the amounts for all columns. Enter the result as a subtraction on your individual income tax return (Form 40, line 17; Form 40N, line 37; or Form 40P, line 37).

Assistance

For questions about Oregon's deferral of reinvested gain, write to: Oregon Department of Revenue, 955 Center Street NE, Salem OR 97310-2501.

Or call: Salem (503) 378-4988
Toll-free within Oregon..... 1-800-356-4222

The toll-free number is available January through April.

TTY (hearing or speech impaired only): These numbers are answered by machine only and are not for voice use. The year-round toll-free number within Oregon is 1-800-886-7204. In Salem, the number is (503) 945-8617.

Habla Español? Las personas que necesitan asistencia en Español pueden dejar un mensaje. El número disponible todo el año en Salem es (503) 945-8618.

A message line is available all year for those who need assistance in Spanish. The number in Salem is (503) 945-8618.

Our Internet address is: <http://www.dor.state.or.us>

In compliance with the Americans with Disabilities Act (ADA) this information is available in alternative formats upon request by calling (503) 378-4988.