

General information

Use Schedule OR-A to figure your Oregon itemized deductions using federal definitions and limitations, with the modifications noted in these instructions. Generally, for Oregon, you're allowed the larger of your itemized deductions or your standard deduction.

Note: Your Oregon standard deduction will be zero if you are married filing a separate return and your spouse itemizes, or if you are a non-U.S. citizen without permanent resident status.

If you itemize, you can deduct a part of your medical and dental expenses, amounts you paid for certain taxes, interest, gifts to charity, and certain miscellaneous expenses. Don't include items that you deducted elsewhere on your federal or Oregon tax return forms or schedules, such as Schedule C, E, or F. In some cases, you may have to add some deductions back or reduce some income items on your Oregon return. See the Internal Revenue Service (IRS) publications referred to in these instructions and Publication OR-17 for more information.

Medical and dental expenses

In general

You can deduct only the part of your medical and dental expenses that exceeds 7.5 percent of the amount of your federal adjusted gross income (AGI) on Form OR-40, line 7, or Form OR-40-N or OR-40-P, line 29F.

Examples of medical and dental payments you can deduct

To the extent you weren't reimbursed, and with certain limitations, you can generally deduct what you paid for:

- Insurance premiums for medical and dental care, including Medicare Parts B and D.
- Prescription medicines and insulin.
- Healthcare professionals, including medical doctors, dentists, physical therapists, and psychologists.
- Medical examinations, X-rays, laboratory fees, diagnostic tests, and other services.
- Hospital care and nursing help.
- Ambulance service and other travel costs.
- Nicotine cessation, medical weight-loss, and addiction treatment.
- Hearing aids, eyeglasses, wheelchairs, guide dogs, and other medical aids.
- Lodging costs and travel for treatment away from home.

- Lactation supplies.

Examples of expenses you can't deduct

- Elective cosmetic surgery.
- Over-the-counter medications.
- Drugs that are illegal under federal law.
- Funeral, burial, or cremation costs.

The above lists are not exhaustive. IRS Publication 502, *Medical and Dental Expenses*, describes the types of expenses you can and can't deduct in greater detail. It also explains when you can deduct capital expenses and special care expenses for disabled persons. **Note:** You don't have to reduce your expenses if you're claiming the federal credit for business or health coverage.

Whose medical and dental expenses can be included?

You can include medical and dental bills you paid in 2025 for anyone who was one of the following, either when the services were provided or when you paid for them:

- Yourself and your spouse.
- All dependents you are claiming on your Oregon return, and any child you can't claim as a dependent because of the rules for children of divorced or separated parents.
- Any person you could have claimed as a dependent on your Oregon return except that their gross income for 2025 was \$5,200 or more or they filed a joint return.
- Any person you could have claimed as a dependent except that you or your spouse (if filing a joint Oregon return) can be claimed as a dependent on someone else's 2025 return.

Deceased taxpayer. Certain medical expenses paid out of a deceased taxpayer's estate can be claimed on the deceased taxpayer's final return. See IRS Publication 502 for details.

Coordination with the Working Family Household and Dependent Care (WFHDC) credit

Some medical expenses for the care of qualifying persons may also qualify as expenses for purposes of claiming the WFHDC credit. These expenses can be included in your itemized deductions or used for the WFHDC credit, but they can't be used for both. See "Additions" in Publication OR-17 for more information.

Lines 1 through 4

Line 1. Medical and dental expenses. Enter the total of your medical and dental expenses, reduced by any payments you received from insurance or other sources.

Don't include:

- Payments that your insurance company paid directly to the provider.
- Amounts that were paid through an employer-sponsored (cafeteria) plan, unless those amounts were included in box 1 of Form W-2.
- Expenses that you're using for the WFHDC credit unless you also report any required add back.

Line 2. AGI. Enter the amount from Form OR-40, line 7, or Form OR-40-N or OR-40-P, line 29F.

Line 3. AGI threshold. Multiply line 2 by 7.5% (0.075).

Line 4. Medical and dental expense deduction. Subtract line 3 from line 1. If line 3 is more than line 1, enter 0.

Coordination with the special Oregon medical subtraction

If you or your spouse turned age 66 by the end of the tax year, and your federal AGI wasn't more than \$200,000 (\$100,000 if your filing status is single or married filing separately), you may qualify for the special Oregon medical subtraction. You'll need the information from Schedule OR-A, lines 1 and 3, when you figure your subtraction amount. See "Special Oregon medical subtraction" in Publication OR-17 for more information.

Taxes you paid

In general

You may deduct certain state or local income taxes or foreign income taxes you paid during the tax year, such as income taxes paid to a state **other than Oregon**, mandatory contributions to certain employment-related programs in other states, and taxes on real or personal property located in the United States that are based on the property's value (known as ad valorem tax). Income-based taxes paid to a local government within Oregon, such as Portland's Arts Tax, may be deducted because they're not paid to the State of Oregon.

Limitation on income and property tax

The total amount of income and property taxes you can deduct can't be more than \$40,000 (\$20,000 if married filing separately). The same limit that applies to your federal deduction also applies to your Oregon deduction.

Examples of taxes you can't deduct

- Oregon income tax.
- Contributions to, or benefits from, Paid Leave Oregon.
- Charitable contributions claimed as payments of Oregon income tax.
- Income taxes paid to another state on which you're basing an Oregon credit.
- Oregon statewide transit tax.
- Federal income tax.
- Sales tax.
- Tax on real property paid to a foreign country.

- Social Security, Medicare, unemployment, or railroad retirement tax.
- Gift tax.
- Estate tax, other than federal estate tax on income in respect of a decedent (see below).
- Customs duties.
- Gasoline tax.
- License fees.
- Assessments for property improvements.
- Taxes you paid for someone else.

Paid Leave Oregon contributions and benefits. Contributions to Paid Leave Oregon are considered to be a state income tax. You can't deduct contributions you made through payroll deductions as an employee or payments you made if you're self-employed. If you received benefits from Paid Leave Oregon, you can't include any portion in your itemized deductions.

Charitable contributions claimed as Oregon tax payments. You can't deduct a charitable contribution for which you received an Oregon tax credit as a payment of Oregon income tax. See **Gifts to charity** below and the "Credits" section of Publication OR-17 for more information.

Federal income tax. You can't claim an itemized deduction for federal income tax paid during the tax year. However, see "Federal income tax liability" in Publication OR-17 for more information.

Income taxes paid to another state on mutually-taxed income. If you're claiming a credit on your Oregon return for income taxes paid to another state, you must reduce your deduction by the amount of tax paid to the other state.

Credit and deduction—same year. If you claimed a credit on an Oregon return for taxes you paid during this tax year, you must reduce your deduction by the amount of the other state's tax liability or the amount you're deducting, whichever is less.

Example 1: Inga, an Oregon resident, paid \$11,000 in income tax to Maine and \$12,000 in income tax to Arizona this year. She's claiming a credit for the taxes paid to Maine on this year's Oregon return. She had \$13,000 in Maine tax and \$15,000 in Arizona tax withheld from her income during the year, for total income taxes paid to a state other than Oregon of \$28,000 (\$13,000 + \$15,000). On Inga's Maine return, her net tax liability is \$12,000. She reduces her Oregon deduction for taxes paid to Maine by \$12,000. She'll report \$16,000 (\$28,000 - \$12,000) on Schedule OR-A, line 5.

Credit and deduction—different years. You must reduce this year's deduction for taxes you paid to another state if:

- You claimed a credit for taxes paid to the other state on an Oregon return for a prior year,
- The credit was based on tax you owed the other state for the year you claimed the credit, and
- This year, you paid the tax that you owed the other state for the prior year.

Reduce your deduction by the smaller of:

- The other state's tax for the year you claimed the credit, or

- The amount of the other state's tax for that year which you paid this year.

The total amount of your reduction will equal the total amount of tax on which your credit was based.

Example 2: Peggy is an Oregon resident. She owes \$3,000 to Iowa for 2025 tax on income that is also taxed by Oregon. She's claiming a credit on her Oregon return that is based on her \$3,000 Iowa tax liability. Peggy had \$1,250 in tax withheld from her Iowa income in 2025. She's paying the remaining \$1,750 in April 2026 when she files her 2025 returns. Peggy's deduction for tax paid to Iowa for 2025 is the \$1,250 in withholding, and if she itemizes for 2026, her deduction will be the remaining \$1,750. For 2025, her Oregon itemized deduction for taxes paid to Iowa is reduced by \$1,250, the tax she's deducting on which her credit is based. If she itemizes for 2026, she'll reduce her deduction for taxes paid to Iowa by \$1,750, the remaining portion of the tax on which her 2025 credit is based.

Note: Similar rules apply if you're claiming a credit for taxes imposed by another jurisdiction on mutually-taxed gain from the sale of your personal residence.

See "Income taxes paid to another state on mutually-taxed income" and "Taxes imposed by other jurisdiction on mutually-taxed gain from sale of residence" in Publication OR-17 for details about these credits.

Sales tax. Oregon doesn't allow a deduction for sales tax paid. **Important:** If you made the election on your federal Schedule A to deduct sales tax paid instead of income tax paid, you can't deduct income tax paid on your Schedule OR-A. (ORS 316.821)

Lines 5 through 11

Line 5. State and local income taxes. Enter the total of the state and local income taxes you paid to a local government or to a state **other than Oregon**, reduced as explained above for any credits you're claiming for income taxes paid to another state.

Note: If you deducted sales tax paid instead of income tax paid on your federal Schedule A, you must enter 0 on line 5.

Line 6. Real estate taxes. Enter the state or local taxes you paid on real estate you own that wasn't used for business, but only if the taxes are assessed uniformly at a like rate on all real property throughout the community, and the proceeds are used for general community or governmental purposes. See IRS Publication 530, *Tax Information for Homeowners*, for more information.

Don't include the following:

- Taxes on real property located outside the United States or its possessions.
- Itemized charges for services to specific property or persons (for example, a flat fee charged by the county for mowing a lawn that has grown beyond the permitted height).

- Charges for improvements that tend to increase the value of your property, such as sidewalk assessments.

Line 7. Personal property taxes. Enter the state or local personal property taxes you paid that were:

- Based only on the property's value (ad valorem) and
- Imposed on a yearly basis.

Line 8. Reserved.

Line 9. Total income and property taxes. Enter the total of lines 5, 6, and 7. Don't enter more than \$40,000 (\$20,000 if married filing separately).

Line 10. Other taxes. List the type and amount of other deductible taxes that aren't already included on lines 5, 6, or 7.

Interest you paid

You may deduct the following interest on Schedule OR-A:

- **Home mortgage interest.** Interest paid on a home mortgage that is secured by your main home or second home, including first and second mortgages and refinanced mortgages, including mortgage points. Don't include interest paid on home equity loans. See IRS Publication 936, *Home Mortgage Interest Deduction*, for debt and income limits and other information. **Note:** If you had to reduce your deduction on your federal return because you claimed the mortgage interest credit, you may subtract the reduction amount on Schedule OR-ASC or OR-ASC-NP. See "Federal tax credits" in Publication OR-17 for more information.
- **Mortgage insurance premiums.** Mortgage insurance premiums are not deductible for tax year 2025.
- **Investment interest.** This is interest paid on money you borrowed to buy property held for investment. Your investment interest deduction is generally limited to the income, after other expenses, from the investments. Investment interest expense that exceeds the investment income may be carried forward to next year. **Note:** If the interest is allocable to income that is exempt from Oregon tax, you may have to modify the income on Schedule OR-ASC or OR-ASC-NP. Unless an exception applies, if you are deducting investment interest, you must complete federal Form 4952, *Investment Interest Expense Deduction*. Keep a copy of this form with your tax records; don't include it with your Oregon return. For more information, limitations, and additional requirements, see IRS Publication 550, *Investment Income and Expenses*, and the instructions for Form 4952. For more information about income with related interest expense, see Publication OR-17.

Lines 12 through 17

Line 12. Mortgage interest and points reported on Form 1098. Enter the home mortgage interest and points reported to you on federal Form 1098, *Mortgage Interest Statement*.

Line 13. Mortgage interest not reported on Form 1098. Enter the home mortgage interest you paid to a recipient who didn't provide you with a Form 1098. If the recipient was the person from whom you bought the home, enter the person's name, address, and Social Security number (SSN) (if an individual) or employer identification number (EIN) on the dotted line next to line 13.

Line 14. Points not reported on Form 1098. Points are shown on your settlement statement. You may deduct points paid to borrow money but not for other purposes. Points paid to refinance a mortgage must be deducted over the life of the loan. See IRS Publication 936 for more information.

Line 15. Reserved.

Line 16. Investment interest. Enter the interest you paid on money you borrowed to buy property held for investment. Use the amount you calculated using federal Form 4952, if applicable.

- **Don't** include interest paid on money you borrowed to buy bonds issued by the Commonwealth of Puerto Rico or the territories of Puerto Rico, Guam, Samoa, or the Virgin Islands. Income from these bonds isn't taxable by Oregon.
- If you're deducting interest paid on money you borrowed to buy U.S. bonds, notes, or other obligations, you'll need to reduce your subtraction for this income on your Oregon return. See "Interest and dividends on U.S. bonds and notes" in Publication OR-17 for more information.
- You'll have an addition on your Oregon return if you have income from bonds and notes issued by another state, or political subdivision of another state. The income from these bonds and notes isn't subject to federal tax, but it is taxable by Oregon. However, you may reduce your addition by the amount of related investment expense that you couldn't include in your federal itemized deductions. See "Interest on state and local government bonds of other states" in Publication OR-17 for more information.

Gifts to charity

You can deduct contributions or gifts you gave to organizations that are religious, charitable, educational, scientific, or literary in purpose, including organizations that work to prevent cruelty to children or animals. See IRS Publication 526, *Charitable Contributions*, for limitations and other details.

Amounts you can deduct

Contributions can be in cash, property, or certain out-of-pocket expenses you paid to do volunteer work for a charitable organization. Single gifts of \$250 or more require a written statement showing the amount of cash contributed, description of any property you donated, and a description and estimated value of any goods or services you received in return. Be sure to keep records of all your contributions,

including pay statements if you made cash contributions through payroll deduction, receipts, written statements from organizations, and any appraisals or other required documentation. Unless directed otherwise, keep all statements and other documentation with your tax records; we may ask to see them later. See IRS Publication 526 for AGI limits and other restrictions, treatment of gifts for which you received a benefit, and additional information.

Amounts you can't deduct

In general. You can't deduct such things as political contributions, dues paid to fraternal orders or similar groups, or the value of services you performed or benefits you received in connection with your contribution. For additional items that can't be deducted, see IRS Publication 526.

Disqualified charities. If a charitable organization doesn't spend at least 30 percent of its annual functional expenses for program services, you must add back your contributions to that organization on Schedule OR-ASC or OR-ASC-NP. See the Oregon Department of Justice website, www.doj.state.or.us/charitable-activities, for a list of organizations that meet Oregon's spending requirement. See "Additions" in Publication OR-17.

Contributions for disaster relief

Certain contributions made for relief efforts following a presidentially-declared disaster are subject to special treatment. See IRS Publication 976, *Disaster Relief*, for more information.

Coordination with Oregon tax credits

In general. If you're claiming an Oregon tax credit that is based on contributions you made to a charitable organization or fund, you must typically add back some or all of those contributions if you're claiming them as an itemized deduction.

You must add back contributions you made to the following funds if you include **any amount** as an itemized deduction and you're claiming a credit for those contributions on your Oregon return:

- **Oregon Production Investment Fund** (Oregon Film & Video Office auction).
- **University Venture Development Fund** (various Oregon universities).
- **Oregon IDA Initiative Fund.**

Don't deduct any charitable contributions that you're claiming as a payment of Oregon income tax on your federal return.

See "Additions" in Publication OR-17 for more information.

Lines 18 through 21

Note: Limits to lines 18, 19, and 20 should be applied on each line individually. With limits already applied, line 21 should be the true total of lines 18, 19, and 20. For limits,

see the IRS website for charitable contribution guidelines or IRS Publication 526.

Line 18. Gifts by cash or check. Enter the total value of the gifts you made in cash or by check, including unreimbursed out-of-pocket expenses.

Line 19. Gifts other than by cash or check. Enter the total value of your contributions of property other than by cash or check. For used items, such as clothing or furniture, you may deduct their fair market value at the time you donated them. Fair market value is what a willing buyer would voluntarily pay a willing seller for the item. If the amount of your deduction is more than \$500 (before applying any income limits), complete federal Form 8283, *Noncash Charitable Contributions*. Keep a copy of this form with your Oregon tax records; we may ask for it later. For additional requirements, see the instructions for Form 8283.

Line 20. Carryover from prior year. Enter contributions that you couldn't deduct in an earlier year because they exceeded that year's limits. Your total contributions for this year, including any carryover amount, can't exceed this year's limits.

Other miscellaneous deductions

You may deduct certain other items that aren't deducted elsewhere on the return or on other supporting schedules. These miscellaneous deductions include claim of right income repayments in excess of \$3,000, gambling losses, and federal estate tax on income in respect of a decedent. (**Note:** See these topics below for amounts you may need to add back on Schedule OR-ASC or OR-ASC-NP.) If you're deducting a **casualty loss or theft related to a presidentially-declared disaster, include the amount here. Don't include miscellaneous deductions that are subject to the 2 percent AGI limitation, such as employee business expenses or tax preparation fees.** For more information about these and other allowable deductions, along with a list of items that aren't deductible, see IRS Publication 529, *Miscellaneous Deductions*.

Casualty loss from state-declared disaster. See "Subtractions" in Publication OR-17 if you have suffered a casualty loss due to a state-declared disaster.

Claim of right income repayments. In some cases, repayments of more than \$3,000 in income that you'd included in a prior year's taxable income under a claim of right may be included in miscellaneous itemized deductions. Oregon allows a credit for repayments over \$3,000 if the income

was previously taxed by Oregon. If you claim the Oregon credit, you must add back your itemized deduction for the repayment on Schedule OR-ASC or OR-ASC-NP. See Publication OR-CRC for more information.

Gambling losses. Generally, you may deduct gambling losses up to the amount of your taxable winnings. However, Oregon doesn't tax winnings of \$600 or less from a single play or ticket from the Oregon Lottery. If you're subtracting Oregon Lottery winnings on Schedule OR-ASC or OR-ASC-NP, you'll need to add back your gambling loss deduction by the amount of Oregon Lottery winnings that aren't taxed by Oregon. See IRS Publication 529 for more information about gambling losses, including recordkeeping requirements. See "Additions" in Publication OR-17.

Federal estate tax on income in respect of a decedent (IRD). You may deduct federal estate tax that you paid on IRD if that income is taxed by Oregon. If only a portion of the federal estate tax is on income taxed by Oregon, you must add back the tax on the IRD that Oregon doesn't tax. See "Additions" in Publication OR-17.

Line 22. Other miscellaneous deductions. List the type and amount of your miscellaneous itemized deductions, and enter the total on line 22.

Oregon itemized deductions

Line 23. Add lines 4, 11, 17, 21, and 22. Enter the total on line 23 and on Form OR-40, line 16, or Form OR-40-N or OR-40-P, line 37.

To ensure processing isn't delayed on your Oregon return:

- Include Schedule OR-A with your return when you file.
- Ensure the tax year on Schedule OR-A is the same as the tax year on your return.

Do you have questions or need help?

www.oregon.gov/dor
503-378-4988 or 800-356-4222
questions.dor@dor.oregon.gov

Contact us for ADA accommodations or assistance in other languages.