Oregon 2017 S Corporation Tax Form OR-20-S Instructions

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Information contained herein is a guide. For complete details of law, refer to Oregon Revised Statutes (ORS) and Oregon Administrative Rules (OAR).

Important

If your registered corporation or insurance company isn't doing business in Oregon and has no Oregon-source income, then you don't need to file a corporation tax return.

Go electronic!

Fast • Accurate • Secure

File corporate tax returns through the Federal/State Electronic Filing Program. If you're mandated to e-file your federal return, you're required to e-file your Oregon return.

With approved third-party software, you can e-file your return with all schedules, attachments, and required federal return. **You can also conveniently include an electronic payment with your e-filed original return.** See "E-file".

Visit us online: **www.oregon.gov/dor**

- Registration and account status.
- Online payments.
- Forms, instructions, and law.
- Announcements and FAQs.

OREGON DEPARTMENT OF REVENUE

Important reminders

Revenue Online. Revenue Online provides convenient, secure access to tools for managing your Oregon tax account—completely free. With Revenue Online, you may:

- View your tax account.
- Make payments.
- View correspondence we sent you.
- Check the status of your refund.

For more information and instructions on setting up your Revenue Online account, visit our main website, www.oregon.gov/dor.

What's new?

Note: Not all information in What's new and Looking ahead sections pertain to all taxpayers or form types.

General

Tie to federal tax law

In general, Oregon tax law is based on federal tax law. Oregon is tied to the federal definition of taxable income as of December 31, 2016; however, Oregon is still disconnected from:

- **Federal subsidies** for prescription drug plans (IRC §139A; ORS 317.401).
- **Domestic production activities income** (QPAI) (IRC §199; ORS 317.398).
- **Deferral of certain deductions** for tax years beginning on or after January 1, 2009 and before January 1, 2011 may require subsequent Oregon modifications (IRC §108; §168(k); and §179; ORS 317.301).

Bankrupt taxpayer's tax attributes

A taxpayer who realized discharge of indebtedness income as a result of a corporate bankruptcy must reduce their Oregon tax attributes pursuant to the version of 11 USC 346(j) as amended and in effect on December 31, 2016 if the bankruptcy petition was filed on or after October 17, 2005. See ORS 314.306 and SB 29 (2017) for more details.

E-filers

Beginning January 1, 2017, a paper return filed by a corporation required to electronically file its Oregon corporation tax return may be rejected, unless a waiver request has been approved by us prior to the filing of the paper return.

Insurers

The 2017 Oregon Legislature passed SB 153 which contains a number of provisions that change or clarify Oregon law related to the taxation of insurers with a separate return filing requirement, and their noninsurance affiliates, under ORS 317.710(5) and (7). The provisions apply to returns subject to audit or adjustment by the Department of Revenue, returns subject to appeal, and refund claims made on or after October 6, 2017.

In summary, SB 153 (2017) provides the following:

1. Insurers with a separate return filing requirement under ORS 317.710(5) and (7) may not be included in an Oregon consolidated return and shall determine its Oregon corporate excise tax on a separate basis,
2. The remaining affiliates in the Oregon consolidated return shall compute their modified federal consolidated taxable income after exclusion of the insurer with the separate return filing requirement, and
3. The remaining affiliates in the Oregon consolidated return shall receive a dividends-received deduction of 100 percent if the dividend is paid by an insurer that would have been included in the Oregon consolidated return of the remaining affiliates but for the operation of ORS 317.710(5) and (7).

Interstate broadcasters

For tax years beginning on or after January 1, 2014 and before January 1, 2017 an interstate broadcaster's apportionment was determined based on the broadcaster's customers who are domiciled in Oregon. For tax years beginning on or after January 1, 2017, the method of apportionment of business income for an interstate broadcaster has reverted to pre-January 1, 2014 law and is based on an estimate of Oregon's national audience or subscribers' share (ORS 314.684 and 314.680). For more information, see "Special filing requirements."

Manufactured dwelling park tenant payments

The 2017 Oregon Legislature increased the amount of mobile home park closure payments and the subtraction amount. See HB 2008 (2017) for more information.

Protective claims

We have a new form for filing a protective claim for refund. Use Oregon Form OR-PCR, *Protective Claim for Refund*, 150-101-184, when your claim to a refund is contingent on a pending court decision or legislative action. Notify us within 90 days of the final determination by filing an amended return. Don't file an amended return before the pending action is final.

Credits

Rural technology workforce development tax credit

The rural technology workforce development tax credit is a new tax credit that equals 12 percent of a taxpayer's expenses that are incurred to establish and implement an employee training program. A qualifying employee training program must be operated in collaboration with a local community college operated under ORS Chapter 341. In addition, the employee training program must be operated in a qualifying county. The term qualifying county is defined in statute. The rural technology workforce development tax credit applies to tax years beginning on or after January 1, 2017. See Sections 18–20 of HB 2066 (2017).

Extended credits

- Fish screening devices tax credit is extended to tax years beginning before January 1, 2024 (ORS 315.138).
- Oregon affordable housing lender's credit is extended to tax years beginning before January 1, 2026 (ORS 317.097). The maximum credits allowed for each fiscal year has also increased from $17 million to $25 million.
- Oregon production investment fund (auction) credit is extended to tax years beginning before January 1, 2024 (ORS 315.514).
- Reservation enterprise zones tax credit is extended to tax years beginning before January 1, 2028 (ORS 285C.309).

Looking ahead

General

Apportionable income

For tax years beginning on or after January 1, 2018, the current term "business income" becomes "apportionable income" and "nonbusiness income" becomes "nonapportionable income." See HB 2275 (2017).

Listed foreign jurisdictions

The 2017 Oregon Legislature made no changes to Oregon's listed jurisdiction law (ORS 317.716). Accordingly, the list of countries used in tax years 2015 and 2016 to compute the listed jurisdiction modification hasn't changed for tax years 2017 and 2018. See Appendix C for the list of countries.

Market-based sourcing

For tax years beginning on or after January 1, 2018, Oregon corporate excise taxpayers must apportion their income from sales of services and intangible property according to market-based sourcing principles rather than cost of performance. See SB 28 (2017).

Sales factor computation

For tax years beginning on or after January 1, 2018, Oregon corporate excise taxpayers must exclude functional type income from the computation of their Oregon sales factor. Also, amounts held in trust or amounts received by an agent or fiduciary are excluded from the computation of the Oregon sales factor. See HB 2273 (2017).

Unitary determination

For tax years beginning on or after January 1, 2018, any facts related to any affiliated corporation may be used to determine whether a domestic US corporation is part of a unitary consolidated group. Currently, Oregon law prevents any facts related to foreign corporations from being used to determine if a domestic US corporation is part of a unitary consolidated group unless tax avoidance or evasion is at issue. See SB 30 (2017).

Credits

Bovine manure tax credit

The bovine manure tax credit is a new tax credit that equals $3.50 for each wet ton of bovine manure and may only be claimed once for each wet ton of bovine manure. The credit is certified by the Oregon Department of Agriculture and applies to tax years beginning January 1, 2018. It's scheduled to sunset on January 1, 2022. See Sections 6 through 11 of HB 2066 (2017) for more details.

Tax credit sunsets

Beginning January 1, 2018, the following tax credits are no longer available, except for applicable carryforward purposes:

- Biomass production/collection (ORS 315.141).
- Electronic commerce zone investment (ORS 315.507).
- Energy conservation projects (ORS 315.331).
- Fire insurance gross premiums tax (ORS 317.122).
- Long-term rural enterprise zone facilities (June 30, 2018)(ORS 317.124).*
- Qualified research activities and Alternative qualified research activities (ORS 317.152 and 317.154).
- Renewable energy development contributions (ORS 315.326).
- Transportation projects (ORS 315.336).

* The credit for long-term rural enterprise zone facilities must be certified on or before June 30, 2018.

Estimated tax payments

Requirements

Oregon estimated tax payment requirements aren't the same as federal estimated tax payment requirements. You must make estimated tax payments if you expect to owe tax of $500 or more. This includes Oregon's minimum tax. This requirement also applies if you're an S corporation paying tax on income from built-in gains or excess net passive investment income.

If you don't make estimated payments as required, you may be subject to interest on underpayment of estimated tax (UND). If you have an underpayment of estimated tax, refer to Form OR-37.

Payment due dates

Estimated tax payments are due quarterly, as follows:

- **Calendar year filers:** April 15, June 15, September 15, and December 15.
- **Fiscal year filers:** The 15th day of the 4th, 6th, 9th, and 12th months of your fiscal year.

- If the due date falls on a Saturday, Sunday, or legal holiday, use the next regular business day.

Payment options

Important: For details about making payments **with your return**, see "Filing checklist."

Estimated payments may be made by electronic funds transfer (EFT), online, or by mail.

EFT. You **must** make your Oregon estimated payments by EFT if you're required to make your federal estimated payments by EFT. We may grant a waiver from EFT payments if you'd be disadvantaged by the requirement (ORS 314.518 and supporting rules).

If you don't meet the federal requirements for mandatory EFT payments, you may still make voluntary EFT payments.

For more information, visit www.oregon.gov/dor/business.

You can make EFT payments through Revenue Online or through your financial institution. To learn more about Revenue Online or to make an EFT payment, visit www.oregon.gov/dor. If you pay by EFT, **don't** send Form OR-20-V, *Oregon Corporation Tax Payment Voucher.*

Mail. If paying by mail, send each payment with a Form OR-20-V, payment voucher, to: Oregon Department of Revenue, PO Box 14780, Salem, Oregon 97309-0469.

Include on your check:

- FEIN.
- Tax year.
- Daytime phone.

Worksheet to calculate Oregon estimated tax

(Keep for your records—don't file with payment.)

1. Oregon net income expected in upcoming tax year. 1. ______________
2. Tax on Oregon net income (see Appendix B). 2. ______________
3. Subtract tax credits allowable in upcoming tax year. Tax credits can't be used to reduce the $150 minimum excise tax. 3. ______________
4. Net tax (line 2 minus line 3). 4. ______________

   If the amount on line 4 is less than $500, **stop.** You don't have to make estimated tax payments. **Caution: If your final tax liability when you file your return is $500 or more, you may be subject to UND.**
5. Amount of each payment. (Divide line 4 by the number of payments you need to make. This is usually 4.) 5. ______________

If your expected net tax changes during the year, divide the amended net tax amount by the number of required payments (usually four) to determine the correct amount of each required payment.

To avoid additional charges for UND, you must pay the amount of any prior underpayment plus the amount of the current required payment (ORS 314.515 and supporting rules).

Example: During the year, Corporation A's expected net tax increased from $2,000 to $6,000. Corporation A made timely first and second quarter estimated payments of $500 before its expected net tax increased.

Corporation A should make four payments of $1,500 each during the year. Because of its increased net tax, Corporation A will be subject to UND charges for the first and second quarters. To avoid UND charges for the third and fourth quarters, Corporation A must make timely payments of $3,500* for the third quarter and $1,500 for the fourth quarter. (ORS 314.525 and corresponding administrative rules).

*$1,000 for the first-quarter underpayment, plus $1,000 for the second-quarter underpayment, plus $1,500 for the required third-quarter installment equals $3,500.

Filing information

Who must file with Oregon?

S corporations doing business in Oregon or receiving income from Oregon sources are required to file Form OR-20-S, *Oregon S Corporation Tax Return,* under the excise or income tax provisions in ORS Chapters 317 and 318. S corporation tax statutes and rules are in Chapter 314 of the Oregon Revised Statutes and Oregon Administrative Rules (ORS 314.730 to 314.784).

Exemption for emergency service providers. An out-of-state emergency service provider is exempt from tax when operating solely for the purposes of performing disaster or emergency-related work on critical infrastructure. Disaster or emergency-related work conducted by an out-of-state business may not be used as the sole basis for determining that a corporation is doing business in Oregon.

Note: Oregon follows the **federal entity classification regulations**. If an entity is classified or taxed as an S corporation for federal income tax purposes, it will be treated as an S corporation for Oregon tax purposes.

For Oregon tax purposes, S corporation income generally is taxable to the shareholders rather than the corporation.

However, S corporations do pay Oregon tax on income from built-in gains or excess net passive income if such income is subject to tax on the federal corporation return.

The income or loss of an S corporation is reported to each shareholder on the federal form, Schedule K-1. See "**Shareholder information**" below.

Minimum tax requirements. All S corporations **doing business** in Oregon must pay the $150 minimum excise tax. The minimum tax isn't passed through to the shareholders, but is payable by the S corporation.

Excise or income tax?

Oregon has two types of corporate taxes: excise and income. **Excise tax is the most common.** Most corporations don't qualify for Oregon's income tax.

Excise tax requirements. Excise tax is a tax for the privilege of **doing business** in Oregon. It's measured by net income. S corporations doing business in Oregon must file a Form OR-20-S to report and pay the $150 minimum **excise** tax. If the S corporation has an **Oregon address,** generally the S corporation will file an Oregon S Corporation Tax Return and pay excise tax.

"**Doing business**" means carrying on or **being engaged in any profit-seeking activity** in Oregon not protected by Federal Public Law 86-272. A taxpayer having one or more of the following in this state is doing business in Oregon:

- A stock of goods.
- An office.
- A place of business (other than an office) where affairs of the corporation are regularly conducted.
- Employees or representatives providing services to customers as the primary business activity (such as accounting or personal services), or services incidental to the sale of tangible or intangible personal property (such as installation, inspection, maintenance, warranty, or repair of a product).
- An economic presence through which the taxpayer regularly takes advantage of Oregon's economy to produce income.

Income tax requirements. S corporations may still be subject to the Oregon corporation income tax if they have income from an Oregon source. S corporations that derive income from sources within Oregon but whose income producing activity doesn't actually constitute doing business must file Form OR-20-S under the **income** tax provisions in ORS Chapter 318.

Income is from an Oregon source if it's derived from:

- Tangible or intangible property located in Oregon;
- Any activity carried on in Oregon, whether intrastate, interstate, or foreign commerce that doesn't otherwise constitute doing business in Oregon.

There is no minimum tax for a corporate **income** tax filer.

Corporations with **no business activity** in Oregon or without income from Oregon sources, even if registered to do business in the state, aren't subject to the excise or minimum tax and aren't required to file a return.

Important: Don't file a Form OR-20-S unless you're required to do so. Filing an unnecessary return may result in a billing for minimum tax.

Shareholder information

Shareholders who meet Oregon filing requirements must file an Oregon tax return. Refer to the appropriate Oregon tax returns and instructions for an explanation of those requirements, based on shareholder classification (individual, corporation, trust, or estate).

Resident shareholders are taxed on their pro rata share of S corporation income, loss, and deductions from the federal K-1s. Those amounts are modified by Oregon additions and subtractions.

Nonresident shareholders are taxed on their share of business income from the federal K-1s, multiplied by the S corporation's apportionment percentage from Schedule OR-AP, part 1, *Apportionment of Income for Corporations and Partnerships* (ORS 314.734). Nonresident shareholders are also taxed on their share of nonbusiness income from Oregon sources.

Each individual shareholder of an S corporation may claim their pro rata share of the corporation's business tax credits unless the shareholder is included on a composite return (ORS 314.752 and supporting rules). The credit is allowable for the tax year of the individual in which the S corporation's tax year ends.

Composite returns

Pass-through entities with distributive income attributable to Oregon sources must file a composite return on behalf of its nonresident owners who elect to participate in the composite filing. A nonresident owner is an individual who isn't a resident of Oregon, a business entity that has a commercial domicile outside of Oregon, a nonresident trust, or a qualified funeral trust. The pass-through entity reports the nonresident owners' share of Oregon-source distributive income on one tax return, Form OR-OC, *Oregon Composite Return*.

Withholding requirement

An S corporation with one or more nonresident owners who have no other Oregon source income is required to withhold tax on the owner's distributive share of S corporation income. The requirement is waived if the owner makes an election to join in the filing of a composite return, sends us a signed Form OR-19-AF, 150-101-175, or meets another exception listed in ORS 314.775 and supporting rules.

Each quarter, the S corporation will complete a Form OR-19-V, *Tax for Nonresident Owners Payment Voucher,* (located with Form OR-19, *Annual Report of Nonresident Owner Tax Payments,* 150-101-182). Send in any required payments with a completed Form OR-19-V. At the end of the year, complete Form OR-19 to show how much of each quarterly payment belongs to each nonresident shareholder.

E-file

If you're required to e-file with the IRS, you're also required to e-file for Oregon. We accept calendar year, fiscal year, short year, and amended electronic corporation tax returns utilizing the IRS Modernized e-file platform (MeF). Beginning January 2018, we'll accept e-filed returns for tax year 2017, and will continue accepting returns for 2016 and 2015.

Your tax return software also allows you to make electronic payments when e-filing your **original** return.

Note: Beginning January 1, 2017, a paper return filed by a corporation required to electronically file its Oregon corporation tax return may be rejected, unless a waiver request has been approved by the department prior to the filing of the paper return.

For a list of software vendors or for more information, search "e-filing" at www.oregon.gov/dor.

Federal or other state audit changes

If the IRS or other taxing authority changes or corrects your return for any tax year, you **must** notify us. File an amended Oregon return and include a copy of the federal or other state audit report. Mail this **separately** from your current year's return.

If you don't amend or send a copy of the federal or other state report, we have two years from the date we're notified of the change by the IRS to issue a deficiency notice. To receive a refund, you must file a claim for refund of tax within two years of the date of the federal or other state report.

Amended returns

Oregon doesn't have an amended return form for corporations. Use the form for the tax year you're amending and check the "**Amended**" box. **Always use your current address.** If the address for the year you're amending has changed, **don't** use the old address or our system will incorrectly change your information.

Fill-in all amounts on your amended return, even if they're the same as originally filed. If you're amending to change additions, subtractions, or credits, include detail of all items and amounts, including carryovers.

If you change taxable income by filing an original or amended federal or other state return, you must file an amended Oregon return within **90 days** of when the original or amended federal or other state return is filed. Include a copy of your original or amended federal or other state return with your amended Oregon return and explain the adjustments made.

If you filed Form OR-20-S and later determined you should file Form OR-20, *Oregon Corporation Excise Tax Return*, check the **"Amended"** box on Form OR-20.

You may make payments online for any amended return at www.oregon.gov/dor.

Don't make payments for amended returns with electronic funds transfer (EFT). This also applies to e-filed amended returns. For paper returns, you may pay online or include a check or money order with your return. For e-filed returns, you may pay online or send a check or money order separately. If you mail your payment separate from your return, write "**Amended**" on the payment and include a completed Form OR-20-V with the "Amended" box checked.

Don't amend your Oregon return if you amend the federal return to carry a net operating loss back to prior years. Oregon allows corporations to **carry net operating losses forward only.**

On the **estimated tax payments** line on your amended Form OR-20-S, enter the net excise tax per the original return or as previously adjusted. Don't include any penalty or interest portions of payments already made.

If paying additional tax with your amended return, you must include interest with your payment. Interest is figured from the day after the due date of your original return up to the day we receive your full payment. See "Interest rates."

Pay all tax and interest due when you file an amended return or within 30 days after receiving a billing notice from us to avoid being charged a 5 percent late payment penalty.

Note: If a deficiency is assessed against any taxpayer because of a retroactive adoption of federal law changes, we'll cancel any penalty or interest pertaining to the changes. If a taxpayer files an amended return showing a refund due based on the retroactive adoption of federal law changes, we won't pay interest.

Protective claims

Don't file an amended return as a protective claim. Use Oregon Form OR-PCR, *Protective Claim for Refund,* 150-101-184, when your claim to a refund is contingent on a pending court decision or legislative action. Notify us within 90 days of the final determination by filing an amended return. Don't file an amended return before the pending action is final.

Filing checklist and reminders

Rounding to whole dollars. Enter amounts on the return and accompanying schedules as whole dollars only. Example: $4,681.55 becomes $4,682; and $8,775.22 becomes $8,775.

- **Due date of your return.** Returns are due by the 15th day of the month following the due date of your federal corporation return. When the 15th falls on a Saturday, Sunday, or legal holiday, the due date is the next business day.
- **Extensions.** See the instructions for the extension checkbox below. Include your extension as the final page of your return when you file.
- **Payments.**
  - **Estimated payments and prepayments.** Identify all estimated payments claimed by completing Schedule ES on your return. List all payments that were submitted prior to filing your return. Include the corporation name and Federal employer identification number (FEIN) if a payment was made by an affiliate of the filing corporation.
  - **Online payments.** You may pay online for any return at www.oregon.gov/dor.
  - **Making electronic payments with your e-filed return.** We accept electronic payments when e-filing your **original** return.
  - **Making check or money order payments with your paper return.** Make your check or money order payable to Oregon Department of Revenue. Write the following on your check or money order:

— FEIN.
— Tax year 2017.
— Daytime phone.

  - **To speed processing:**

— Use Form OR-20-V payment voucher.
— Don't staple payment to the return or to the voucher.
— Don't send cash or postdated checks.
— Don't use red or purple or any gel ink.

  - **Sending check or money order payments separate from your return.** Follow the instructions above except don't include with your return. Mail separate payments with Form OR-20-V to: Oregon Department of Revenue, PO Box 14780, Salem, Oregon 97309-0469. Don't use this address for filing your return.

- **Assembling and submitting your return.** Submit your Oregon return forms in the following order:

4. Form OR-20-S, *Oregon S Corporation Income Tax Return*;
5. Schedule OR-AP, *Apportionment of Income for Corporations and Partnerships*;
6. Schedule OR-ASC-CORP, *Oregon Adjustments*;
7. Form OR-37, *Underpayment of Corporation Estimated Tax*;
8. Form OR-24, *Like-Kind Exchanges/Involuntary Conversions*;
9. Schedule OR-FCG-20, *Farm Liquidation Long-Term Capital Gain Tax Adjustment*;
10. Other Oregon statements;
11. Oregon credit forms including notice of credit transfers;
12. Copy of federal tax return and schedules;
13. Federal Schedule K-1s, if less than 11 shareholders during the year, or K-1 Summary (see below); and
14. Form 7004, Federal extension.

- **K-1 Summary.** If you had more than 10 shareholders, include a summary of shareholder information. Your summary must include each shareholder's name, SSN or FEIN, address, profit/loss sharing percentage, and Oregon modifications and credits. We prefer summaries and K-1s on CD. Label the CD with the entity's FEIN, name, and tax year. If your CD is password protected, mail the password separately. Include the S corporation name and identification number with the password.

Tax-due returns, mail to:
Oregon Department of Revenue
PO Box 14790
Salem OR 97309-0470

Refunds or no tax-due returns, mail to:
Oregon Department of Revenue
PO Box 14777
Salem OR 97309-0960

Form instructions

Heading and checkboxes

- **Excise or income tax checkbox.** Oregon has two types of corporate taxes: excise and income. **Excise tax is the most common.** Most corporations don't qualify for Oregon's income tax. See "Excise or income tax."

  Do you pay an excise tax or income tax to Oregon? One box must be checked:
  - Excise tax if you do business in Oregon.
  - Income tax if you don't do business in Oregon, but you have taxable income from an Oregon source.
- **OR-FCG-20 checkbox.** A reduced tax rate is available if you sold or exchanged capital assets used in farming.

  Complete Schedule OR-FCG-20 and check the box in the header of the form.
- **Extension checkbox.** For an Oregon extension when you're also filing for a federal extension: Send the federal extension with the Oregon return when you file. Check the "Extension" box on your Oregon return and include the extension after all other enclosures. The Oregon extension due date is the 15th day of the month following the federal extension's due date. Don't send the extension until you file your Oregon return.

For an "Oregon only" extension: Answer question 1 on federal extension Form 7004, write **"For Oregon Only"** at the top of the form, and include it with your Oregon return when you file. Check the "Extension" checkbox on the Oregon return. The Oregon extension due date is the 15th day of the month following what would be the federal extension's due date. Don't send the extension until you file your Oregon return.

More time to file doesn't mean more time to pay your tax. To avoid penalty and interest, pay your tax due online, or by mail with Form OR-20-V, by the original due date of your return. **Note**: Filing Form OR-20-V isn't an extension of time to file or to pay tax.

If you're making an extension payment by mail, send the payment to: Oregon Department of Revenue, PO Box 14780, Salem, OR 97309-0469.

Include on your check:

- FEIN.
- Tax year.
- Daytime phone.

- **Form OR-37 checkbox.** If you have an underpayment, you must include a completed Form OR-37. Check the "Form OR-37" box in the header of your return.

  Use Form OR-37 to:
  - Calculate the amount of underpayment of estimated tax;
  - Compute the amount of interest you owe on the underpayment; or
  - Show you meet an exception to the payment of interest.

- **Form OR-24, Deferred gain checkbox.** Corporations may defer, for Oregon tax purposes, all gains realized in the exchange of like-kind property and involuntary conversions under IRC §1031 or §1033, even though the replacement property is outside Oregon. Oregon will tax the deferred gain when it's included in federal taxable income.

  Include a copy of your Oregon Form OR-24, *Like-Kind Exchanges/Involuntary Conversions,* 150-800-734, with your Oregon return and check the "Form OR-24" box if all of the following apply:
  - The corporation reported deferred gain on a federal Form 8824;
  - All or part of the property exchanged or given up was located in Oregon; and
  - All or part of the acquired property was located outside of Oregon.

  For a more detailed explanation, see ORS 314.650 and 314.665 and supporting rules regarding apportionment of deferred gain.

- **Amended checkbox.** Check the "Amended" box if this is an amended return.

- **Federal Form 8886 checkbox, REIT/RIC checkbox, and reportable transactions.** If you participate in listed or reportable transactions, you must report it on your Oregon tax return.

  If you're required to report listed or reportable transactions to the IRS on federal Form 8886 or if you participated in a real estate investment trust (REIT) or regulated investment company (RIC), you must check the appropriate boxes in the header area of the Oregon tax return.

  We'll assess penalties if you don't comply with this requirement.

- **Accounting period change checkbox (Excise tax return filers only.)** Check this box only if both of the following apply:
  - The excise tax return covers a period of less than 12 months, **and**
  - The short-period return is due to a qualified change in accounting period per IRC §441 to §444.

  Note: A short-period return doesn't automatically constitute a qualified change in accounting period. A taxpayer that isn't in existence for the entire year shouldn't check this box. This includes subsidiaries that join or leave a consolidated filing group and newly formed or dissolved corporations.

  If you file a short-period return due to a qualified change in accounting period and you're subject to the minimum tax, apportion the $150 minimum tax by multiplying the $150 minimum tax by the total number of months in the short period and dividing it by 12.

- **Federal Form 5471 checkbox.** If your corporation files a federal Form 5471 for an affiliate incorporated in any of the listed foreign jurisdictions in Appendix C, check this box.

- **Alternative apportionment checkbox.** See Appendix D for complete information.

Name. Enter your company name as listed on your business registration with the Oregon Secretary of State's office.

- **Legal name.** Enter the corporation's current legal name as set forth in the articles of incorporation or other legal document.
- **FEIN.** Enter the FEIN of the corporation named as the filer on the consolidated Oregon return.
- **DBA/ABN.** If the corporation is doing business under a different name, for example, DBA or ABN, enter that name.
- **Current address.** Always enter the corporation's current address. If the address for the year you're filing was different, **don't** use the old address or our system will incorrectly change your information.

Questions

Questions A–C. Complete only if this is your first return or the answer changed during the tax year.

Question D. Refer to the current list of North American Industry Classification System (NAICS) codes found with your federal tax return instructions. Only enter the code if this is your first return or the current code is different than you reported for last year.

Question G. If this is the corporation's first return, check the box and provide all information as requested. If the corporation is a successor to a previously existing business in Oregon, check the box and provide all information as requested. You would only check one of the boxes.

Question H. Final returns: A final tax return is required when a corporation has ceased to exist, withdrawn from doing business in Oregon, dissolved, merged, or reorganized. Check the box and provide requested information.

Question J. Utility or telecommunications companies. Taxpayers primarily engaged in utilities or telecommunications may elect to apportion income using double-weighted sales factor formula (ORS 314.280 and supporting rules). Check the box if making this election.

Question K. Apportioned returns. Enter the amount of Oregon sales from Schedule OR-AP, line 21(a).

Nonapportioned returns. S corporations doing business only within Oregon will calculate Oregon sales by adding:

- Gross receipts from sales of inventory (less returns and allowances), equipment, and other assets;
- Gross rent and lease payments received;
- Gross receipts from the performance of services;
- Gross receipts from the sale, exchange, redemption, or holding of intangible assets derived from the taxpayer's primary business activity and included in the taxpayer's business income; and
- Net gain from the sale, exchange, or redemption of intangible assets not derived from the taxpayer's primary business activity but included in the taxpayer's business income. (This is a non-exclusive list.)

Line instructions

Do *not* complete lines 1–5 unless you have taxable income *and* tax on federal Form 1120S.

S corporations **without federal taxable income**, built-in gains, or excess net passive income:

- Skip lines 1 through 5,
- Enter your apportionment percentage on line 6,
- Enter -0- taxable income on line 7,
- Enter -0- calculated tax on line 8,
- Enter -0- total calculated tax on line 10,
- Then skip to line 11, "Minimum tax" (see instructions on page 12).

Line 1. Income taxed on federal Form 1120S.

S corporations with federal taxable income, built-in gains, or excess net passive income: Taxable income. Line 1(a). Enter the amount from Form 1120-S, Schedule D, Part III, line 18. If the amount is negative, enter -0-.

Line 1(b). Enter the amount from Form 1120-S, "Worksheet for line 22a."

Additions

On Oregon Form OR-20-S, enter the total of lines 1(a) and 1(b) on line 1. **Important:** Additions for S corporations with federal taxable income or LIFO benefit recapture only **(S corporations without federal taxable income, start on line 8)**.

Line 2. Total additions. The amount by which any item of gross income is greater under Oregon law than under federal law, or the amount by which any allowable deduction is less under Oregon law than under federal law, is an addition on your Oregon return. **Enter only additions that apply to taxable income included in line 1.**

Use Schedule OR-ASC-CORP, Section A, to report the amount and description of each addition. Use the description code from the list in Appendix A. The total of all additions is entered on Form OR-20-S, line 2.

Additions include:

- **Charitable donations not allowed for Oregon.** Donations to a charitable organization that has received a disqualifying order from the Attorney General aren't deductible as charitable donations for Oregon tax purposes. Such organizations are required to provide a disclosure to a donor to acknowledge this. The Attorney General will publish and otherwise make publicly available information identifying the charitable organizations receiving a disqualification order. If you claimed a federal deduction, an addition must be made on your Oregon return for donations to such charitable organizations (ORS 317.491).
- **Deferred gain recognized from out-of-state disposition of property acquired in an IRC §1031 or §1033 exchange.** See ORS 317.327 regarding the computation of the addition if gain or loss is recognized for federal

tax purposes but not taken into account in the computation of Oregon taxable income.

- **Depreciation differences.** If your Oregon depreciation isn't the same as your federal depreciation, the difference is a required modification to your Oregon return (ORS 317.301). Use *Schedule OR-DEPR* to determine the Oregon modification.
- **Gain or loss on the disposition of depreciable property.** Add the difference in gain or loss on sale of business assets when your Oregon basis is less than your federal basis (ORS 317.356).
- **Income from sources outside the United States.** Add income from sources outside the United States, as defined in IRC §862, not included in federal taxable income under IRC §§861 to 864 (ORS 317.625).
- **Interest income excluded on the federal return.** Oregon gross income includes interest on all state and municipal bonds or other interest excluded for federal tax purposes. Reduce the addition by any interest incurred to carry the obligations and by any expenses incurred in producing this interest income (ORS 317.309).
- **Listed foreign jurisdictions—income.** Taxable income of any unitary corporation that's incorporated in a listed foreign jurisdiction (shown in Appendix C) shall be added to federal taxable income on the Oregon return if the income isn't otherwise included (ORS 317.716). Use the subject corporation's net income as reported on line 18, Schedule C of federal Form 5471. Report each subject corporation's income or loss as a separate amount on Schedule OR-ASC-CORP; don't combine amounts of multiple corporations.

  If a subject corporation's income isn't included in your federal consolidated taxable income as carried to your Oregon return, it's a positive addition to arrive at Oregon taxable income (ORS 317.716 and supporting administrative rules).
- **Listed foreign jurisdictions—loss.** Taxable loss of any unitary corporation that's incorporated in a listed foreign jurisdiction shall be a negative addition to federal taxable income on your Oregon return if the income isn't otherwise included (ORS 317.716). Use the subject corporation's net loss as reported on line 18, Schedule C of federal Form 5471. Report each subject corporation's income or loss as a separate amount on Schedule OR-ASC-CORP; don't combine amounts of multiple corporations.

  If a subject corporation's loss or item of expense isn't included in your federal consolidated taxable income as carried to your Oregon return, it's a negative addition to arrive at Oregon taxable income (ORS 317.716 and supporting administrative rules).
- **Listed foreign jurisdictions—previously included loss or expense.** If any portion of loss or expense of a foreign corporation that's required to be included in the determination of federal taxable income per ORS 317.716 was already included in your Oregon taxable income, it won't be included again. Reduce the addition loss for the portion of the loss or expense that was previously included. Include a schedule with your return to explain how each amount is determined (ORS 317.716 and supporting administrative rules).
- **Oregon excise tax and other state or foreign taxes on or measured by net income.** Oregon excise tax may not be deducted on the Oregon return. Taxes of other states or foreign governments on or measured by net income or profits may not be deducted on the Oregon return. If you subtracted these taxes on your federal return, you must add them back on your Oregon return. However, the Oregon minimum tax and local taxes, such as the Multnomah County Business Income tax, are deductible, and aren't required to be added back (ORS 317.314).
- **QPAI deduction.** Add to federal taxable income the amount of QPAI deduction per IRC §199 claimed on the federal return. Agricultural or horticultural cooperatives, reduce the addition by the amount passed through to cooperative patrons under IRC §199(d)(3)(A) (ORS 317.398).

Subtractions

Important: Subtractions for S corporations with federal taxable income or LIFO benefit recapture only (S corporations without federal taxable income, start on line 8).

Line 3. Total subtractions. The amount by which an item of gross income is less under Oregon law than federal law, or the amount by which an allowable deduction is greater under Oregon law than federal law, is a subtraction on your Oregon return. **Enter only subtractions that apply to taxable income included in line 1.**

Use Schedule OR-ASC-CORP, Section B, to report the amount and description of each subtraction. Use the description code from the list in Appendix A. The total of all subtractions is entered on Form OR-20-S, line 3.

Subtractions include:

- **Cancellation of debt (COD) income IRC §108(i).** Taxpayers with income that arose from cancellation of debt for the reacquisition of a debt instrument after December 31, 2008, and before January 1, 2011, for less than its adjusted issue price, were allowed to elect deferral of income recognition for federal purposes, but not for Oregon. The exclusion from federal income created an addition on the Oregon return. As this income is subsequently recognized on your federal return you may subtract for Oregon the amount that was previously included in Oregon income (ORS 317.301).

- **Deferred gain recognized from out-of-state disposition of property acquired in an IRC §1031 or §1033 exchange.** See ORS 317.327 regarding the computation of the subtraction if gain or loss is recognized for federal tax purposes but not taken into account in the computation of Oregon taxable income.

- **Depreciation differences.** If your Oregon depreciation isn't the same as your federal depreciation, the difference is a required modification to your Oregon return (ORS 317.301). Use *Schedule OR-DEPR* to determine the Oregon modification.

- **Film production labor rebate.** Subtract the amount received as a labor rebate and that was included in federal taxable income (ORS 317.394).

- **Gain or loss on the sale of depreciable property.** The difference in gain or loss on the sale of business assets when your Oregon basis is greater than your federal basis (ORS 317.356).

- **Interest on obligations** of the United States and its instrumentalities included in Form OR-20-S, line 1. **This applies to income tax filers only. Reduce the subtraction by any expenses incurred to produce this interest income.**

- **Listed foreign jurisdictions—previously included income.** Taxable income of any unitary corporation that's incorporated in a listed foreign jurisdiction and isn't otherwise required to be included in a consolidated federal return shall be included in Oregon income (ORS 317.716). If any portion of that income was previously included in Oregon taxable income, claim a separate subtraction for the portion of the income that was previously included. **Don't** combine previously included income with additions. See additions for more information. **Note: Don't** report losses from a foreign corporation in a listed jurisdiction as a subtraction. See additions for how to report a loss (ORS 317.716 and supporting administrative rules).

- **Losses from outside the United States.** Subtract losses from sources outside the United States, as defined in IRC §862, not included in federal taxable income under IRC §§861 to 864 (ORS 317.625).

- **Manufactured dwelling park tenant payments** made under ORS 90.505 to 90.840 to compensate a tenant for costs incurred due to the closure of the park may be subtracted (ORS 317.092).

- **Marijuana businesses expenses.** ORS 317.763 allows Oregon taxpayers filing a corporate excise or income tax return to deduct business expenses otherwise barred by IRC §280E if the taxpayer is engaged in marijuana-related activities authorized by ORS 475B.010 to 475B.395.

- **Sale of manufactured dwelling park.** The net gain attributable to the sale of a manufactured dwelling park to a tenant's association, facility purchase association, or tenant's association supported nonprofit organization is exempt from tax (Note following ORS 317.401).

- **State of Oregon interest income included on line 1 (income filers only).** Interest income from obligation of the state of Oregon isn't taxable if the obligation was issued after May 24, 1961. Reduce the subtraction by any expenses incurred to produce this interest income.

Net loss deduction

- Use **line 5** for Oregon net loss carried over from a year the S corporation was a C corporation. Enter as a positive number.
- Net losses are allowed as a deduction against built-in gain income only.
- The Oregon deduction is the sum of unused net losses assigned to Oregon for preceding taxable years.
- A net operating loss carryforward is required to be reduced by the entire Oregon taxable income of intervening tax years [ORS 317.476(4)(b)].
- Net losses can be carried forward up to 15 years to offset built-in gain income (ORS 314.740).
- Oregon doesn't allow net losses to be carried back.
- **Include a schedule** showing your computations.

Line 6. Apportionment percentage. Enter the apportionment percentage from Schedule OR-AP, part 1, line 22. If you have income only in Oregon and don't apportion, enter 100.0000.

Line 7. Oregon taxable income. Complete this line **only** if you are an S corporation with federal taxable income, built-in gains, or excess net passive income. **Most S corporations don't complete this line and begin on line 8.**

Tax

Line 8. Calculated tax. Don't enter the minimum tax on this line.

All S corporations **without** federal taxable income, built-in gains, or excess net passive income enter -0- on lines 8 through 10 and go to line 11. S corporations **with** federal taxable income, built-in gains, or excess net passive income must determine and enter the calculated tax as follows:

- Is Oregon taxable income $1 million or less? If so, multiply Oregon taxable income by 6.6 percent and enter the result. Enter -0- if the result is negative or zero.
- Is Oregon taxable income greater than $1 million? If so, multiply the amount that's greater than $1 million by 7.6 percent, and add $66,000. Enter the result.

Line 9. Schedule OR-FCG-20 adjustment. A reduced tax rate is available if you sold or exchanged capital assets used in farming. Subtract the amount of adjustment for tax on net long-term capital gain from farm property from line 9 of Schedule OR-FCG-20 (ORS 317.063).

Line 10. Total calculated tax (line 8 minus line 9).

Line 11. Minimum tax.

Excise tax filers. S corporations doing business in Oregon enter **$150 minimum tax**.

Reminder: The minimum tax isn't apportionable for a short tax year (except a change of accounting period).

Income tax filers. S corporations not doing business in Oregon, but with Oregon-source income don't pay minimum tax. Enter -0- for minimum tax.

Line 12. Tax (greater of line 10 or line 11). Oregon tax is the greater of total calculated tax or minimum tax.

Line 13. Tax adjustment for installment sales interest. If you owe interest on deferred tax liabilities with respect to installment obligations under ORS 314.302, enter the amount of interest. Include a schedule showing how you computed the interest.

Line 14. Tax before credits (line 12 plus line 13).

Credits

For a complete list and description of all Oregon corporation credits, visit www.oregon.gov/dor/business.

Important:

- Only credits carried forward from C corporation years are allowed on the S corporation return.
- No credits are allowed to offset the tax on excess net passive income or minimum tax. Credit carryforwards are only allowed to offset the tax on built-in gains [ORS 314.740(5)(b)].
- List credits and codes on the OR-ASC-CORP in the order you want them used.

Line 15. Total credits. Use Schedule OR-ASC-CORP to report the amount and description of credits. Use the description code from the list in Appendix A. The total of all credits is entered on Form OR-20-S, line 15. These credits can apply to tax on recognized built-in gains only.

Line 16. Tax after credits (line 14 minus line 15).

Line 17. LIFO benefit recapture addition. Oregon has adopted the provisions of IRC §1363(d) for S corporations. LIFO benefits are included in taxable income for the last year of the C corporation under these provisions. On the LIFO benefits line of each of the first three returns of the new S corporation, add one-third of the tax that was deferred from the last year of the C corporation. The tax on LIFO benefit recapture is in addition to all other taxes, including the Oregon corporate minimum tax for excise tax filers. Include the computation schedule with the Oregon return (ORS 314.750).

Net tax

Line 18. Net tax. Enter line 16 plus line 17.

Payments, penalty, interest, and UND

Line 19. Estimated tax and prepayments.

Estimated tax paid for the tax year. Fill in the total estimated tax payments made before filing your Oregon return.

Schedule ES—Estimated payments or other prepayments. Fill in the total estimated tax payments and any payments made with Form OR-20-V. Also include any refunds applied from other years on line 5. List name and FEIN of the payer only if different from the corporation filing this return. On line 6, enter payments made with your extension or other prepayments.

Total. On line 7, enter the total of lines 1 through 6, then carry total to Form OR-20-S, line 19.

Line 22. Penalty. To avoid penalty and interest, you must make any tax payment owed by the **original** due date of the tax return. You must also e-file or mail your tax return by the original due date, or by the extended due date if you file with a valid extension.

Enter the following penalties on your return if they apply.

- **5 percent failure-to-pay penalty.** Include a penalty payment of 5 percent of your unpaid tax if you don't pay by the original due date, even if you have an extension of time to file.

  Exception: You won't be charged the 5 percent failure-to-pay penalty if you meet all of the following requirements:

  - You have a valid federal or Oregon extension, and
  - You pay at least 90 percent of your tax after credits by the original due date of the return, and
  - You file your return within the extension period, and
  - You pay the balance of tax due when you file your return, and
  - You pay the interest on the balance of tax due when you file your return or within 30 days of the date of the bill you receive from us.

  If you filed with a valid extension but didn't pay 90 percent of your tax liability by the original due date, you'll be charged the 5 percent failure-to-pay penalty.

- **20 percent failure-to-file penalty.** Include a penalty payment of 20 percent of your unpaid tax if you don't file your return within three months after the due date (including extensions). The failure-to-file penalty is in addition to the 5 percent failure-to-pay penalty.
- **100 percent late pay and late filing penalty.** Include a penalty payment of 100 percent of your unpaid tax if you don't file returns for three consecutive years by the original or extended return filing due date of the third year. A 100 percent penalty is assessed on each year's tax balance.

Line 23. Interest. You must pay interest on unpaid taxes if:

- You don't pay the tax balance by the original filing due date;
- You file an amended return and have tax to pay; or
- Your taxable income is changed because of a federal or state audit and you owe more tax.

Interest owed on tax starts the day after the due date of your original return and ends on the date of your payment. Interest is computed daily.

Even if you have an extension to file, you'll owe interest if you pay after the return's original due date.

To calculate interest:

Tax × Daily interest rate × Number of days.

Interest rates and effective dates:

For periods beginning	Annually	Daily
January 1, 2018	5%	0.0137%
January 1, 2017	5%	0.0137%
January 1, 2016	4%	0.0110%

Interest accrues on any unpaid tax during an extension of time to file.

Interest will increase by one-third of 1 percent per month (4 percent yearly) on delinquencies if:

- You file a return showing tax due, or we assessed an existing deficiency; and
- The assessment isn't paid within 60 days after the notice of assessment is issued; and
- You haven't filed a timely appeal.

Line 24. Interest on underpayment of estimated tax (UND). You must make quarterly estimated tax payments if you expect to owe $500 or more in tax. This includes Oregon's minimum tax. Oregon charges UND interest if:

- The quarterly payment is less than the amount due for that quarter; or
- We receive the quarterly payment after that quarter's due date; or
- No quarterly payments are made during the year and the final tax liability is $500 or more.

Use Form OR-37 to:

- Calculate the amount of underpayment of estimated tax;
- Compute the interest you owe on the underpayment; or
- Show you meet an exception to the payment of interest.

If you have an underpayment of estimated tax, include Form OR-37 with your tax return, check the box on page 1 of Form OR-20-S, and file them before the due date of the return.

If your current year corporation tax liability, including the minimum tax, is less than $500, you're not required to make estimated payments. Don't complete this form. However, this provision doesn't apply to a high-income taxpayer. A **"high-income taxpayer"** is one that had federal taxable income before net operating loss and capital loss carryovers and carrybacks of $1 million or more in any one of the last three years, not including the current year. **Note:** This may result in the overpayment being applied to your second estimated tax installment. See ORS 314.515.

Total due or refund

Line 26. Total due. See "Filing checklist" for payment options. Include a Form OR-20-V, payment voucher, with your payment.

Special instructions. If you owe penalty or interest and have an overpayment on line 21, and your overpayment is less than total penalty and interest, then fill in the result of line 25 minus line 21, on line 26.

Line 28. Amount of refund to be credited to estimated tax. You may elect to apply part or all of your refund to your next year's estimated tax payments. Fill in the amount you want to apply. **Your election is irrevocable.**

Elected amounts that are attributable to estimated tax payments received prior to the following year's first quarter estimated tax due date, will be applied as a timely first quarter installment of the following year. Elected amounts attributable to payments received after the following year's first quarter estimated tax due date, will be applied to the following year's estimated tax account as of the date the payment is received. See ORS 314.515 and OAR 150-314-0302.

Schedule SM instructions

Schedule SM is for reporting total Oregon modifications to federal taxable income that are passed through to all S corporation shareholders. If items of income, loss, or deduction are different under Oregon and federal law, indicate the federal schedule K-1 line and amount of the modification.

Note: Don't use Schedule OR-ASC-CORP codes for Schedule SM additions and subtractions.

Line 1. Interest on government bonds of other states. Enter interest the corporation received from states and local governments other than Oregon and its municipalities. Example: Include interest from state of Washington bonds or San Francisco city bonds, but omit interest from Oregon government bonds.

Line 2. Gain or loss on the sale of depreciable property. Enter the difference in gain or loss on the sale of business assets when your Oregon basis is less than your basis for federal purposes (ORS 316.716).

Line 3. Other additions. See ORS 316.680–316.848. Examples of other additions are:

- Gain from involuntary conversion. An S corporation shall make the election to defer gain from the involuntary conversion of its owned property.
- Depletion in excess of basis.
- High-yield discount obligation interest.

Line 5. Interest from U.S. government. Enter the amount of interest received from the U.S. government, its instrumentalities, and organizations that invest in U.S. government securities.

Line 6. Gain or loss on the sale of depreciable property. Enter the difference in gain or loss on the sale of business assets when the Oregon basis is greater than it's for federal purposes (ORS 316.716).

Line 7. Work opportunity credit wage reductions. Were salaries and wages on federal Form 1120-S reduced for the work opportunity tax credit? Enter the amount of reduction here.

Line 8. Subtractions. See ORS 316.680 through 316.848 and ORS 314.734(4) and (5). You may subtract the Oregon corporation tax paid on built-in gains reported on line 1 of the return. Examples of subtractions include:

- Local government bond interest.
- Like-kind exchanges.
- High yield discount obligation dividends.
- Sale of public utility dividend reinvestment plan stock.
- Depreciation of basis differences due to claiming a federal tax credit.
- Long-term capital gains from sale of farm.

Each shareholder's share of additions and subtractions must be reported to the shareholder. These amounts may be added to the federal K-1s and labeled "Oregon additions" and "Oregon subtractions." Alternatively, the S corporation could use Oregon Schedule OR-K-1 to report the Oregon modifications to each shareholder. Don't file the OR-K-1 schedules with your return.

Note: Nonresident shareholders must report their ownership percentage of modifications, multiplied by the S corporation's Oregon apportionment percentage from Schedule OR-AP.

Appendix A
Corporation Form OR-20-S
2017 Schedule OR-ASC-CORP codes

Additions

Description	Code
Charitable donations not allowed for Oregon	132
Deferred gain from out-of-state disposition of property	118
Depreciation differences	174
Gain or loss on disposition of depreciable property	158
Income from sources outside U.S.	159
Interest income excluded on federal (state, municipal, and other interest income)	150
Listed foreign jurisdictions—income	176*
Listed foreign jurisdictions—loss	177*
Listed foreign jurisdictions—previously included loss or expense	177*
Oregon excise tax and other tax	151
QPAI deductions	102
Uncategorized addition (must include explanation)	199

* If you use code 176 or 177, you must also enter a "country code" on Schedule OR-ASC-CORP to indicate the listed foreign jurisdiction. See Appendix C for country codes.

Subtractions

Description	Code
Cancellation of debt (COD) income §108(i)	365
Deferred gain from out-of-state disposition of property	352
Depreciation differences	353
Film production labor rebate	336
Gain or loss on sale of depreciable property	356
Interest on U.S. obligations and instrumentalities (income filers only)	361
Listed foreign jurisdiction—previously included income	367*
Losses from outside U.S.	358
Manufactured dwelling park tenant payments	344
Marijuana business expenses	375
Sale of manufactured dwelling park	338
State of Oregon interest income (income filers only)	364
Uncategorized subtraction (must include explanation)	399

* If you use code 367, you must also enter a "country code" on Schedule OR-ASC-CORP to indicate the listed foreign jurisdiction. See Appendix C for country codes.

Credits *(carryforward from prior C corporation status only)*

Description	Code
Standard credits: None	
Carryforward credits:	
Agricultural workforce housing (ORS 315.164)	835
Alternative fuel vehicle fund (auction) (ORS Note 2: 315.336)	865
Alternative qualified research activities (ORS 317.154)	837
Biomass production/collection (ORS 315.141)	838
Business energy (ORS 315.354)	839
Child Care Fund contributions (ORS 315.213)	841
Contributions of computers or scientific equipment (ORS 317.151)	842
Crop donation (ORS 315.156)	843
Electronic commerce zone investment (ORS 315.507)	845
Employer-provided dependent care assistance (ORS 315.204)	846
Employer scholarship (ORS 315.237)	847
Energy conservation projects (ORS 315.331)	849
Fish screening devices (ORS 315.138)	850
Individual Development Account (IDA) donation (ORS 315.271)	852
Lender's credit: energy conservation (ORS 317.112)	848
Long term enterprise zone facilities (ORS 317.124)	853
Oregon affordable housing lender's credit (ORS 317.097)	854
Oregon Low Income Community Jobs Initiative (ORS 315.533)	855
Oregon production investment fund (auction) (ORS 315.514)	856
Pollution control facilities (ORS 315.304)	857
Qualified research activities (ORS 317.152)	858
Reforestation of underproductive forestlands (ORS 315.104)	867
Renewable energy development contributions (ORS 315.326)	859
Renewable energy resource equipment manufacturing facility (ORS 315.341)	860
Rural technology workforce development	868
Transportation projects (ORS 315.336)	863
Uncategorized carryforward credit (must include explanation)	999
University venture fund (ORS 315.521)	864
Weatherization lender's credit (ORS 317.111)	866

Appendix B
Oregon Corporation Form OR-20-S
2017 Tax rates and minimum tax

Note: Corporation **excise** tax filers pay the greater of calculated tax or minimum tax.

Calculated tax

S corporations without federal taxable income, built-in gains, or excess net passive income generally have -0- calculated tax. These corporations pay minimum tax if they're **excise** tax filers.

If Oregon taxable income is:

- $1 million or less, multiply Oregon taxable income by 6.6% (not below zero).
- more than $1 million, multiply the amount exceeding $1 million by 7.6%, and add $66,000.

Minimum tax

S corporation minimum tax is $150 for **excise** tax filers.

Note: Income tax filers pay only calculated tax. They're not subject to minimum tax.

Appendix C
Oregon Corporation Form OR-20-S
2017 Listed foreign jurisdiction country codes
ORS 317.716

Note: Country codes are to be used on Schedule OR-ASC-CORP if you're using addition codes 176 or 177 or subtraction code 367.

Andorra	AN
Anguilla	AV
Antigua and Barbuda	AC
Aruba	AA
The Bahamas	BF
Bahrain	BA
Barbados	BB
Belize	BH
Bermuda	BD
Bonaire	10
The British Virgin Islands	VI
The Cayman Islands	CJ
The Cook Islands	CW
Curacao	UC
Cyprus	CY
Dominica	DO
Gibraltar	GI
Grenada	GJ
Guatemala	GT
Guernsey-Sark-Alderney	GK
The Isle of Man	IM
Jersey	JE
Liberia	LI
Liechtenstein	LS
Luxembourg	LU
Malta	MT
The Marshall Islands	RM
Mauritius	MP
Montserrat	MH
Nauru	NR
Niue	NE
Saba	11
Samoa	WS
San Marino	SM
Seychelles	SE
Sint Eustatius	12
Sint Maarten	NN
St. Kitts and Nevis	SC
St. Lucia	ST
St. Vincent and the Grenadines	VC
The Turks and Caicos Islands	TK
The U.S. Virgin Islands	VQ
Trinidad and Tobago	TD
Vanuatu	NH

Appendix D
Oregon Corporation Form OR-20
Alternative apportionment

Oregon law allows taxpayers to request an alternative method of apportionment. If you choose to make such a request you must follow the instructions below. Uniform Division of Income for Tax Purposes Act (UDITPA) taxpayers filing under ORS 314.605 to ORS 314.675, as well as insurers, and taxpayers filing under ORS 314.280, must use this procedure to apply for alternative apportionment.

Administration

The department will review the alternative apportionment request and issue a decision. This decision will be in the form of a letter. Taxpayers may appeal a denial of their alternative apportionment petition to Oregon Tax Court as provided in ORS 305.275.

If your alternative apportionment petition is approved you'll have the opportunity to amend your returns under the normal statute of limitations. The approval of your alternative apportionment petition will remain in effect unless and until the department revokes the alternative apportionment petition during audit or you file a new alternative apportionment petition and receive the department's approval of the new proposal.

Allow at least 6 months for the department to make a determination.

Also, note that all petitions for alternative apportionment may result in additional review and documentation requests.

Instructions part 1

- Include a written petition for alternative apportionment with or separate from your original or amended return.
- For administrative purposes, we prefer your request be made separate from your return.
- If your request is separate from your return, skip to Instructions part 2 below and **don't** check the Alternative apportionment checkbox on your return.
- If your request is filed with your return, you must check the Alternative Apportionment checkbox on the front of the return. Failure to do so could result in your request being overlooked. This box is to denote requests only and is not to be used after a request is granted.
- The original or amended return must be completed using standard apportionment unless/until an alternative apportionment has been approved by the department.

Note: Taxpayers filing amended returns for 2015 or prior must use the form year corresponding to the tax year even though there's no Alternative Apportionment checkbox on the return. Taxpayers must clearly identify they're requesting alternative apportionment and must adhere to all other requirements. Determinations to these amended returns will take longer to process.

- Returns, with or without petitions, must be sent to the department's normal return filing addresses. See "Filing checklist" in the instructions.
- Continue with Instructions part 2 below.

Instructions part 2

- The written petition must have the title "Alternative Apportionment Request."
- The petition must be signed by the taxpayer or the taxpayer's representative.
- In the case of a UDITPA taxpayer, the petition must fully explain the extent of the taxpayer's business activity in Oregon and why standard apportionment doesn't fairly and equitably represent the taxpayer's business activity in Oregon, or allocate net income to Oregon based on Oregon business activity. An ORS 314.280 taxpayer must fully explain why standard apportionment doesn't fairly and equitably represent the amount of net income the taxpayer earns inside and outside Oregon. An insurer must explain why standard apportionment doesn't fairly and equitably represent the insurer's business activity within Oregon.
- The taxpayer's petition must fully explain their proposed method of alternative apportionment and explain why this proposed method of alternative apportionment is more accurate in reflecting business activity or net income, as appropriate, in Oregon than the standard formula.

- The taxpayer's petition must show how the taxpayer's Oregon Return (OR-20, OR-20-INC, OR-20-INS, or OR-20-S) would be completed, including the net tax calculation, using the taxpayer's proposed method of alternative apportionment.
- If your petition is mailed separately from your return, mail it to: Oregon Department of Revenue, Corporation Section, 955 Center ST NE, Salem OR 97301-2555. (Tax returns can't be submitted to this address.)