

REVENUE: May have revenue impact, statement not yet issued

FISCAL: Minimal fiscal impact, no statement issued

Action:	Do Pass as Amended, Be Printed Engrossed, and Be Referred to the Committee on Revenue by prior reference
Vote:	4 - 0 - 1
Yeas:	Boquist, Cowan, Schaufler, Barker
Nays:	0
Exc.:	Scott
Prepared By:	Jim Keller, Administrator
Meeting Dates:	4/19, 4/24

WHAT THE MEASURE DOES: Increases exemption from taxable income allowed for compensation earned by members of the Oregon Military Department. Exempts from taxable income compensation earned by employees of the Oregon Military Department for duties performed at the Oregon Youth Challenge Program. Limits amount of exemption. Applies to tax years beginning on or after January 1, 2008.

ISSUES DISCUSSED:

- Oregon Youth Challenge Program in operation for twelve years
- Turnover rate of staff and supervisors
- Cost of living in the Bend area
- Success rate of the program

EFFECT OF COMMITTEE AMENDMENT: Removes members of the Oregon National Guard and increases the tax credit to \$6,000 for the employee of the Oregon Military Department performing duties at the Oregon Youth Challenge Program.

BACKGROUND: Currently, a member of the Armed Forces of the United States can qualify for a subtraction of their federal taxable income, not to exceed \$3,000 per annum, for active service. House Bill 3202-A adds members of the Oregon Military Department and increase the subtraction from their federal taxable income to a maximum \$6,000 per annum, for active service performed for the Oregon Youth Challenge Program.