



Worksheet FCG-20

Farm Liquidation Long-Term Capital Gain Tax Adjustment (ORS 317.063)

**Tax year
2015**

Legal name of taxpayer (as shown on return)

Federal employer identification number (FEIN)

Calculation of tax adjustment from sale of qualified farm assets

1. Oregon taxable income from Form 20, line 16, or Form 20-S, line 6
(if zero or less, do not continue)..... 1. _____
2. Farm net long-term capital gain (NLTCG) (from line 11 below)..... 2. _____
3. Modified taxable income (subtract line 2 from line 1, but not less than zero)..... 3. _____
4. Oregon tax on the amount on line 3 (see instructions) 4. _____
5. Enter the smaller of line 1 or line 2 above. 5. _____
6. Multiply line 5 by 5 percent. 6. _____
7. Add line 4 and line 6..... 7. _____
8. Oregon tax on the amount on line 1 (see instructions) 8. _____
9. Subtract line 7 from line 8, if line 7 is less than line 8 (if line 7 is greater than line 8, do not continue).
Enter this amount on Form 20, line 18, or Form 20-S, line 8 9. _____

Calculation of qualified farm gain

1. Total NLTCG from business activity included on federal Form 1120 or 1120-S, Schedule D, line 15
(reduced by any NLTCG from non-unitary affiliates included in the federal consolidated return) 1. _____
2. 100 percent if all business is done in Oregon or Oregon apportionment percentage from
Schedule AP-1, line 22..... 2. _____
3. Oregon NLTCG from business activity (line 1 multiplied by line 2) 3. _____
4. NLTCG from non-business activity included in Schedule AP-2, line 7 4. _____
5. Total Oregon NLTCG (line 3 plus line 4)..... 5. _____
6. Total farm NLTCG from business activity included on federal Form 1120 or 1120-S, Schedule D, line 15
(reduced by any farm NLTCG from non-unitary affiliates included in the federal consolidated return) 6. _____
7. 100 percent if all business is done in Oregon or Oregon apportionment percentage from
Schedule AP-1, line 22..... 7. _____
8. Oregon farm NLTCG from business activity (line 6 multiplied by line 7) 8. _____
9. Farm NLTCG from non-business activity included in Schedule AP-2, line 7 9. _____
10. Total Oregon farm NLTCG (line 8 plus line 9) 10. _____
11. Farm NLTCG (lesser of line 5 or line 10)..... 11. _____

Please mark the "FCG-20" box on the front of your return and include the worksheet with your return.

Instructions for Worksheet FCG-20

Lines 4 and 8 (Oregon Tax Computation)

Corporations compute tax using a rate as shown in the instructions for Form 20 and 20-S.

Use with Forms 20, 20-S, and 65 to reduce your tax on the qualified gain. Complete the worksheet, check the box on the front of Form 20 or 20-S, and include with your return. You do **not** need to complete the form if your net long-term capital gain is zero or a loss, or if you do not have taxable Oregon income.

A reduced tax rate is available if you sold or exchanged capital assets used in farming. The sale or exchange must represent a substantially complete termination of your farming business or a termination of all your ownership interest in property that is used in a farming business.

You may not claim the special tax rate on a sale or exchange to a subsidiary/affiliate in the unitary group, as defined under Internal Revenue Code section 267(b). Ownership of a farm dwelling or farm homesite is not considered to be ownership of property employed in the trade or business of farming.

Partnerships or S corporations. The sale of ownership interest in a farming corporation, partnership, or other entity qualifies for the special tax rate. The taxpayer must have had at least a 10 percent ownership interest in the entity before the sale or exchange. If the income is taxed at the personal level, please use Form FCG (150-101-167) to calculate the special tax rate.

Farming activities include:

- Raising, harvesting, and selling crops.
- Feeding, breeding, managing, or selling livestock, poultry, fur-bearing animals, or honeybees, or the produce thereof.

- Dairying and selling dairy products.
- Stabling or training of horses, including providing riding lessons, training clinics, and schooling shows.
- Propagating, cultivating, maintaining, or harvesting aquatic species, birds, and other animals.
- Any other agricultural, horticultural, or animal husbandry activity.
- On-site construction and maintenance of equipment and facilities used in farming activities.
- Preparation, storage, or disposal of products or by-products raised for human or animal use on land employed in farming activities.
- Growing and harvesting cultured Christmas trees or certain hardwood timber.

Farming activities **do not** include growing and harvesting trees of a marketable species other than growing and harvesting cultured Christmas trees or certain hardwood timber. [ORS 317.063(a)(H)].

Taxpayer assistance

General tax information www.oregon.gov/dor
Salem 503-378-4988
Toll-free from Oregon prefix 1-800-356-4222
Email corp.help.dor@oregon.gov

This email address is not secure and confidentiality cannot be ensured. General tax and policy questions only.

Asistencia en español:

Salem 503-378-4988
Gratis de prefijo de Oregon 1-800-356-4222

TTY (hearing or speech impaired; machine only):

Salem 503-945-8617
Toll-free from Oregon prefix 1-800-886-7204

Americans with Disabilities Act (ADA): Call one of the help numbers for information in alternative formats.