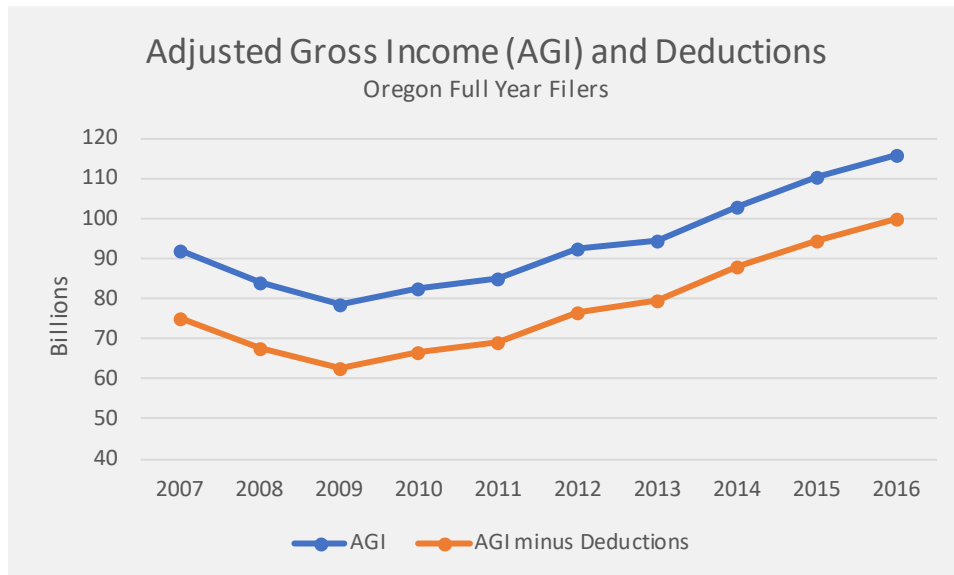


Oregon Itemized Deductions

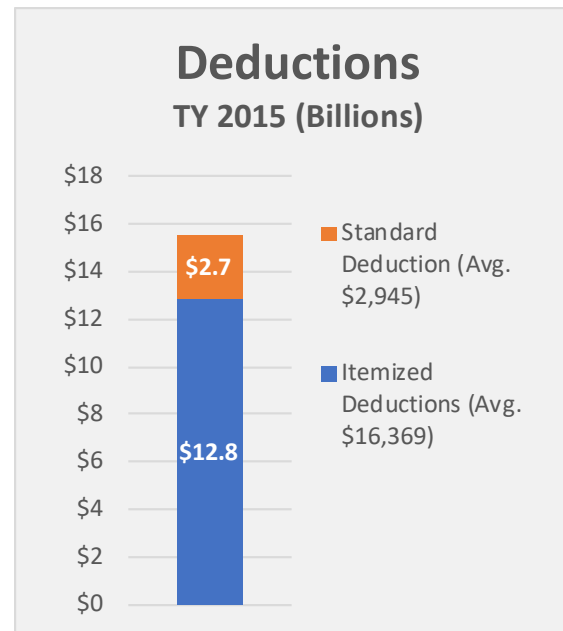
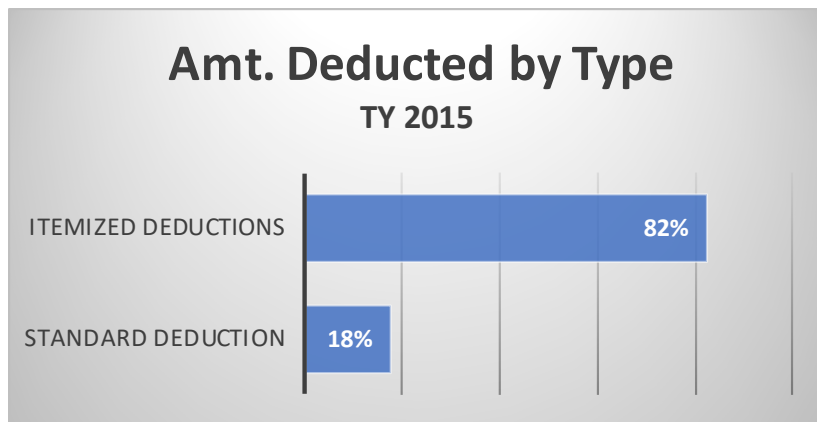
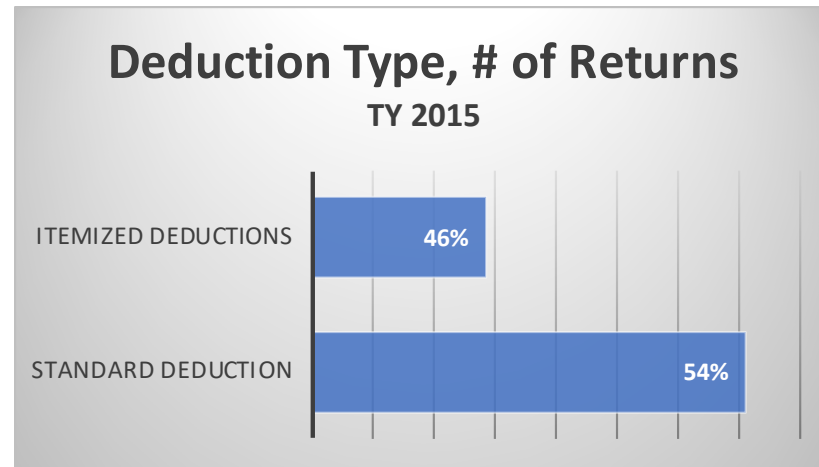
Oregon personal income tax filers have the option of taking either the standard deduction or itemizing their deductions. Generally, taxpayers deduct the larger amount. Oregon and federal itemized deductions are generally identical. One exception is the deduction for state and local income taxes which Oregon does not allow. Oregon's standard deduction amount is smaller than the federal threshold (OR single: \$2,215 | federal single: \$12,000) which will lead to many taxpayers taking the standard deduction on their federal return while itemizing on their Oregon return.

Note on sources: Unless otherwise noted, information is sourced from Department of Revenue Tables and amounts displayed are full year Oregon income tax filers.

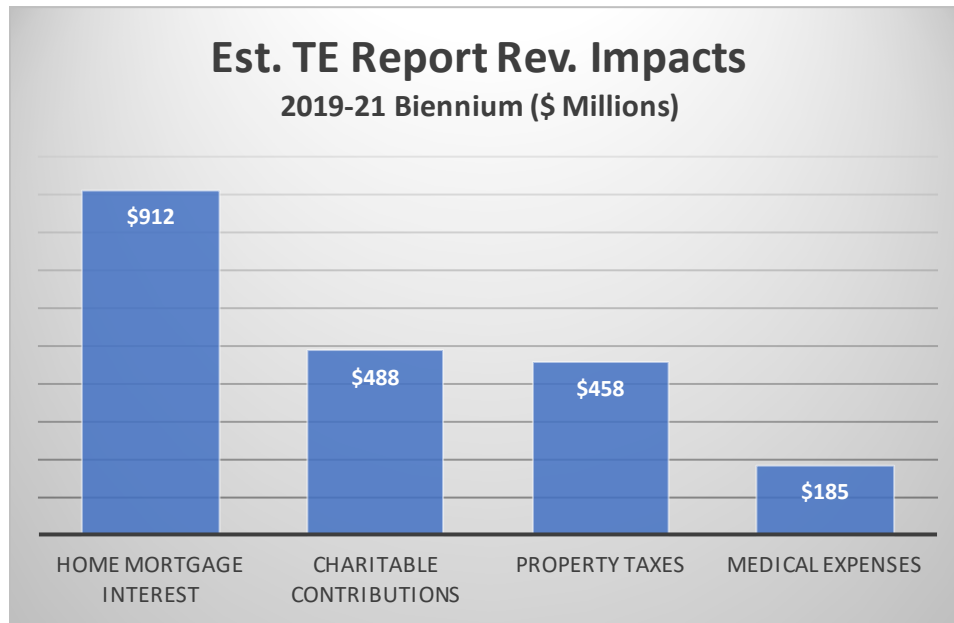
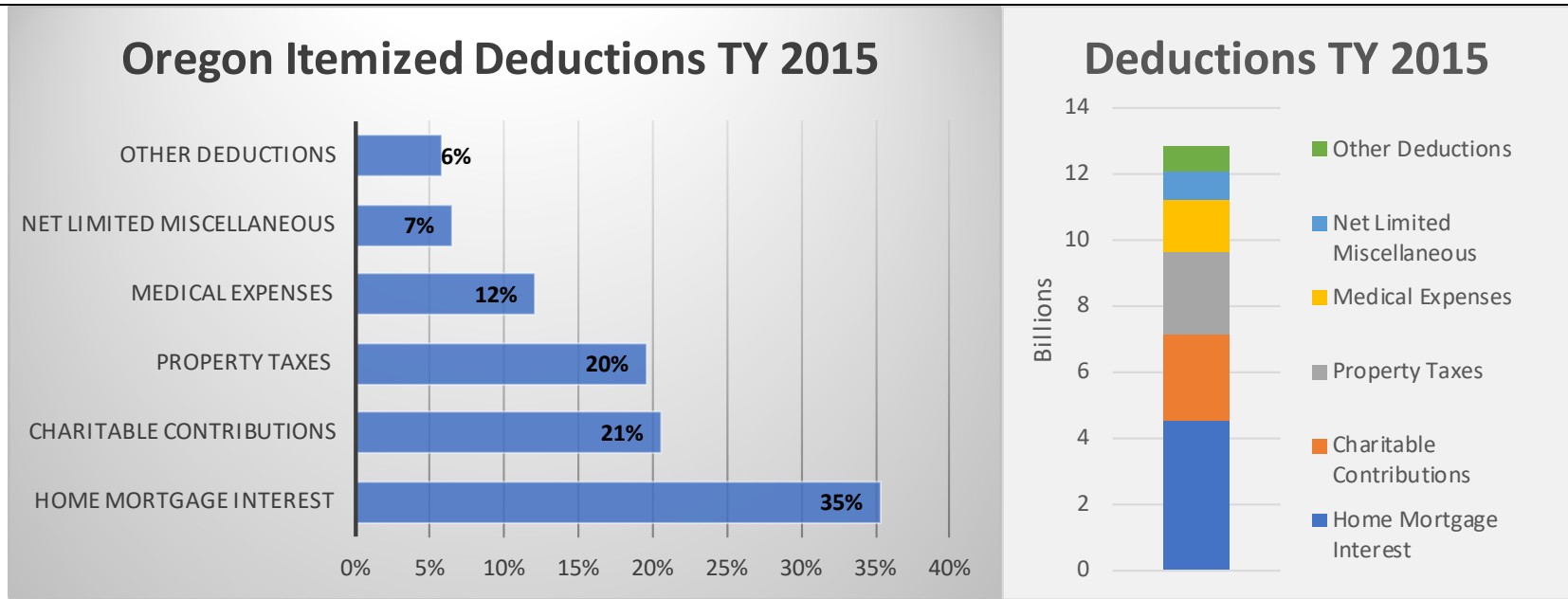


Standard and Itemized Deductions

Deduction Type - TY 2015			
		Amount	
	# Returns	(Billions)	Avg.
Itemized Deductions	782,642	\$12.8	\$16,369
Standard Deduction	928,535	\$2.7	\$2,945
Total	1,711,177	\$15.5	\$9,085



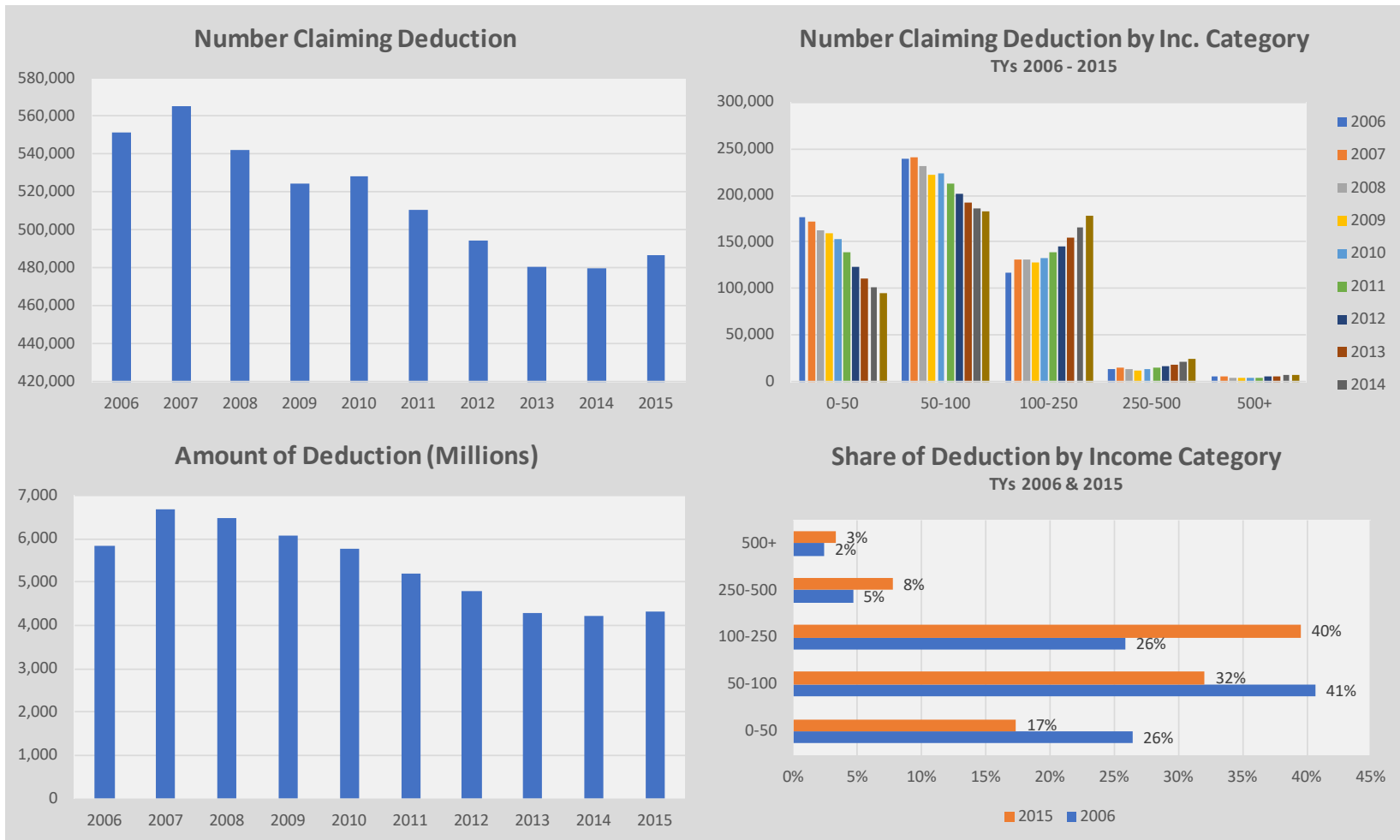
Itemized Deductions



Home Mortgage Interest

Description:

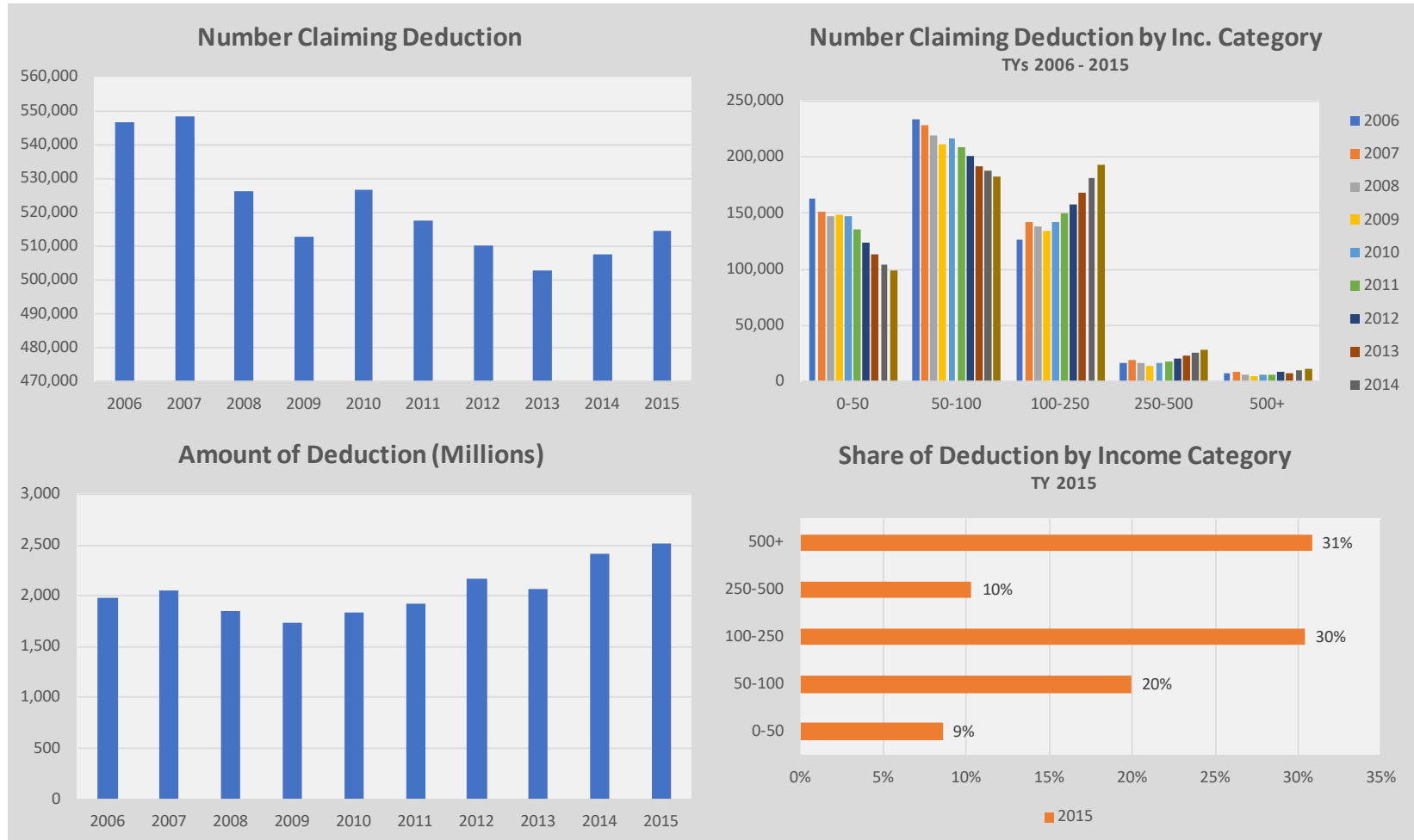
- Interest paid on principal and one other residence allowed as an itemized deduction
- Mortgage originated after 12/14/2017, limited to \$750,000 (pre TCJA, was \$1M)
- Home equity loan limited to \$100,000 but may not exceed fair market value - mortgage amt.
- Home equity loan no longer deductible if equity loan proceeds are not used to buy, build or substantially improve the taxpayer's home that secures the loan



Charitable Contributions

Description:

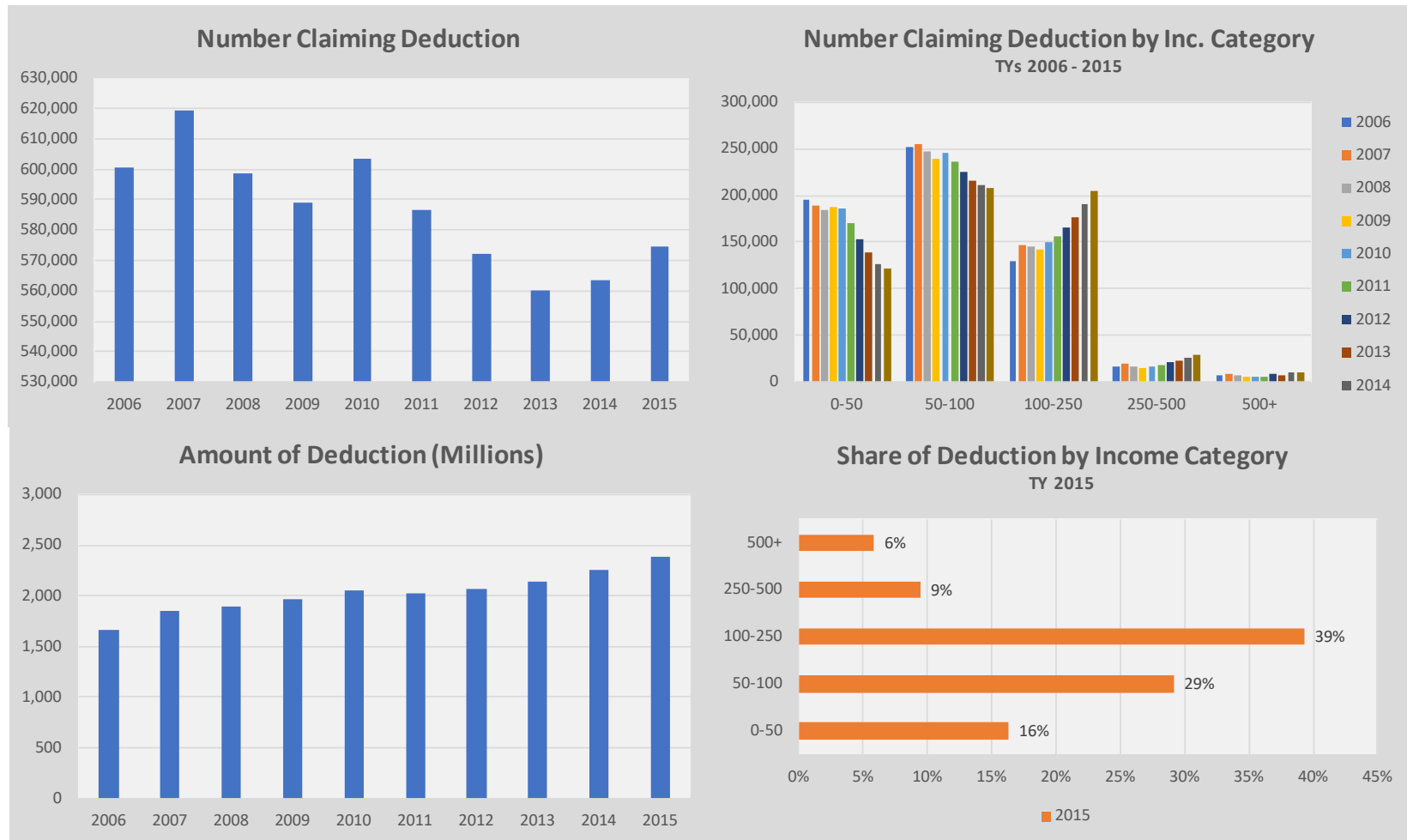
- Deduction for contributions to certain organizations eligible to receive charitable contributions
- 60% (50% pre TCJA) of AGI for ordinary income property and/or cash contributed to public charities & operating foundations
- Charitable donation by category: Religion 32%, Education 15%, Human Services 12%, Gifts to Foundations 10%, Health 8%, Other 23% (Giving USA, 2016)



Property Taxes

Description:

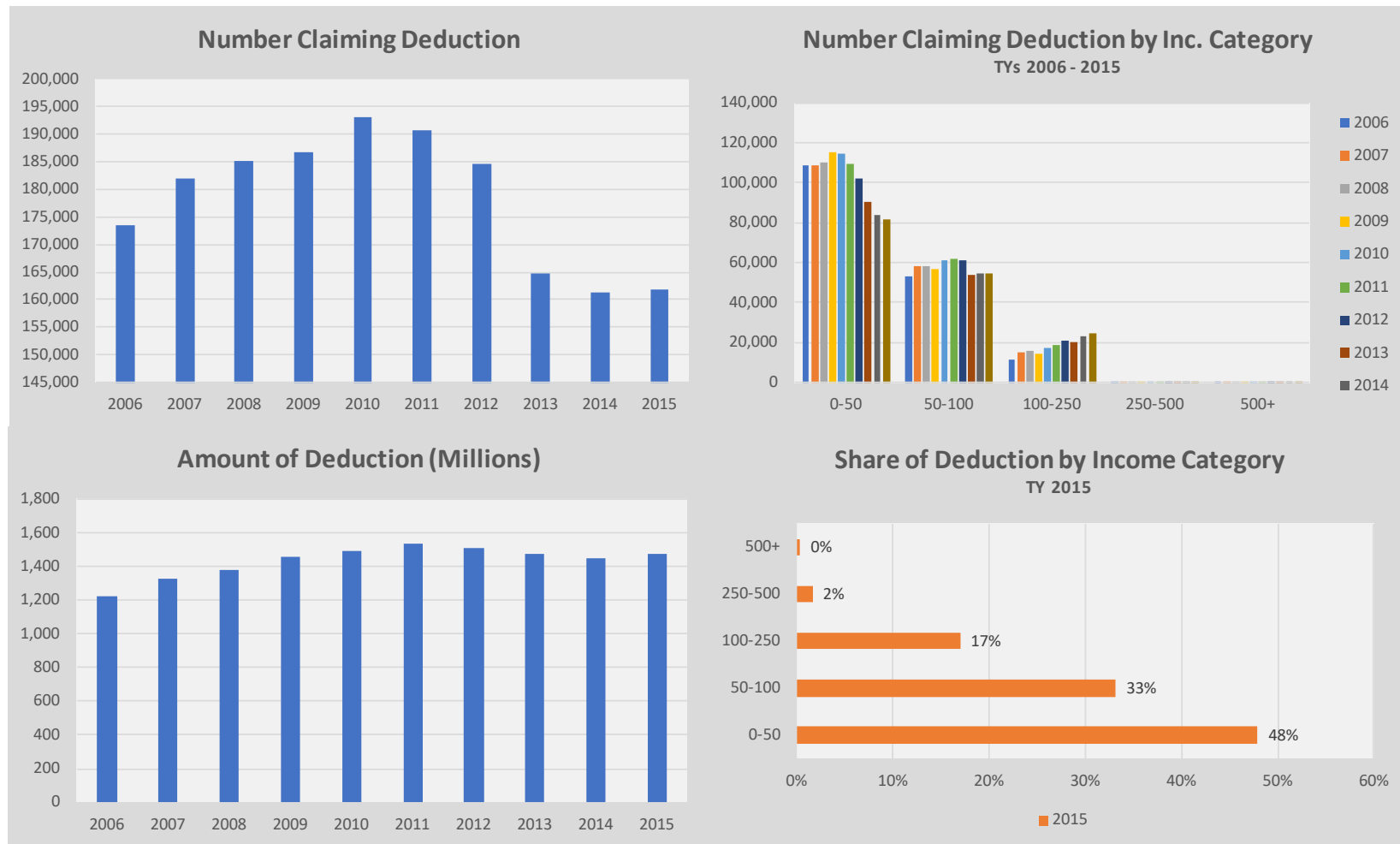
- Individuals permitted a deduction for state & local real/personal property taxes
- Limited to \$10,000 (TCJA - SALT limit)



Medical and Dental Expenses

Description:

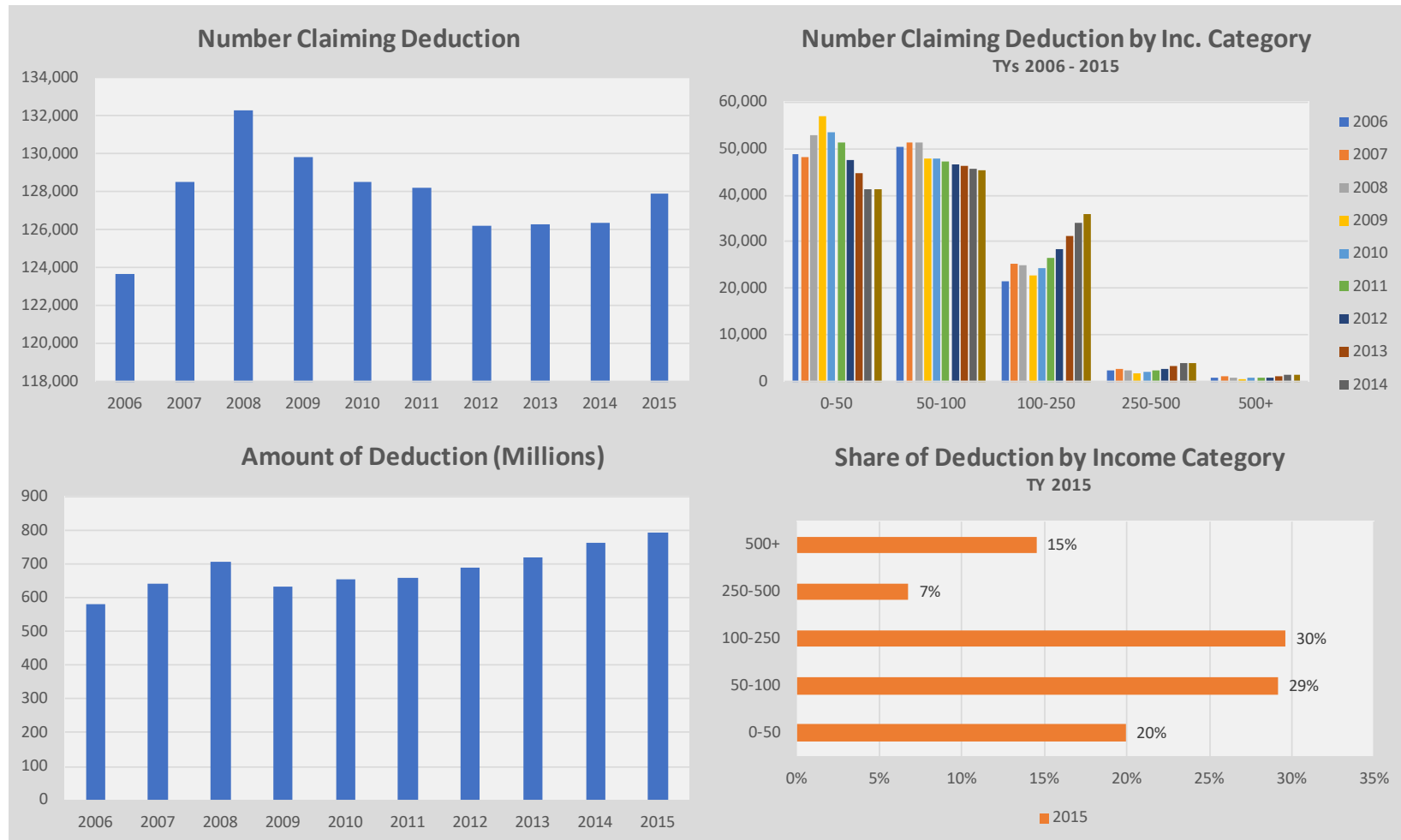
- Deduction for unreimbursed medical expenses but only to extent that unreimbursed expenses exceed 10% of AGI
- For tax years 2017 & 2018: Threshold for deducting is 7.5% of AGI | Tax years 2019 and later: threshold returns to 10% of AGI
- In tax year 2013, medical and dental expenses deduction threshold increased to 10% of AGI



Net Limited Miscellaneous

Description:

- Certain expenses can be deducted as a miscellaneous itemized deduction to extent expenses exceed 2% of AGI
- Expense Category Examples: Unreimbursed employee expenses (job travel, dues, tools/supplies), tax preparation fees, other expenses
- **Eliminated by TCJA**



Other States

State Treatment of Federal Itemized Deductions		
Type of Deduction	Number of States	Which States
Generally Follow Federal Deductions	17	AZ, CO, DE, GA, ID, IA, LA, MD, MS, MO, MT, NE, NM, ND, OK, OR, VA
Do Not Allow Itemized Deductions	10	CT, IL, IN, MA, MI, NJ, OH, PA, RI, WV
Limit Federal Deductions at State Level	11	CA, D.C., HI, KS, KY, ME, MN, NC, NY, UT, VT, WI
Follow Federal Structure Except High-Income "Pease" Limitation	3	AL, AR, SC
No Broad-Based Income Tax	9	AK, FL, NV, NH, SD, TN, TX, WA, WY

Figure 2: State-Level Limits on Itemized Deductions

	Flat \$ Cap on Maximum Deduction ^a	Elimination of Certain Itemized Deductions ^b	Reduction of Certain Deductions by a Percentage ^c	Convert Deductions to Credit	Phase-Down at Steeper Rate than Federal ^d	Phase-Down Starting at Lower Income Level than Federal
Number of States	3	2	1	2	4	7
California					X	X
District of Columbia					X	X
Hawaii						X
Kansas		X	X			
Kentucky						X
Maine	X				X	X
Minnesota						X
New York					X	X
North Carolina	X	X				
Vermont	X					
Utah				X		
Wisconsin				X		

^a Maine caps itemized deductions, as a group, at \$27,950. Vermont caps itemized deductions other than charitable giving and medical expenses at a total value of 2.5 times the standard deduction. North Carolina caps the mortgage interest and property tax deductions at a combined value of \$20,000 (and allows unlimited charitable contributions and medical expenses under federal rules).

^b Kansas has completely eliminated all itemized deductions other than mortgage interest, property taxes, and charitable contributions. North Carolina has eliminated all itemized deductions other than mortgage interest, property taxes, charitable contributions, and medical expenses. This category excludes those states that have only eliminated the deduction for state income taxes paid (a group that includes every state except Arizona, Georgia, Hawaii, Louisiana, and North Dakota).

^c Kansas limits its mortgage interest and property tax deductions to 50% of their federal values. Charitable contributions are not subject to the reduction.

^d Maine itemized deductions phase out entirely between \$140,000 and \$290,000 (married filing jointly taxpayers).

Source: Institute on Taxation & Economic Policy: State Treatment of Itemized Deductions, 2016

Schedule Y Other Deductions. Enclose with Form 1 or Form 1-NR/PY. Do not cut or separate these schedules.

1	Reserved	▶ 1															0	0
2	Penalty on early savings withdrawal (from US return). (Nonresidents and part-year residents, this deduction must be related to income reported on Form 1-NR/PY)	▶ 2															0	0
3	Alimony paid (from US return). Part-year residents, enter the amount paid while a Massachusetts resident; nonresidents, multiply alimony paid by line 14g of Form 1-NR/PY	▶ 3															0	0
4	Amounts excludible under MGL ch 41, § 111F or US tax treaty included in Form 1, line 3 or Form 1-NR/PY, line 5. Fill in applicable oval below	▶ 4															0	0
	<input type="checkbox"/> Income received by a firefighter or police officer incapacitated in the line of duty, per MGL ch 41, § 111F																	
	<input type="checkbox"/> Income exempt under US tax treaty																	
5	Moving expenses	▶ 5															0	0
6	Medical savings account deduction	▶ 6															0	0
7	Self-employed health insurance deduction (see instructions)	▶ 7															0	0
8	Health savings accounts deduction	▶ 8															0	0
9	<input type="checkbox"/> Certain qualified deductions from US Form 1040 (see instructions)																	
	<input type="checkbox"/> Certain business expenses from US Form 1040 (see instructions)	▶ 9															0	0
10	Student loan interest deduction (from US Form 1040; only if not claiming the same expenses in line 12)	▶ 10															0	0
11	College Tuition Deduction (full-year residents only; from worksheet)	▶ 11															0	0
12	Undergraduate student loan interest deduction (only if not claiming the same expenses in line 10; see instructions)	▶ 12															0	0
13	Deductible amount of qualified contributory pension income from another state or political subdivision included in Form 1, line 4 or Form 1-NR/PY, line 6 (see instructions)	▶ 13															0	0
14	Claim of right deduction	▶ 14															0	0
15	Commuter deduction (from worksheet)	▶ 15															0	0
16	Human organ donation deduction (full-year residents only; see instructions)	▶ 16															0	0
17	Certain gambling losses (see instructions)	▶ 17															0	0
18	Prepaid tuition or college savings program deduction (see instructions)	▶ 18															0	0
19	Total other deductions. Add lines 1 through 18. Enter here and on Form 1, line 15 or Form 1-NR/PY, line 19	▶ 19															0	0