

Instructions for Form 40X

Oregon Amended Individual Income Tax Return

Use Form 40X to change or correct (amend) your original Oregon full-year resident individual income tax return.

- Form 40X is used to amend Form 40 or Form 40S only.
- If you have not filed an original return for the tax year you are amending, do not use Form 40X. Please use Form 40 or Form 40S. To order a booklet, see page 4.

Don't use Form 40X to amend:

- **Form 40N, nonresident return, or Form 40P, part-year resident return.**
- **Form 90R, Elderly Rental Assistance (ERA) claims.**
- **An item changed by the Oregon Department of Revenue.** If you received a Notice of Deficiency, a Notice of Assessment, a Notice of Proposed Refund Adjustment, or a Notice of Refund Denial, you must follow the appeal instructions on the notice you received from us. For taxpayer assistance information, see page 4.

To complete Form 40X you will need:

- The Oregon full-year resident income tax booklet **for the year you're amending**. To order a booklet, see page 4.
- Your original Oregon full-year resident return, including all schedules used to complete your Oregon return.
- Any notices you received if the Oregon Department of Revenue changed your original return and you are not amending an item previously changed by the department.
- The federal audit report or the audit report from another state if your amended return is a result of an audit.

Nonresidents and part-year residents:

Use Oregon Form 40N or Form 40P to amend a nonresident or part-year resident return. You should:

- Request a nonresident and part-year resident booklet for the tax year you are amending. To order a booklet, see page 4.
- Write **"Amended"** in **blue or black ink** at the top of Form 40N or 40P.
- Fill out Form 40N or Form 40P using the correct information.
- Attach an explanation of your changes.
- Figure interest on additional tax due. See "How to figure your interest" on page 3. Include interest in your payment, but show it separately on the amended Form 40N or Form 40P.

Elderly Rental Assistance (ERA) Form 90R:

Use Oregon Form 90R to file an amended return for an ERA claim. You should:

- Request an ERA booklet for the year you are amending. To order a booklet, see page 4.
- 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 still may file for a refund if:

- You paid tax for the tax year you are amending within the past two years. Your refund is generally limited to the tax you paid in that two-year period.
- You had a net operating loss carryback. The claim must be made within three years from the due date of the return for the tax year when the loss occurred. The due date includes extensions.
- The 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 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 pay any tax and interest due 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. There also may be a penalty.

How long will it take to process my amended return?

Amended returns are matched with the original return and processed manually. Processing time varies depending on other workloads. During our busiest time of the year, February to September, **it may take six months or longer to process your amended return.**

Federal or other state audits

Did an Internal Revenue Service (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.

Depreciation differences

You will need the Oregon Depreciation Schedule and instructions. To order, see page 4.

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 or HH 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 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 changing a return filed on Form 40S

If you filed Form 40S do not use lines 2 and 4 on Form 40X. When filing an amended return for Form 40S, show the amounts for:

- Income (line 1).
- Federal tax liability (line 3).
- Standard deduction (line 5).
- Oregon taxable income (line 6).

Did you originally file Form 40S but are changing to Form 40? If so, use the Form 40 instructions to complete columns B and C on Form 40X.

How to fill out Form 40X

Instructions are for lines not fully explained on the form.

Tax year. Fill in the tax year that you are amending. If this is not completed, the form may be returned to you.

Do not fill in cents. You **must** round off cents to the nearest dollar.

Lines 1–18 have three columns to complete. Column A shows the amount as originally reported, column C shows the correct amount, and column B is the difference between columns A and C.

Column A. Show the amount you filled in on your original return, unless:

- You've amended your return before, **or**
- Your return was changed by the Department of Revenue.

If these cases apply to you, use the most recently amended or adjusted amounts.

Column B. Show the amount of net change (the difference between columns A and C) you made to each item in column A. In the explanation section on the back of the form, explain why you're making each change. Number each item.

If you're making more than one change to an item in column A, you must figure the net change for that item. To find the net change, add all the amounts that increase that item. Then subtract all the amounts that decrease it. The result is your net change. Fill in your net change in column B.

Example: Daryl forgot to include \$3,000 of wages and \$250 of prize income on his original return. He didn't need to show \$800 in veterans' benefits included on his original return. He figures his net change to income like this:

Wages	\$3,000	
Prizes	+ 250	
Increase		\$3,250
Less veterans' benefits		– 800
Net increase to income		<u>\$2,450</u>

Column C. Show the corrected amount.

Income and deductions

1. Income. On Form 40, this is your federal adjusted gross income **before** Oregon additions and subtractions (line 8). On Form 40S, this is your total income (line 8) (or line 11 for tax years 2002 and prior).

If you're correcting wages, attach the state copy of additional or corrected W-2 forms.

2. Additions. Fill in the amount of your additions to income for the year you're amending. Some common additions are:

- Interest on local government bonds of other states.
- Lump sum payments taxable by Oregon.
- Federal income tax refunds. Include only refunds of tax you paid in a prior year that were deducted on your Oregon return. See "Federal income tax changes" below.
- Federal election on interest and dividends of a minor child.
- Depreciation differences.

3. Federal income tax liability. Are you amending a tax return filed on **Form 40S**? If so, fill in the federal tax liability from your original Oregon Form 40S in both columns A and C.

Are you amending a tax return filed on **Form 40**? If so, leave line 3 blank. Include the federal tax liability from your original Oregon Form 40 as a subtraction on line 4.

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 claim more than the limit? Refer to the instructions in the income tax booklet for the year you received the refund for the limit amount.

4. Subtractions. Fill in the amount of your subtractions from income for the year being amended. Some common subtractions are:

- Federal tax. Fill in the federal tax from your original **Form 40** in both columns A and C. See "Special instructions" above.
- Oregon income tax refund included in federal income.
- Interest from U.S. government.
- Taxable Social Security included in federal adjusted gross income.
- Differences in depreciation for Oregon.

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: You paid additional federal tax in 2004 for an audit adjustment on your 2001 income tax return. Amend your 2001 return but **do not** change the 2001 federal tax. Instead, subtract the additional 2001 federal tax on your 2004 return. See instructions in the 2004 income tax booklet.

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.

Example: You receive a federal tax refund in 2003 for amending your 2001 income tax return. Report the refund as an addition on your 2003 return. If you have already filed a 2003 return, the year in which the federal refund was received, you may need to amend that return.

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

1. Enter the federal tax you paid on your original return.....1. _____
2. Enter 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. Is line 3 greater than line 4? If so, stop here; enter -0- here and on Form 40X, line 2, column B.....5. _____
6. Is line 4 greater than line 3? If so, line 4 minus line 3. Enter the result here and on Form 40X, line 2, column B6. _____

5. Deductions. Fill in your standard deduction or net itemized deductions on this line. A change in your filing status may change the amount of your standard deduction.

If you're amending your net itemized deductions, fill in the amount of change in column B.

6. Oregon taxable income. Add lines 1 and 2. Subtract from that total the sum of lines 3, 4, and 5. This amount is your Oregon taxable income.

Tax and credits

7. Tax. Use the taxable income shown on line 6, column C, to figure your tax. Be sure you use the tax tables or tax rate charts in the instructions for the **year you're amending**. The rates may change from year to year. If you used Form FIA-40, or worksheet FCG to calculate your original tax, use these forms or worksheet to calculate your amended tax. To order forms or worksheets, see page 4.

10. Exemption credit. Multiply your allowable exemptions by the correct amount for the year you are amending.

If you are changing the number of exemptions on your amended return, explain the difference in the explanation section of Form 40X. Include the name, Social Security number, and relationship of any additional dependent you are claiming.

11. Other credits. If you are changing the amount of other credits, identify each credit and the new amount in the explanation section of Form 40X. Include the working family child care credit here only if you are amending tax year 2002 or prior. Otherwise, see line 16.

12. Net income tax. If the total credits on line 12 are more than the amount on line 9, your net income tax is -0-.

Payments

14. Kicker refund. The surplus amount was 14.37 percent in 1996, 4.57 percent in 1998, and 6.016 percent in 2000. The kicker refund must be adjusted if there is a change in net income tax liability on line 13. Multiply the amounts on line 13, column A and column C, by the percentage for the year you are amending.

15. Oregon income tax withheld. If you're correcting the amount of state tax withheld from your wages, you must attach a copy of additional or corrected W-2 or 1099 forms.

16. Working family child care credit. If you are changing the amount of your working family child care credit for tax year 2003 or later, you must attach a copy of the corrected Schedule WFC.

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

18. Amount paid. Fill in the amount of all **income tax** actually paid on your original Oregon return. Include payments made for any additional tax adjustments to your return. Don't include payments for any penalty and interest. Don't include payments for interest on underpayment of estimated tax.

20. Income tax refunds. Fill in the amount of **any** refund you received (or expect to receive) from your original Oregon Form 40 or 40S. Include refunds received from the working family credit, the state kicker, or a previous adjustment. Do not reduce your refund by the amounts you:

- Contributed to charitable funds claimed on the return, **or**
- Applied to the next year's estimated tax, **or**
- Contributed to the State School Fund.

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

Refund or balance due

23. Amount of line 22 you want applied to your next year's estimated tax. If your refund on line 22 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.

24. Net refund. You must reduce your refund by any amounts applied to your estimated tax on line 23. If you paid the tax on your original return with a credit card, a refund check will not be issued. You will receive a credit on your credit card statement. **Note:** Interest on underpayment of estimated tax for a prior year is not refundable. Do not include it as part of your refund. Any refund will be mailed to you. Direct deposit is not available on amended returns.

26. Interest on additional tax to pay. See below for "How to figure your interest."

Explanation

28. Explanation. Identify and provide a complete explanation of all amended items. Indicate the line number from Form 40X for each change. If your filing status changed (for example, from single to head of household), explain why.

Authorization box

Check the box if you wish to authorize the Department of Revenue to contact your preparer about the initial processing of your amended return. Please provide your preparer's telephone number.

How to figure your interest

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

Interest Period	Percentage Rates		Daily
	Annual	Monthly	
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 17, 2005	6%	.5000% (.005000)	.0164% (.000164)
January 18, 2005 to Present	5%	.4167% (.004167)	.0137% (.000137)

The current interest rate is 5 percent per year. Interest is figured daily for a fraction of a month.

Example: Dianna files an amended return for tax year 2000 on March 24, 2004. She pays additional tax of \$500 with her amended return. The following shows how she figures her interest:

Apr 17, 2001–Feb 16, 2002	= 10 mos. x .008333 x \$500 = 41.67
Feb 17, 2002–Feb 16, 2003	= 12 mos. x .006667 x \$500 = 40.00
Feb 17, 2003–Jan 16, 2004	= 11 mos. x .005833 x \$500 = 32.08
Jan 17, 2004–Mar 16, 2004	= 2 mos. x .005000 x \$500 = 5.00
Mar 17, 2004–Mar 24, 2004	= 8 days x .000164 x \$500 = .66
Total interest due \$119.41	

Attachments to Form 40X

- A copy of your federal and/or other state's amended return.
- A copy of your federal audit report and/or other state audit report if your amended return is due to an audit.
- W-2s or 1099s if you are correcting income or Oregon withholding.
- Schedule WFC, Form FIA-40, and Schedule Z, if applicable.

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

Taxpayer assistance

Internet

www.oregon.gov/DOR



The Department of Revenue Web site is a quick and easy way to download forms and publications, get up-to-the-minute tax information, and learn about electronic filing.

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** 24 West 6th Street
- Newport** 119 NE 4th Street, Suite 4
- North Bend** 3030 Broadway
- Pendleton** 700 SE Emigrant Ave, Suite 310
- Portland*** Federal Building Lobby, 1220 SW Third Avenue
- 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

*February 1–April 1: Monday, Wednesday, and Friday, 10 a.m.–3 p.m.
April 4–April 15: Monday through Friday, 9 a.m.–4 p.m.

Telephone

Salem **503-378-4988**

Toll-free within Oregon **1-800-356-4222**

If you have a touch-tone telephone, call our 24-hour voice response system at one of the numbers above to:

- Hear recorded tax information
- Order tax forms.
- Check on the status of your 2004 personal income tax refund (beginning February 1).



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

- Monday, Tuesday, Thursday, Friday 7:30 a.m.–5:10 p.m.
- Wednesday 10:00 a.m.–5:10 p.m.
- Closed on holidays.*
- April 1–April 15, Monday–Friday 7:00 a.m.–9:00 p.m.
- Wait times may vary.*

TTY (hearing or speech impaired; machine only): 503-945-8617 (Salem) or 1-800-886-7204 (toll-free within Oregon).

Americans with Disabilities Act (ADA). This information is available in alternative formats. Call 503-378-4988 (Salem) or 1-800-356-4222 (toll-free within Oregon).

Asistencia en español. Llame al 503-945-8618 en Salem o llame gratis al 1-800-356-4222 en Oregon.

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 Web site, order by telephone, or write to: Forms, Oregon Department of Revenue, PO Box 14999, Salem OR 97309-0990.

FORM
40X

**OREGON AMENDED
INDIVIDUAL INCOME
TAX RETURN**

For Office Use Only			
Original return number		Date received	
Code	Tax	P&I	Payment Amount

Check if amending to change from married filing separate to filing joint. **FOR TAX YEAR** _____

Last name		First name and initial		Social Security number (SSN)		Date of Birth (mm/dd/yyyy)	
Spouse's last name, if different and joint return		Spouse's first name and initial, if joint return		Spouse's SSN if joint return		Spouse's Date of Birth (mm/dd/yyyy)	
Current mailing address							
City			State	ZIP code		Telephone number ()	

INCOME AND DEDUCTIONS
(Please read instructions)

	A. As Originally Reported or as Adjusted (see specific inst.)	B. Net Change (increase or decrease) (explain on the back)	C. Correct Amount
1. Income.....	1		
2. Additions (Form 40 only)	2		
3. Federal tax liability (Form 40S only).....	3		
4. Subtractions (Form 40 only)	4		
5. Deductions (standard deduction or itemized deductions)	5		
6. Oregon taxable income	6		

TAX AND CREDITS

7. TAX.....	7		
8. Interest on certain installment sales.....	8		
9. TOTAL OREGON TAX (add lines 7 and 8).....	9		
10. Exemption credit (see instructions)	10		
11. Other credits (do not include working family credit for tax year 2003 and later)	11		
12. Total credits (add lines 10 and 11) (the total can't be more than amount on line 9).....	12		
13. Net income tax (line 9 minus line 12)	13		

PAYMENTS

14. Kicker—if applicable (see instructions)	14		
15. Oregon income tax withheld.....	15		
16. Working family child care credit for tax year 2003 and later	16		
17. Estimated tax payment(s) for the tax year and payments made with extension requests	17		
18. Amount paid with original return and any later payment(s) for the tax year (include only TAX paid—see instructions)....	18		
19. Total payments (add lines 14 through 18)	19		
20. Income tax refunds received (including working family child care credit and kicker refund)	20		
21. Net payments (line 19 minus line 20)	21		

REFUND OR BALANCE DUE

22. Refund. If line 21 is more than line 13C, you overpaid. Line 21 minus line 13C.....	22	
23. Amount of refund on line 22 you want applied to your 200__ estimated tax.....	23	
24. NET REFUND. Line 22 minus line 23. Enter the amount of line 22 you want refunded to you.....	24	
25. Additional tax to pay. If line 13C is more than line 21, you have tax to pay. Line 13C minus line 21	25	
26. Interest on additional tax to pay (see instructions)	26	
27. AMOUNT YOU OWE. Add lines 25 and 26. Pay in full with this return	27	

Amended returns may take six months or longer to process.

