OAR 150-316-0195

Example:

Douglas lives in Washington. From January 1 to May 1 he earns \$28,000 in Washington wages and pays \$12,000 in alimony. From May 1 to June 1 he earns \$7,000 in Oregon wages and pays \$3,000 in alimony.

On June 1 Douglas moves to Oregon and establishes residency. Between June 1 and November 1 he earns \$50,000 in Oregon wages and pays \$15,000 in alimony.

In November, Douglas goes back to work for his former Washington-based employer but continues to live in Oregon. From November 1 through December 31 he earns \$24,000 in Washington wages and pays \$6,000 in alimony.

Summary: During the time he was a nonresident, and without regard to his alimony deductions, Douglas earned \$7,000 in Oregon source income and \$35,000 in total income. Douglas made \$15,000 in alimony payments while a nonresident and \$21,000 in alimony payments after establishing Oregon residency.

Douglas' Oregon alimony deduction is \$24,000, consisting of \$3,000 for the nonresident period and \$21,000 for the resident period. The \$3,000 is computed as follows:

Computation:

<u>\$ 7,000</u>

\$35,000 x \$15,000 = \$3,000 Nonresident period \$3,000 Resident period + \$21,000 Total Oregon deduction \$24,000 Douglas' federal alimony deduction is \$36,000.