

**74TH OREGON LEGISLATIVE ASSEMBLY
STAFF MEASURE SUMMARY
HOUSE REVENUE COMMITTEE**

**MEASURE: HB 2810-B
CARRIER: Flores/Kotek**

REVENUE: Revenue statement issued

FISCAL: Fiscal statement issued

Action: Do pass as amended and be printed engrossed
Vote: 8-1-0
Yeas: Berger, Bruun, Gelser, Olson, Read, Rosenbaum, Witt, Barnhart
Nays: Butler
Exc.:
Prepared By: Chris Allanach, Economist
Meeting Dates: 4/30, 5/24

WHAT THE BILL DOES: Extends the sunset date from January 1, 2009 to January 1, 2013.

ISSUES DISCUSSED:

- Child care for low-income parents
- Impact of quality child care
- Sunset date
- Purpose of the credit, which is to provide a funding pool for child care to improve the quality of care for the children of low- and moderate-income families in Oregon
- As per Committee rules, the following metrics were adopted for evaluating this credit:
 - The number of programs funded
 - The number of children served

EFFECT OF COMMITTEE AMENDMENTS: Change the sunset date from January 1, 2029 to January 1, 2013

BACKGROUND:

A credit against personal income and corporate excise and income taxes is allowed for certified contributions made to the Child Care Division of the Oregon Employment Department. The total value of credit certifications may not exceed \$500,000 per calendar year. If a deduction for the contribution is made in determining federal taxes, the deducted amount must be added back to Oregon taxable income to claim the credit. The credit has a four-year carryforward.

In tax year 2005, roughly 75 individuals claimed a total of \$280,000 in credits and reduced their collective tax liability by roughly \$260,000. Few corporations claim the credit.

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This summary has not been adopted or officially endorsed by action of the committee.