

OAR 150-316-0415

Example 1:

(a) Calculate the Oregon fiduciary income tax paid on ordinary income.

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|--|----------------|
| Tax paid with 1987 return | \$1,102 |
| Percentage: Capital gains ÷ taxable income | |
| $12,100 \div \$13,800$ | 87.68% |
| Multiply tax paid by percent | <u>- (966)</u> |
| Oregon fiduciary income tax on ordinary income | <u>\$ 136</u> |

(b) Calculate revised Oregon taxable income of fiduciary.

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|---|-----------------|
| 1987 federal taxable income of fiduciary | \$18,036 |
| Less: 1993 gross accumulation distribution amount | <u>(2,937)</u> |
| Revised federal taxable income | \$15,099 |
| Less: Revised fiduciary's share of fiduciary adjustment | |
| (\$10,862 minus \$8,690) | <u>(2,172)</u> |
| Revised Oregon taxable income of fiduciary | <u>\$12,927</u> |
| Revised Oregon fiduciary income tax | <u>\$ 1,023</u> |

(c) Percentage: Capital gains ÷ revised taxable income

| | |
|--|----------------|
| $\$12,100 \div \$12,927$ | 93.60% |
| Multiply revised tax by percentage | <u>- (958)</u> |
| Revised Oregon fiduciary income tax on ordinary income | <u>\$ 65</u> |

(d) Subtract the revised tax on ordinary income from the tax on ordinary income actually paid by the fiduciary with the return.

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|----------------------------------|--------------|
| Tax paid with 1987 return | \$ 136 |
| Less: Revised tax (from above) | <u>(65)</u> |
| Maximum calculated Oregon credit | <u>\$ 71</u> |