

CR

Claim of Right Income Repayments ORS 315.068

For tax year

Use this worksheet to determine whether to take a subtraction or a credit for Oregon.

Worksheet CR, Claim of Right Income Repayments

1. Refigure your Oregon tax* for the year of repayment, after deducting the amount you repaid from income.....	1	<input type="text"/>	<input type="text"/>
2. Enter your Oregon tax* for the year of repayment, as shown on your return.....	2	<input type="text"/>	<input type="text"/>
3. Enter your Oregon tax* from the year the income was taxed, plus any deficiency assessments and adjustments from any amended returns.....	3	<input type="text"/>	<input type="text"/>
4. Refigure your Oregon tax* for the year the income was taxed, after deducting the amount you repaid from income.....	4	<input type="text"/>	<input type="text"/>
5. Line 3 minus line 4. Enter result here (credit amount)	5	<input type="text"/>	<input type="text"/>
6. Line 2 minus line 5. Enter result here	6	<input type="text"/>	<input type="text"/>

Instructions

Oregon allows a subtraction or a credit if you repaid money during the year and you reported that money as taxable income in an earlier year. This must also be the same year that you claim the repayment as either a **deduction** or a **credit** on your federal return.

- **If line 1 is equal to line 6, claim either a subtraction or a credit,** your tax benefit will be the same. See below for instructions to claim the subtraction or the credit.
- **If line 1 is less than line 6,** you will receive the greatest tax benefit by claiming the amount you repaid as a subtraction. However, you can **only** claim the subtraction on your Oregon return if you claimed your repayment as a credit on your federal return. Identify your repayment as an "Other subtraction" using code 302 and enter the dollar amount of your subtraction. For example, if you are claiming a \$1,500 subtraction for claim of right on Form 40, enter 302 on the "Other subtraction" line and enter \$1,500.

If you claim your repayment as a deduction on your federal return, this deduction will flow through to your Oregon return. Because of this, no adjustment to your Oregon income is necessary.

- **If line 1 is more than line 6,** you will receive the greatest tax benefit by claiming the amount you repaid as a credit. Claim your repayment credit on the estimated tax payment line and write "Claim of Right" in the margin next to this line on your return. Also, identify

your repayment as an "Other credit" using code 706 but **do not** enter the credit amount. For example, if you are claiming a \$200 credit for claim of right on Form 40, enter 706 as an "Other credit," include \$200 with your estimated payments, and write "Claim of Right" next to the line. A claim of right credit is refundable. If your credit is more than your tax liability, it will be refunded to you.

If you claim your repayment as a credit on your federal return **and** as a credit for Oregon, no adjustment to your Oregon income is necessary.

If you claim your repayment as a deduction on your federal return **and** as a credit for Oregon, you must include the amount of your federal deduction as an "Other addition" on your Oregon return. Identify your repayment on the "Other addition" line using the numeric code 103 and the dollar amount of your addition. For example, if you are claiming a \$750 deduction for claim of right on your federal return and are claiming a credit on Form 40 for Oregon, enter 103 on the "Other addition" line and enter \$750.

Corporations may file for relief of tax on repaid income. Refer to Oregon Form 20 instructions.

If you have questions or need more information, visit our website at www.oregon.gov/DOR. Or call 503-378-4988 (Salem) or 1-800-356-4222 (toll-free from an Oregon prefix).

* Your "Oregon tax" is the tax before all credits, withholding, estimated payments, and other prepayments of tax.

Do not attach this form to your Oregon return. Keep it with your tax records.