

REVENUE: May have revenue impact, statement not yet issued

FISCAL: Minimal fiscal impact

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<b>Action:</b>	Do Pass as Amended and Be Printed Engrossed and Be Referred to the Committee on Revenue by prior reference
<b>Vote:</b>	9 - 0 - 0
<b>Yeas:</b>	Clem, Dallum, Greenlick, Komp, Krummel, Lim, Roblan, Whisnant, Buckley
<b>Nays:</b>	0
<b>Exc.:</b>	0
<b>Prepared By:</b>	Derrick Olsen, Administrator
<b>Meeting Dates:</b>	4/09 (Subcommittee on Higher Education), 4/11

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**WHAT THE MEASURE DOES:** Establishes credit against personal income tax for amounts paid by eligible taxpayer to eligible post-secondary institutions as tuition for coursework taken by taxpayer who receives a degree/certificate. Sets eligibility criteria for receipt of a degree/certificate as three years after high school graduation or receipt of a General Educational Development (GED) equivalency for community colleges, five years after high school graduation or receipt of a GED equivalency for four-year colleges/universities, and six years total for a person who receives a degree/certificate from a community college within three years after high school graduation or receipt of a GED equivalency and receives a degree/certificate from a four-year college/university within three years after receiving a degree/certificate from a community college. Sets credit for community colleges at \$125/year for two years, the credit for four year colleges/universities at \$250/year for four years, and the credit for four year colleges/universities if a person has previously received a community college degree/certificate at \$250/year for two years. Applies to amounts paid in tax years beginning on or after January 1, 2009. Includes a sunset clause effective January 1, 2018.

**ISSUES DISCUSSED:**

- Rising costs of post-secondary education, high student debt load, and need for accessibility
- Importance of students graduating from post-secondary programs and tax credit as potential incentive
- Concern that cost not be offset by lower appropriations to community colleges/Oregon University System
- For-profit secondary institutions and private career schools not included in bill
- Level of tax credit
- Date of implementation

**EFFECT OF COMMITTEE AMENDMENT:** Amendment replaces the entire text of HB 3243.

**BACKGROUND:** HB 3243-A creates what is termed by its chief sponsor as the Earned Education Tax Credit. The tax credit cannot exceed the tax liability of the taxpayer and cannot be carried forward to a succeeding tax year. HB 3243-A makes provisions for nonresidents with Oregon income and nonresidents who become Oregon residents.

HB 3243-A has a subsequent referral to the Committee on Revenue.