

House Bill 2408

Sponsored by Representative BUTLER (Presession filed.)

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 **as introduced**.

Provides credit against personal income taxes for repayment of principal of loans used to attend law school, if attorney is district attorney or deputy district attorney or provides public defense services or nonprofit legal aid program services. Limits amount of credit.

Applies to tax years beginning on or after January 1, 2007.

A BILL FOR AN ACT

1
2 Relating to tax credits for educational loans of attorneys.

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

4 **SECTION 1. Section 2 of this 2007 Act is added to and made a part of ORS chapter 315.**

5 **SECTION 2. (1) As used in this section, "eligible loan payments" means payments made**
6 **by the taxpayer of principal amounts borrowed by the taxpayer in order to pay for tuition**
7 **and related expenses, including room and board, incurred while the taxpayer attended a juris**
8 **doctor degree program. "Eligible loan payments" does not include payments of interest.**

9 **(2) A taxpayer may claim a credit against the taxes that are otherwise due for the tax**
10 **year under ORS chapter 316 for one-half of eligible loan payments made during the tax year,**
11 **if the taxpayer is a member of the Oregon State Bar and received at least 51 percent of the**
12 **taxpayer's federal adjusted gross income for the tax year for which the credit is claimed for**
13 **providing legal services in any of the following capacities:**

14 **(a) As a district attorney or deputy district attorney;**

15 **(b) As an appointed or assigned counsel who receives payment from a county pursuant**
16 **to ORS 135.055 or from the public defense services executive director pursuant to ORS**
17 **151.219; or**

18 **(c) As an attorney for a legal services provider that receives funding from fees collected**
19 **under ORS 21.480.**

20 **(3) The credit allowed under this section may not exceed the lesser of \$5,000 or the tax**
21 **liability of the taxpayer. The credit allowed under this section may not be carried over to**
22 **another tax year.**

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

25 **(5) If a change in the taxable year of a taxpayer occurs as described in ORS 314.085, or**
26 **if the Department of Revenue terminates the taxpayer's taxable year under ORS 314.440, the**
27 **credit allowed by this section shall be prorated or computed in a manner consistent with ORS**
28 **314.085.**

29 **(6) If a change in the status of a taxpayer from resident to nonresident or from nonres-**
30 **ident to resident occurs, the credit allowed by this section shall be determined in a manner**

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 consistent with ORS 316.117.

2 SECTION 3. Section 2 of this 2007 Act applies to tax years beginning on or after January
3 1, 2007.

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