

Senate Bill 788

Sponsored by Senator GIROD

SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure **as introduced**.

Creates income tax credit for education of taxpayer dependent by means of home school.
Applies to tax years beginning on or after January 1, 2020, and before January 1, 2026.
Takes effect on 91st day following adjournment sine die.

A BILL FOR AN ACT

1
2 Relating to tax credits for homeschooling of children; and prescribing an effective date.

3 **Be It Enacted by the People of the State of Oregon:**

4 **SECTION 1. Section 2 of this 2021 Act is added to and made a part of ORS chapter 315.**

5 **SECTION 2. (1) As used in this section:**

6 (a) **"Eligible child" means a child who is less than 18 years of age during any part of the**
7 **tax year for which a credit is claimed under this section and who is educated in the child's**
8 **home by means of a home school.**

9 (b) **"Home school" means a course of education that is provided by a parent, legal**
10 **guardian or private teacher pursuant to ORS 339.030 and 339.035.**

11 (c) **"Qualified taxpayer" means a person who:**

12 (A) **Is a parent or legal guardian of an eligible child; and**

13 (B) **Has an adjusted gross income of not more than \$120,000, if reported on a joint return,**
14 **or \$75,000, if reported on any other type of return.**

15 (2) **A credit of \$1,000 against the taxes otherwise due under ORS chapter 316 shall be al-**
16 **lowed for each dependent of a qualified taxpayer who during the tax year is an eligible child**
17 **and who, for days equaling at least 50 percent of the school days in which public schools are**
18 **in session in the district in which the eligible child resides, is enrolled in home school.**

19 (3) **If an eligible child also attends school in another educational setting for any portion**
20 **of the tax year, the credit under this section shall be prorated based on the number of**
21 **months during the school year that the dependent is an eligible child.**

22 (4) **The credit allowed under this section in one tax year may not exceed the tax liability**
23 **of the taxpayer.**

24 (5)(a) **A nonresident shall be allowed the credit under this section in the proportion pro-**
25 **vided in ORS 316.117.**

26 (b) **If a change in the status of a taxpayer from resident to nonresident or from nonres-**
27 **ident to resident occurs, the credit allowed by this section shall be determined in a manner**
28 **consistent with ORS 316.117.**

29 (c) **If a change in the taxable year of a taxpayer occurs as described in ORS 314.085, or**
30 **if the Department of Revenue terminates the taxpayer's taxable year under ORS 314.440, the**
31 **credit allowed under this section shall be prorated or computed in a manner consistent with**

NOTE: Matter in **boldfaced** type in an amended section is new; matter *[italic and bracketed]* is existing law to be omitted.
New sections are in **boldfaced** type.

1 **ORS 314.085.**

2 **(6) Spouses in a marriage who file separate returns for a taxable year may each claim a**
3 **share of the tax credit that would have been allowed on a joint return in proportion to the**
4 **contribution of each.**

5 **(7) The Department of Education shall establish by rule policies and procedures for cer-**
6 **tifying taxpayers as eligible for the credit allowed under this section, including procedures**
7 **for prorating the credit under subsection (3) of this section.**

8 **SECTION 3. Section 2 of this 2021 Act applies to tax years beginning on or after January**
9 **1, 2020, and before January 1, 2026.**

10 **SECTION 4. This 2021 Act takes effect on the 91st day after the date on which the 2021**
11 **regular session of the Eighty-first Legislative Assembly adjourns sine die.**

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