OAR 150-314-0460

Example: Corporations A and B file a consolidated Oregon return in 2000. They filed separate Oregon returns in 1999.

Additional facts are as follows:

1999 Oregon net income or (loss):

Corporation A $(5,000)

Corporation B $ 3,000

Therefore, Corporation A has a net loss carryover of $5,000.

2000 consolidated net income

before apportionment $10,000

Each corporation's share of the consolidated Oregon net income is computed as follows:

	Corporation A	**Corporation B**	**Consolidated**
Oregon Property	5,000	7,500	12,500
Everywhere Property			50,000
Property Factor	10%	15%	25%
Oregon Payroll	8,000	14,000	22,000
Everywhere Payroll			40,000
Payroll Factor	20%	35%	55%
Oregon Sales	25,000	35,000	60,000
Everywhere sales			100,000
Sales Factor	25%	35%	60%
Sales Factor (double-weighted)	25%	35%	60%
Sum of Factors	80%	120%	200%
Average Factor (Sum ÷ 4)	20%	30%	50%

Consolidated Oregon net income:

Corporation A's share ($10,000 x 20%) $2,000

Corporation B's share ($10,000 x 30%) $3,000

Consolidated Total ($10,000 x 50%) $5,000

Corporation A has an available net loss carryover of $5,000. However, the allowable deduction is limited to $2,000, (the amount computed above). Therefore, the balance ($3,000) cannot be deducted in 2000 but can be carried over into 2001.

Example: Corporations C and D file separate returns in 1999. They filed a consolidated Oregon return in 1998. Additional facts are as follows:

1998 consolidated net loss

before apportionment ($4,000)

Each corporation's share of the consolidated Oregon net loss is computed as follows:

	Corporation C	**Corporation D**	**Consolidated**
Average Factor	10%	15%	25%
Consolidated Oregon net loss:			
Corporation C's share (($4,000) x 10%)	($400)		
Corporation D's share (($4,000) x 15%)		($600)	
Consolidated Total (($4,000) x 25%)			($1,000)

	Corporation C	**Corporation D**
1999 separate Oregon net income or (loss)	$1,000	$ 300
Allowable net loss deduction	(400)	(300)
Oregon net loss carryover to 2000	-0-	(300)

Example:

	Parent	**Sub 1**	**Sub 2**	**Consolidated Total**
1999 Taxable Loss	100,000	(200,000)	(300,000)	(400,000)
2000 Taxable Income	150,000	100,000	(50,000)	200,000
1999 Oregon Apportionment Percentage	20%	10%	1%	31%
2000 Oregon Apportionment Percentage	5%	15%	5%	35%

Assume a federal consolidated return is filed in 1999 and 2000 and that the corporations are "unitary" for Oregon tax purposes.

The 1999 Oregon net loss carryover to 2000 is computed as follows:

1999 Consolidated Loss	(400,000)
Consolidated Apportionment Percentage	31%
1999 Consolidated net loss carryover	(124,000)
2000 Consolidated Income	200,000
Consolidated Apportionment Percentage	35%
Income before net loss carryover	70,000
2000 Consolidated net loss carryover	(124,000)
Remaining 1999 Consolidated net loss carryover	(54,000)