

Instructions for Oregon Amended Schedule

For Amending Oregon Individual Income Tax Returns

What form do I use?

Use the *Oregon Amended Schedule* to calculate your additional refund or tax to pay on amended returns. Generally, you will use the same form (Form 40S, 40, 40N, or 40P) and instructions you used to complete your original return to complete your amended return.

Exceptions:

- Did you originally file Form 40S, but are changing to Form 40? If so, use Form 40 and instructions to complete your amended return.
- Are you changing your residency status (for example, from full-year resident to part-year resident)? If so, use the appropriate form for your corrected residency status.

Check the amended box, or for tax years 2004 and earlier write “amended” in blue or black ink at the top of your amended Form 40S, 40, 40N, or 40P. Read these instructions and fill out the entire income tax form (Form 40S, 40, 40N, or 40P) using the correct information. For charitable check-offs, see the note on page 3. Then complete the amended schedule.

Attach the amended schedule to your amended return.

Elderly Rental Assistance (ERA) Form 90R

Do not use this schedule to amend Form 90R. To file an amended ERA claim, use Oregon Form 90R. You should:

- Request an ERA booklet for the year you are amending. To order a booklet, see page 3.
- Write “amended” in blue or black ink at the top of Form 90R.
- Fill out Form 90R using the correct information.
- Attach an explanation of your changes.

How long do I have to file for a refund?

In most cases, you must file for a refund within three years from the due date of your original return, or the date you filed your original return, whichever is later. If the three-year filing period has expired, you may still file for a refund if:

- You paid tax within the past two years for the tax year you are amending. Your refund is generally limited to the tax you paid in that two-year period.
- You had a net operating loss carryback. Your claim must be filed within three years from the due date of the return for the tax year when the loss occurred. The due date includes extensions.
- The Internal Revenue Service (IRS) or another state adjusted your return or assessed tax for failure to file a return. You must file a copy of the audit report, return, or assessment and your Oregon amended return and schedule within two years after the federal or other state correction was made.

When should I file and pay if I owe additional tax?

File your amended return and schedule as soon as you know that a change needs to be made. Interest is figured from the day after the due date of the original return up to the date the tax is paid. Pay any tax and interest due as soon as possible to avoid additional interest. There may also be a penalty.

How long will it take to process my amended return?

Processing time for amended returns varies. **It may take six months or longer to process your amended return.**

Federal or other state audits

Did an IRS or another state audit change your Oregon taxable income? If so, you must attach a copy of the audit report to your amended Oregon return.

Net operating loss (NOL)

An Oregon NOL is defined the same as a federal NOL. However, you may have an Oregon NOL without having a federal NOL. Your Oregon NOL is computed under the federal methods. The only modification is for amounts that Oregon is prohibited from taxing, such as interest from U.S. Series EE, HH, or I bonds (U.S. government interest).

Generally an NOL for a full-year resident is the same as the federal NOL. Nonresidents are allowed an Oregon NOL if it is generated from Oregon sources.

If you are amending for an NOL, be sure to check the box on the amended schedule and show the year of the NOL and the NOL calculations.

Oregon NOL carryover or carryback

Generally, if you carry an NOL back for federal purposes, you also must carry the Oregon NOL back for Oregon purposes. There is an exception if you were not required to file an Oregon return for all years to which the federal NOL deduction is applied. If you elect to carry the federal NOL forward, then you must also carry the Oregon NOL forward.

Special instructions for federal tax liability

- Did we correct the federal tax subtraction on your original return? If so, use the corrected amount from our notice.
- Did you pay federal tax or get a federal refund because you were audited or filed an amended return? If so, see “Federal income tax changes” below.
- Did you pay more than the limit? Refer to the instructions in the income tax booklet for the year you received the refund for the limit amount.
- Did you amend your federal return before the due date of the original return? If so, the federal tax on your

amended federal return is the amount you will use for your amended Oregon return. There will be no addition or subtraction in a later year.

Federal income tax changes

Did you pay **additional** federal tax because you were audited or filed an amended return? If so, claim the additional federal tax as a subtraction on your Oregon return in the year you paid the additional tax.

Example 1: You paid additional federal tax in 2006 for an audit adjustment on your 2005 income tax return. Amend your 2005 return for the audit adjustments, but **do not** change the 2005 federal tax. You may be able to subtract the additional 2005 federal tax on your 2006 return. See instructions in the 2006 income tax booklet for limits.

Did you get a refund of federal tax because you were audited or filed an amended return?

If so, show the federal tax refund as an addition on your Oregon return in the year you get the refund, but only if you received a tax benefit. See the worksheet below.

Example 2: You received a federal tax refund in 2006 for amending your 2005 income tax return. Report the refund as an addition on your 2006 return. If you already filed your 2006 return, you may need to amend it.

Federal refund worksheet

Use this worksheet to determine the tax benefit received and the amount to include in Oregon income in the year you received the refund.

1. Enter the federal tax liability on your original federal return. 1. _____
2. Enter the federal tax subtraction limit for the year you are amending. 2. _____
3. Line 1 minus line 2. (Enter -0- if line 2 is greater than line 1.) 3. _____
4. Enter the refund of the prior year's federal tax. 4. _____
5. If line 3 is greater than line 4, no adjustment is needed on your Oregon amended return. If line 4 is greater than line 3, enter line 4 minus line 3 here and on your Form 40, as an addition (code 109); or on your Form 40N or Form 40P, as an other deduction and modification (code 601). 5. _____

How to fill out the amended schedule

Instructions are for lines not fully explained on the form.

Do not fill in cents. You must round off cents to the nearest dollar. For example, \$24.49 becomes \$24.00 and \$24.50 becomes \$25.00.

Tax

101. Net income tax as amended. This is your amended tax after nonrefundable credits from your amended return (do not include refundable tax credits, see line 103). If your credits are more than your tax, enter -0-.

Payments and refundable credits

102. Oregon income tax withheld as amended. If you are correcting the amount of state tax withheld, you must attach a copy of any additional or corrected Form W-2 or 1099. If this hasn't changed, enter the amount from your previous return.

103. Total refundable tax credits as amended. Add together all refundable tax credits from your amended return using the worksheet below. Enter the total from line 4 of the worksheet on line 103 of the *Oregon Amended Schedule*.

Refundable credits worksheet:

1. **Earned income credit (EIC).** Tax years 2005 and earlier, enter "0" and go to line 2. Tax years 2006 and later, enter your corrected Oregon earned income credit from your amended return. If your federal EIC hasn't changed, your Oregon EIC will be the same as on your previous return. 1. _____
2. **Working family child care credit (WFC).** Tax years 2002 and earlier, enter "0" and go to line 3. Tax years 2003 and later, enter your corrected working family child care credit from your amended return. Attach your amended Schedule WFC or WFC-N/P. If this credit hasn't changed, it will be the same as on your previous return. 2. _____
3. **Involuntary move of a mobile home.** Tax years 2005 and earlier, enter "0" and go to line 4. Tax year 2006, enter your corrected refundable involuntary move of a mobile home credit from your amended return. Attach your amended Schedule MH. If this credit hasn't changed, it will be the same as on your previous return. 3. _____
4. **Total refundable credits as amended.** Add lines 1, 2, and 3 of this worksheet. Enter the total here and on line 103 of the *Oregon Amended Schedule*. 4. _____

104. Estimated tax payments. Fill in the amount of estimated tax payments credited to your original return.

105. Amount of net income tax paid with original return and later. Fill in the amount of all **income tax** actually paid on your original Oregon return. Include payments made later or for any additional tax adjustments to your return.

Don't include payments for:

- Penalty and interest, or
- Interest on the underpayment of estimated tax.

107. Income tax refunds received from original return and later. Fill in the amount of **any** refund you received (or expect to receive) from your original Oregon return and any amended returns previously filed for the same year. Include refunds received from the working family child care credit or other refundable credit or a previous adjustment. Do not include interest received. Do not reduce your refund by:

- Amounts you contributed to charitable funds claimed on the return, **or**
- Amounts you applied to the next year's estimated tax, **or**
- Amounts we offset to pay money owed to the Department of Revenue or another agency.

Any refund due from your original return may be mailed separately. By law, the Oregon Department of Revenue cannot issue refunds or apply amounts less than \$1.

Refund or balance due

Note: Charitable checkoffs cannot be used on amended returns. If you would like to donate to any of the charities, their addresses are available on our website.

110. Amount of line 109 you want applied to another year's estimated tax. If your refund on line 109 is \$1 or more, you may apply part or all of it to your Oregon estimated tax account. Fill in the tax year and the amount you want to apply.

111. Net refund. You must reduce your refund by any amounts applied to your estimated tax on line 110. If you would like your refund direct deposited, enter your account information on Form 40S, 40, 40N, or 40P. **Note:** Interest on underpayment of estimated tax for a prior year is not refundable. Do not include it as part of your refund.

113. Interest on additional tax to pay. Do you need to pay additional tax with your amended return? If so, **you must include interest with your payment.** To avoid paying an additional 5 percent penalty, you must pay the tax and interest in full with your amended return, or within 30 days after you receive a billing notice from the department.

Interest on income tax is figured from the day after the due date of your original return up to the date your payment is received.

An interest period is each full month starting with the day after the due date of the original return. Generally, the due date for income tax returns is April 15.

Interest rates on tax you owe

Percentage Rates

Interest Period	Annual	Monthly	Daily
January 16, 1995 to January 15, 1999	10%	.8333% (.008333)	.0274% (.000274)
January 16, 1999 to January 15, 2001	9%	.7500% (.007500)	.0247% (.000247)
January 16, 2001 to February 15, 2002	10%	.8333% (.008333)	.0274% (.000274)
February 16, 2002 to February 15, 2003	8%	.6667% (.006667)	.0219% (.000219)
February 16, 2003 to January 15, 2004	7%	.5833% (.005833)	.0192% (.000192)
January 16, 2004 to January 15, 2005	6%	.5000% (.005000)	.0164% (.000164)
January 16, 2005 to January 15, 2006	5%	.4167% (.004167)	.0137% (.000137)
January 16, 2006 to January 16, 2007	7%	.5833% (.005833)	.0192% (.000192)
January 17, 2007 to January 15, 2008	9%	.7500% (.007500)	.0247% (.000247)

Example 3: Dianna files an amended return for tax year 2003 on March 24, 2007. She pays additional tax of \$500 with her amended return. The following shows how she figures her interest:

Apr 16, 2004–Jan 15, 2005	=	9 mos.	x	.00500	x	\$500	=	22.50	
Jan 16, 2005–Jan 15, 2006	=	12 mos.	x	.004167	x	\$500	=	25.00	
Jan 16, 2006–Jan 15, 2007	=	12 mos.	x	.005833	x	\$500	=	35.00	
Jan 16, 2007–Mar 15, 2007	=	2 mos.	x	.007500	x	\$500	=	7.50	
Mar 15, 2007–Mar 24, 2007	=	9 days	x	.000247	x	\$500	=	1.11	
								Total interest due	<u>\$ 91.11</u>

Explanation of changes

Identify and provide a complete explanation of all amended items. Indicate the line number from the Form 40S, 40, 40N, or 40P for each change. If your filing status changed (for example, from single to head of household), explain why. Attach additional pages if you need more room to explain your changes.

Tax information authorization

Fill out this section only if you would like to designate someone to be able to receive and give your tax information during the processing of this amended return. This will only be used during the processing of this amended return and does not revoke any previous tax information authorizations.

Should I put my amended return together in a special order?

Yes. To speed processing, put your Oregon amended return together as follows:

- Amended Form 40S, 40, 40N, or 40P.
- Staple Forms W-2 or 1099 to the front of your amended return if you are correcting income or Oregon withholding.
- Staple your check or money order and Form 40-V on top of your W-2 and 1099 forms if you owe tax. For Form 40-V, go to our website or contact us.
- Place a copy of your Oregon amended schedule behind your amended return.
- If applicable, place these items in the following order behind your Oregon Amended Schedule:
 - A copy of your corrected federal return (1040EZ, 1040A, 1040, 1040NR-EZ, or 1040NR) and/or other state's amended return.
 - A copy of your federal and/or other state's audit report if your amended return is due to an audit.

- Schedule WFC or WFC-N/P if you are correcting your working family credit.
- Form FIA-40, FIA-40N, or FIA-40P.
- Other forms or schedules as required.

- Staple all of the pages of your amended return together in the top left-hand corner.

Note: Do **not** attach a copy of your original Oregon return.

Amended tax return mailing addresses

Mail refund or no-tax-due returns to:

Oregon Department of Revenue
PO Box 14700
Salem OR 97309-0930

Mail tax-to-pay returns to:

Oregon Department of Revenue
PO Box 14555
Salem OR 97309-0940

Taxpayer assistance

Internet

www.oregon.gov/DOR



- Download forms and publications
- Get up-to-date tax information
- E-mail: questions.dor@state.or.us

This e-mail address is not secure. Do not send any personal information. General questions only.

Correspondence



Write to: Oregon Department of Revenue, 955 Center St NE, Salem OR 97301-2555. Include your Social Security number and a daytime telephone number for faster service.

Field offices

Get forms and assistance at these offices. **Don't send your return to these addresses.**

Bend 951 SW Simpson Avenue, Suite 100

Eugene 1600 Valley River Drive, Suite 310

Gresham 1550 NW Eastman Parkway, Suite 220

Medford 3613 Aviation Way, #102

Newport 119 NE 4th Street, Suite 4

North Bend 3030 Broadway

Pendleton 700 SE Emigrant, Suite 310

Portland 800 NE Oregon Street, Suite 505

Salem Revenue Building, 955 Center Street NE, Room 135

Salem 4275 Commercial Street SE, Suite 180

Tualatin 6405 SW Rosewood Street, Suite A

Telephone

Salem 503-378-4988
Toll-free from Oregon prefix..... 1-800-356-4222

Call one of the numbers above to:

- Check on the status of your 2006 personal income tax refund (beginning February 1).
- Order tax forms.
- Hear recorded tax information.



For help from Tax Services, call one of the numbers above:

Monday through Friday 7:30 a.m.–5:00 p.m.
Closed Thursdays from 9:00 a.m.–11:00 a.m. Closed on holidays.

Extended hours during tax season:

April 2–April 16, Monday–Friday 7:00 a.m.–7:00 p.m.
Saturday, April 14 9:00 a.m.–4:00 p.m.

Wait times may vary.

Asistencia en español:

Salem 503-945-8618
Gratis de prefijo de Oregon..... 1-800-356-4222

TTY (hearing or speech impaired; machine only):

Salem 503-945-8617
Toll-free from Oregon prefix..... 1-800-886-7204

Americans with Disabilities Act (ADA): Call one of the help numbers for information in alternative formats

To get forms

Income tax booklets are available at many post offices, banks, and libraries. For booklets and other forms and publications, you can also access our website, order by telephone, or write to: Forms, Oregon Department of Revenue, PO Box 14999, Salem OR 97309-0990.