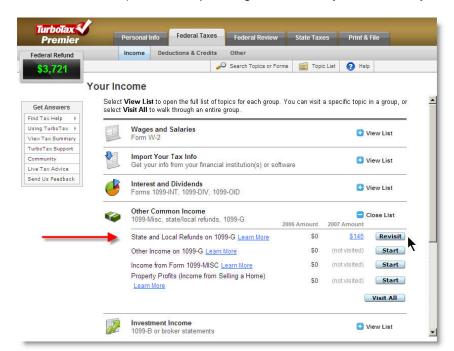
Instructions for Entering the Oregon Kicker Refund

TurboTax automatically handles state income tax refunds from the prior year when you prepared your federal and state returns using TurboTax. However, if the refund comes as a result of a future event (like the Kicker Refund), then you need to enter that refund information into TurboTax so it can properly account for the refund.

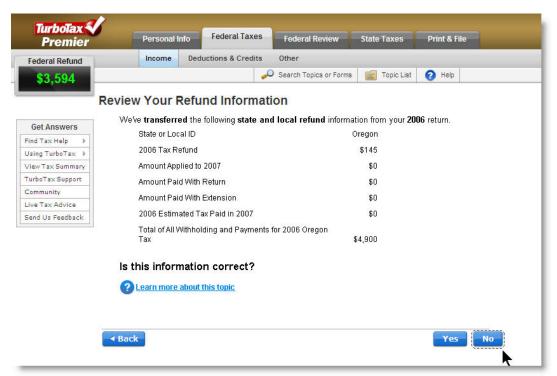
Using TurboTax, entering the Kicker Refund is easy. The example below assumes that you prepared your 2006 federal and Oregon returns using TurboTax.

- 1. Start your 2007 return and allow TurboTax to transfer your 2006 tax information.
- 2. In the Income section of Federal Taxes, select State and Local Refund (see Screen 1). Your Oregon income tax refund from last year (\$145 in this example) is already entered by TurboTax. Select the Revisit button or the Start button for this item (it varies depending on whether you've already visited the topic).



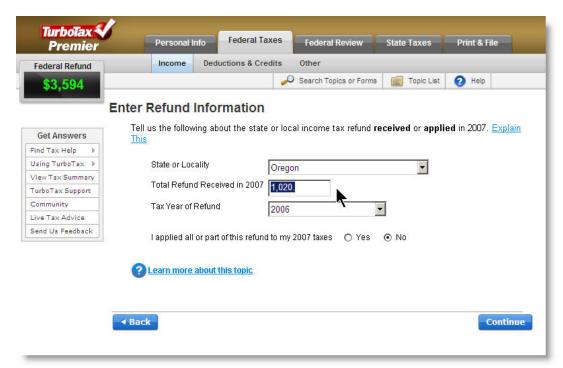
Screen 1: Select State and Local Refunds to enter your Kicker Refund.

3. TurboTax displays the refund that it transferred from your 2006 OR tax return (see Screen 2). At this point, TurboTax still does not know about your Kicker Refund. Therefore, in response to "Is this information correct?", answer No.



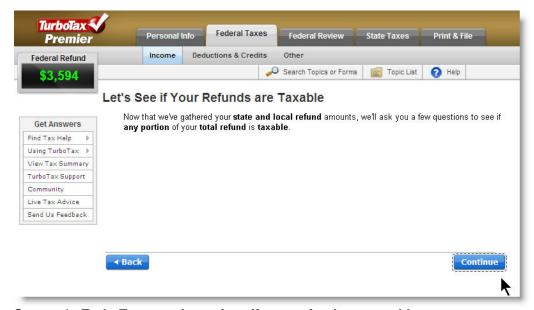
Screen 2: Here is the information that TurboTax knows about before the Kicker Refund.

4. On the next TurboTax interview screen, enter the total of your Oregon tax refund plus the Kicker Refund you received in 2007. In this example, we used a regular tax refund of \$145 (as shown on the previous screen) and \$875 as the Kicker Refund for a total of \$1020.



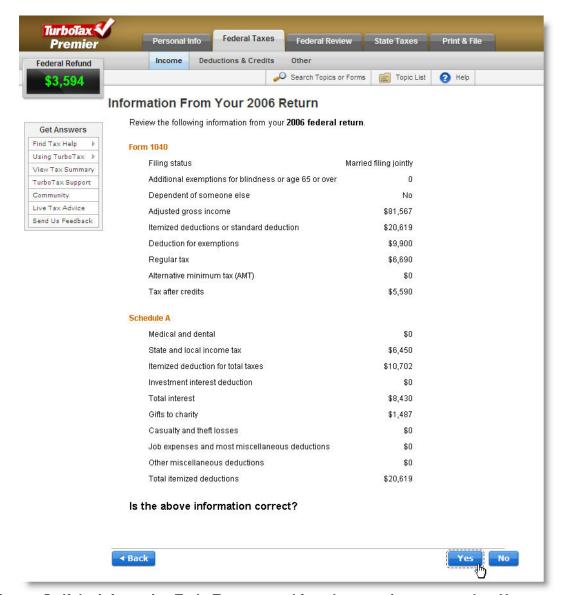
Screen 3: This screen shows the TOTAL tax refund (including Kicker).

5. If you have no other income tax refunds, you're basically done other than confirming the additional tax information TurboTax needs to determine if the refunds are taxable (see Screen 4). Fortunately for returning customers, TurboTax already has all the information needed to do this. We just ask you to confirm the information (because the state may have adjusted your return or you may have filed an amended return).



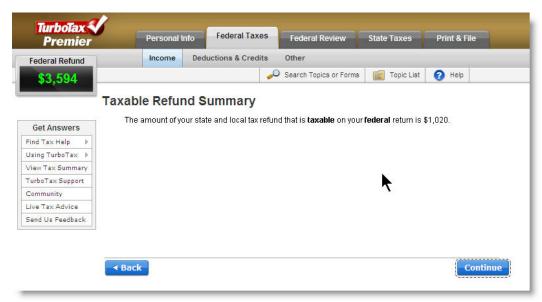
Screen 4: TurboTax now determines if your refunds are taxable.

6. If the information from your 2006 return is correct (see Screen 5), press Yes.



Screen 5: If the information TurboTax captured from last year is correct, select Yes.

7. TurboTax then does the computations to figure how much of the refund is taxable. Screen 6 shows this information.

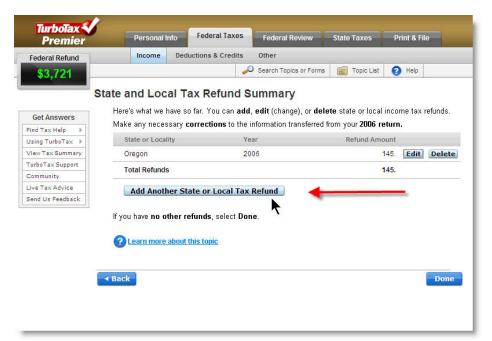


Screen 6: TurboTax shows how much of your refund is taxable.

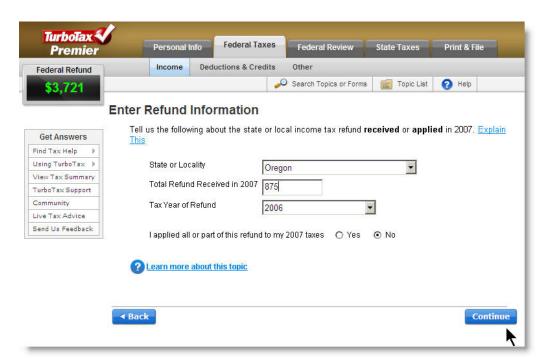
That's all you need to do for TurboTax to properly determine how much of your total Oregon tax refund is taxable. Even if your deductions were limited last year or you were subject to AMT, TurboTax handles all that for you.

Alternative to Above Steps

If you had a tax refund and a Kicker Refund, you can alternatively enter each one separately and you'll get the same result as above. The choice is yours. The following three screens reflect how you would enter your Kicker Refund as a separate income tax refund.



Screen 7: Select Add Another State if you want to enter the Kicker Refund separately.



Screen 8: Enter the state as Oregon, the Kicker Refund amount and the tax year as 2006.



Screen 9: This is what the Summary screen shows when you enter the state refunds separately.

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