



Oregon

Theodore R. Kulongoski, Governor

Housing and Community Services

North Mall Office Building
725 Summer St NE, Suite B
Salem, OR 97301-1266
(503) 986-2000

FAX: (503) 986-2020
TTY (503) 986-2100



www.ohcs.oregon.gov

DATE: January 1, 2011

TO: Contributors to Oregon's Individual Development Account (IDA) Initiative



Instructions for Filing for Oregon IDA Tax Credit

Thank you for your request for information on filing for the Oregon's Individual Development Account (IDA) tax credit. This letter is intended to provide *general* instructions for contributors. As each contributor's tax situation is unique, contributors should rely on appropriate professional counsel to assure sound filing and accurate calculations of tax liabilities and benefits related to the credit.

The Neighborhood Partnership Fund was selected by the State of Oregon to serve as the official designated entity to accept contributions to Oregon's Individual Development Account (IDA) initiative for tax year 2011. The Neighborhood Partnership Fund is a 501(c)(3) non-profit organization that provides no goods or services to contributors in return for their contribution to Oregon's IDA initiative.

As a result of a contribution, a contributor to Oregon's IDA initiative is eligible for an Oregon State tax credit in the amount of \$0.75 for each \$1.00 contribution. Contributions up to \$100,000 per year per single taxpayer or corporation. Thus, the credit on the contribution is computed as follows:

Contribution amount \$ _____ X 0.75 = _____ Tax Credit.

Please note change of process: For tax year 2005 and future years, returns to the Oregon Department of Revenue has changed the reference to the Oregon IDA Tax Credit from the initials "IDA" to the numerical code "715." Please note this for your records.

Contributors should claim the credit on the "Other Credit" line of their Oregon tax return and label the credit "715". If the contributor's IDA tax credit exceeds their tax liability, any excess not used in the first year may be carried forward for the next three years.

The contributor's full contribution may also be deductible on their Federal tax return as an itemized charitable deduction. The contributor may not claim both the tax credit and a charitable deduction on their Oregon return for the same contribution. If the contributor deducts the contribution on their federal return, they must add to their federal taxable income on their Oregon return the amount of contribution on which the Oregon credit is based. The amount on



January 1, 2011

Page 2

which a credit is based is the allowed credit divided by 75%. Report this amount as an "Other Addition" on the Oregon return and label the addition "715."

The Neighborhood Partnership Fund will provide each contributor with a letter acknowledging receipt of a contribution and indicating both the total contribution and allowable tax credit. This letter serves as the contributor's receipt for their contribution to Oregon's IDA initiative.

Contributors should maintain this letter with their tax records. The IDA tax credit against the contributor's Oregon tax liability and any possible deduction against federal taxes for their charitable contribution may be disallowed if a contributor is unable to provide a copy of this letter to the Oregon Department of Revenue or the Internal Revenue Service upon request.

These general instructions were prepared with assistance from Oregon Department of Revenue staff and are believed to be true and accurate. Still, in all cases, contributors are encouraged to seek professional advice to determine the actual tax ramifications of their contribution, as each individual's tax situation may vary.

Thank you again for your request for information.

Sincerely,



Victor Merced
Director

Sample