

Instructions for Qualified Research Activities Credit

What types of research qualify for the credit?

This credit is allowed for **increases** in qualified research expenses and basic research payments. It's allowed only for qualified research and basic research **conducted in Oregon**. The current year credit and any credit carryforward from prior years are reported separately.

You may claim the credit allowed under either Method 1 or Method 2. See the form for the computations.

Note: If you claim a Qualified Research Activities Credit for Oregon, after you've calculated the credit, add back the amount to your taxable income as an "other addition" on your Oregon return.

Part I, line 1

A "qualified organization" means any of the following, as described in IRC §41(e)(6):

- Educational institutions.
- Certain scientific research organizations.
- Scientific tax-exempt organizations.
- Certain grant organizations.

Part I, line 2

The "base period amount" shall include only those amounts paid or incurred in Oregon and is computed using IRC §41(e).

Part II, line 5

Computation of the "fixed-base percentage" shall include only those amounts paid or incurred in Oregon and is computed using IRC §41(c)(3) and §41(f)(4).

Part II, line 6

Enter the "average federal gross receipts" for the four tax years preceding the tax year for which the credit is being determined. Refer to IRC §41(c)(1)(B) and §41(f)(4) for details.

Part III

If you elected to use the "alternative simplified method" to calculate your federal credit for increasing research activities your base amount must be calculated under IRC §41(c)(5) and shall include only those amounts paid or incurred in Oregon. The applicable credit percentage is five percent.

What happens if the credit exceeds the tax?

The excess credit can be carried forward up to five years.

When can the credit be claimed?

For tax years beginning on or after January 1, 1989 and before January 1, 2018.

What is the applicable law?

Oregon Revised Statute (ORS) 317.152 to 317.154.

Have questions? Need help?

General tax information www.oregon.gov/dor
Salem (503) 378-4988
Toll-free from an Oregon prefix.....1 (800) 356-4222

Asistencia en español:

En Salem o fuera de Oregon (503) 378-4988
Gratis de prefijo de Oregon.....1 (800) 356-4222

TTY (hearing or speech impaired; machine only):

Salem area or outside Oregon (503) 945-8617
Toll-free from an Oregon prefix.....1 (800) 886-7204

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