

A-Engrossed
House Bill 2363

Ordered by the House June 25
Including House Amendments dated June 25

Ordered printed by the Speaker pursuant to House Rule 12.00A (5). Pre-session filed (at the request of House Interim Committee on Judiciary for Oregon State Bar Adoption Subcommittee of Family Law Section)

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.

Reinstates income tax credit for qualified adoption expenses for tax years beginning on or after January 1, 2007, and before January 1, 2015. Limits credit to taxpayer with no more than \$60,000 in federal adjusted gross income.

Takes effect on 91st day following adjournment sine die.

A BILL FOR AN ACT

1
2 Relating to tax credits for adoption expenses; amending ORS 315.274 and section 3, chapter 1088,
3 Oregon Laws 1999; and prescribing an effective date.

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

5 **SECTION 1.** Section 3, chapter 1088, Oregon Laws 1999, is amended to read:

6 **Sec. 3.** [*Section 2 of this 1999 Act*] **ORS 315.274** applies to tax years beginning on or after Jan-
7 uary 1, 2000, and before January 1, 2006, and to tax years beginning on or after January 1, 2007,
8 and before January 1, 2015.

9 **SECTION 2.** ORS 315.274 is amended to read:

10 315.274. (1) For purposes of this section, "qualified adoption expenses" has the meaning given
11 that term in section 23 of the Internal Revenue Code.

12 (2) A taxpayer shall be allowed a credit against the taxes otherwise due under ORS chapter 316
13 in an amount determined under subsection (3) of this section for qualified adoption expenses paid
14 or incurred by the taxpayer during the tax year, **if the taxpayer's federal adjusted gross income**
15 **does not exceed \$60,000 for the tax year.**

16 (3) The amount of the credit allowed under this section shall be equal to the lesser of:

17 (a) The qualified adoption expenses paid or incurred by the taxpayer during the tax year less
18 the credit allowed to the taxpayer under section 23 of the Internal Revenue Code;

19 (b) \$1,500; or

20 (c) The credit allowed to the taxpayer for qualified adoption expenses under section 23 of the
21 Internal Revenue Code.

22 (4) In the case of a credit allowed under this section:

23 (a) A nonresident shall be allowed the credit under this section in the proportion provided in
24 ORS 316.117.

25 (b) If a change in the status of a taxpayer from resident to nonresident or from nonresident to
26 resident occurs, the credit allowed by this section shall be determined 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 316.117.

2 (c) If a change in the taxable year of a taxpayer occurs as described in ORS 314.085, or if the
3 Department of Revenue terminates the taxpayer's taxable year under ORS 314.440, the credit al-
4 lowed under this section shall be prorated or computed in a manner consistent with ORS 314.085.

5 (5) Any tax credit otherwise allowable under this section that is not used by the taxpayer in a
6 particular tax year may be carried forward and offset against the taxpayer's tax liability for the next
7 succeeding tax year. Any credit remaining unused in such next succeeding tax year may be carried
8 forward and used in the second succeeding tax year, and likewise any credit not used in that second
9 succeeding tax year may be carried forward and used in the third succeeding tax year, and any
10 credit not used in that third succeeding tax year may be carried forward and used in the fourth
11 succeeding tax year, but may not be carried forward for any tax year thereafter.

12 **SECTION 3. This 2007 Act takes effect on the 91st day after the date on which the reg-**
13 **ular session of the Seventy-fourth Legislative Assembly adjourns sine die.**

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