

NON-CORPORATE FORMULA

(CLAIMING OREGON INVESTMENT ADVANTAGE EXEMPTION)

Pursuant to Annual Certification of facility by the Economic and Community Development Department ... on facility income for business firms that pay state income taxes as individual/personal filers, including partnerships, S corporations and the like, under ORS 316.778*

Oregon Department of Revenue Form 40 “Other subtractions” line

Code [342]

Formula to compute exempt income

Exempt income = federal taxable income x Ratio A x Ratio B x Ratio C[†]

RATIO A

Business firm income from certified/exempt facility[‡] ÷ Total business firm income

RATIO B

Federal adjusted gross income (AGI) from business firm ÷ Total AGI

RATIO C

Oregon adjusted gross income (AGI) ÷ Total AGI

*Within 30 days following issuance of annual certification, partnership or S corporation is obligated to report information to firm's owners (shareholders) necessary to compute exemption, for which Department of Revenue may permit extensions.

†This ratio “C” (to isolate Oregon-sourced income) is applicable only to nonresident or part-time resident taxpayers.

‡See OAR 150-316.778 (http://arcweb.sos.state.or.us/rules/OARS_100/OAR_150/150_316.html)

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OREGON

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