

REVENUE: May have revenue impact, statement not yet issued

FISCAL: May have fiscal impact, statement not yet issued

Action:	Without Recommendation as to Passage and Be Referred to the Committee on Revenue
Vote:	6 - 0 - 1
Yeas:	Cowan, Gelser, Gilliam, Kotek, Maurer, Tomei
Nays:	0
Exc.:	Olson
Prepared By:	Andy Smith, Administrator
Meeting Dates:	4/11, 4/25

WHAT THE MEASURE DOES: Modifies working family child care income tax credit to allow credit to be claimed for child care costs of taxpayers with disabilities that prevent them from providing child care, being employed or attending school. Applies to tax years beginning on or after January 1, 2007.

ISSUES DISCUSSED:

- Who determines inability to work and how it is determined
- Number of families in Oregon who face similar circumstances
- Practical and financial challenges faced by households with a disabled parent

EFFECT OF COMMITTEE AMENDMENT: No amendment.

BACKGROUND: Under current state law, the working family child care credit is a refundable tax credit for low-income working families. The credit is based on adjusted gross income, the number of people in the family (household size) and qualifying child care expenses. To qualify for the credit, the taxpayer must have a minimum earned income of \$6,000 and a maximum adjusted gross income of 250 percent of the federal poverty level. Qualifying expenses include those paid for school and for the care of legal children under the age of 13.