

OAR 150-316-0005

(3)(b):

Federal Tax Return

Wages	\$12,000
Interest income	800
Schedule C income (loss)	(40,000)
Schedule D income (sale of stock)	400
U.S. Government pension	<u>2,000</u>
Federal Adjusted Gross Income (AGI)	<u>(\$24,800)</u>

Oregon Tax Return

Federal AGI	(\$24,800)
Oregon "Changes"	-0-
Oregon Additions (California bond interest)	500
Oregon Subtractions	
Depreciation adjustment	\$1,000
Interest and dividend exclusion	400
U.S. Government Pension	<u>2,000</u>
Total subtractions	(3,400)
Oregon deductions	
Itemized deductions on federal Schedule A	\$6,800
Oregon tax claimed as an itemized deduction	<u>-0-</u>
Oregon net itemized deduction	<u>(6,800)</u>
Negative Oregon taxable income	<u>(34,500)</u>

Computation of the Oregon Net Operating Loss Deduction

Negative Oregon taxable income	(\$34,500)
Add: Excess nonbusiness deductions	

A. Nonbusiness losses on the federal return	\$ -0-
B. Nonbusiness adjustments to federal income	-0-
C. Oregon "Changes" that decrease income	-0-
D. Nonbusiness Oregon Subtractions	
(\$2,000 + \$400)	2,400
E. Nonbusiness Oregon itemized deductions	<u>6,800</u>
Total nonbusiness deductions	9,200

Nonbusiness income

A. Nonbusiness income included	
in federal income (\$800 + \$2,000)	2,800
B. Nonbusiness Oregon "Changes"	
increasing income	-0-
C. Nonbusiness Oregon Additions	<u>500</u>
Total nonbusiness income	\$3,300

Excess nonbusiness deductions over nonbusiness income (\$9,200 - \$3,300)	\$5,900
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Net operating loss deduction from prior years	-0-
Exemption deductions (if applicable)	-0-
Capital gains deduction	600
Total Reduction to Negative Oregon Taxable Income	<u>6,500</u>
Allowable Oregon Net Operating Loss Deduction	<u>(\$28,000)</u>

(5):

	<u>Business</u>	<u>Nonbusiness</u>
Adoption expenses		X
All-Saver Certificate Interest Exclusion		X
Depletion in excess of basis	X	
Depreciation adjustment for Oregon purposes	X	
Federal deduction for married couple when both work		X
Federal income tax refunds added to Oregon		
Oregon taxable income	*	*
Federal jobs tax credit and WIN wages	X	
Federal tax subtraction	*	*
Gain/loss on sale of depreciable assets	X	
Interest and dividend exclusion		X
Interest from U.S. government obligations		X
Interest on local government bonds of other states		X
Itemized deductions		
Medical expenses	X	
Taxes (state and local)	*	*
Interest		X
Contributions		X
Casualty losses	X	
LIFO inventory adjustment	X	
Loggers and construction workers commuting expenses	X	
Lump-sum distributions		X
Military active duty pay	X	
Oregon income tax refund included in federal income	*	*
Oregon Public Retirement Income		X
Oregon standard deduction		X
Public utility reinvestment dividends		X
Sale of public utility stock		X
Social security income included in federal income		X
U.S. public retirement income subtraction		X

*The items above that are marked with an asterisk are to be allocated between their business and nonbusiness components.

(9)(b):

$$\text{Percentage} = \frac{\text{Spouse's share of federal AGI}}{\text{Total federal AGI}}$$