

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 is 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.

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.

For tax years beginning on or after January 1, 2006 the only requirement is that the research be conducted in Oregon. For tax years beginning prior to January 1, 2006 "qualified research" and "basic research" must be for research conducted in Oregon in the fields of:

- Advanced computing.
- Advanced materials.
- Biotechnology.
- Electronic device technology.
- Environmental technology.
- Straw utilization.

"Advanced computing" means leading edge technologies used in the design and development of computing hardware and software. This includes innovations in design of the full spectrum of hardware from hand-held calculators to super computers, including all peripheral equipment. It also includes innovations in design and development software executing on all computing hardware for any purpose.

"Advanced materials" means high value metals, composites, plastics, and new and improved wood-based materials.

"Biotechnology" means biochemistry, molecular biology, genetics, and engineering dealing with the transformation of biological systems into useful processes and products.

"Electronic device technology" means the design and development of electronic materials and devices such as advances in integrated circuits and superconductivity.

"Environmental technology" means environmental assessment, cleanup, and alternative energy sources.

"Straw utilization" means innovations in the use of straw and straw-based materials.

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.

What happens if the credit exceeds the tax?

The excess credit in tax years beginning on or after January 1, 1995 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.

Taxpayer assistance

General tax information..... www.oregon.gov/dor
Salem 503-378-4988
Toll-free from Oregon prefix 1-800-356-4222
Email corp.help.dor@state.or.us
This email address is not secure and confidentiality cannot be ensured. General tax and policy questions only.

Write to: Oregon Department of Revenue
PO Box 14999
Salem OR 97309-0990

Asistencia en español:

Salem 503-378-4988
Gratis de prefijo de Oregon..... 1-800-356-4222

TTY (hearing or speech impaired; machine only):

Salem 503-945-8617
Toll-free within Oregon 1-800-886-7204

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