

150-314-0115**Example 1:**

Unrecognized gain for state purposes		\$5,000,000
Applicable percentage:		
Aggregate face amount of installment obligations outstanding at the end of the tax year in excess of \$5,000,000	\$5,000,000	
Divided by the aggregate face amount of installment obligations outstanding at the end of the tax year	<u>÷ \$10,000,000</u>	
Applicable percentage		x <u>50%</u>
Unrecognized gain subject to interest charge on deferred tax		\$2,500,000
2016 Oregon apportionment percentage		x <u>25%</u>
Unrecognized gain apportioned to Oregon		\$625,000
Oregon tax rate		x <u>6.6%</u>
Deferred Oregon tax liability		\$41,250
Interest rate in effect for Oregon for month in which tax year ends		x <u>11%</u>
Interest to report as tax on 2016 Oregon return		<u><u>\$4,538</u></u>

Example 2:

Unrecognized gain at end of year		\$4,000,000
Applicable percentage:		
Aggregate face amount of installment obligations outstanding at the end of the tax year in excess of \$5,000,000	\$3,000,000	
Divided by the aggregate face amount of installment obligations outstanding at the end of the tax year	<u>÷ \$8,000,000</u>	
Applicable percentage		x <u>37.5%</u>
Unrecognized gain subject to interest charge on deferred tax		\$1,500,000
2016 Oregon apportionment percentage		x <u>25%</u>

Unrecognized gain apportioned to Oregon	\$375,000
Oregon tax rate	x <u>6.6%</u>
Deferred Oregon tax liability	\$24,750
Interest rate in effect for Oregon for month in which tax year ends	x <u>11%</u>
Interest to report as tax on 2017 Oregon return	<u><u>\$2,723</u></u>

Example 4:

Unrecognized gain subject to interest charge on deferred tax in 2016:	\$2,500,000
Oregon tax rate:	
\$1,000,000 x 6.6% =	\$66,000
\$1,500,000 x 7.6% =	<u>+ \$114,000</u>
Deferred Oregon tax liability	\$180,000
Oregon interest rate for month in which tax year ends	x <u>11%</u>
Interest to report as tax on the 2016 Oregon return	<u><u>\$19,800</u></u>
Unrecognized gain subject to interest charge on deferred tax in 2017:	\$1,500,000
Oregon tax rate:	
\$1,000,000 x 6.6% =	\$66,000
\$500,000 x 7.6% =	<u>+ \$38,000</u>
Deferred Oregon tax liability	\$104,000
Oregon interest rate for month in which tax year ends	x <u>11%</u>
Interest to report as tax on the 2017 Oregon return	<u><u>\$11,440</u></u>