

**C-Engrossed**  
**House Bill 2810**

Ordered by the Senate June 24  
Including House Amendments dated April 10 and May 31 and Senate  
Amendments dated June 24

Sponsored by Representatives FLORES, KOTEK (at the request of Commission for Child Care)

**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.

Extends sunset date on income tax credits for contributions to Child Care Division.

**Makes certain amount of earned income tax credit refundable. For tax years beginning on or after January 1, 2014, earned income tax credit is repealed.**

**A BILL FOR AN ACT**

1  
2 Relating to tax credits; creating new provisions; amending ORS 315.266 and section 13, chapter 674,  
3 Oregon Laws 2001, and section 61, chapter 832, Oregon Laws 2005; and repealing ORS 315.266.

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

5 **SECTION 1.** Section 13, chapter 674, Oregon Laws 2001, as amended by section 9, chapter 473,  
6 Oregon Laws 2003, is amended to read:

7 **Sec. 13.** ORS 315.213 applies to tax years beginning on or after January 1, 2002, and before  
8 January 1, [2009] **2013.**

9 **SECTION 2.** ORS 315.266, as amended by sections 57 and 59, chapter 832, Oregon Laws 2005,  
10 is amended to read:

11 315.266. (1) In addition to any other credit available for purposes of ORS chapter 316, an eligible  
12 resident individual shall be allowed a credit against the tax otherwise due under ORS chapter 316  
13 for the tax year in an amount equal to six percent of the earned income credit allowable to the in-  
14 dividual for the same tax year under section 32 of the Internal Revenue Code.

15 (2) An eligible nonresident individual shall be allowed the credit computed in the same manner  
16 and subject to the same limitations as the credit allowed a resident by subsection (1) of this section.  
17 However, the credit shall be prorated using the proportion provided in ORS 316.117.

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

21 (4) If a change in the status of a taxpayer from resident to nonresident or from nonresident to  
22 resident occurs, the credit allowed by this section shall be determined in a manner consistent with  
23 ORS 316.117.

24 *[(5) The credit allowed under this section may not exceed the tax liability of the taxpayer and may*  
25 *not be carried forward to a succeeding tax year.]*

26 **(5) If the amount allowable as a credit under this section, when added to the sum of the**  
27 **amounts allowable as payment of tax under ORS 316.187 or 316.583, other tax prepayment**

**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 **amounts and other refundable credit amounts, exceeds the taxes imposed by ORS chapters**  
2 **314 and 316 for the tax year after application of any nonrefundable credits allowable for**  
3 **purposes of ORS chapter 316 for the tax year, the amount of the excess shall be refunded to**  
4 **the taxpayer as provided in ORS 316.502.**

5 (6) The Department of Revenue may adopt rules for purposes of this section, including but not  
6 limited to rules relating to proof of eligibility and the furnishing of information regarding the federal  
7 earned income credit claimed by the taxpayer for the tax year.

8 (7) Refunds attributable to the earned income credit allowed under this section shall not bear  
9 interest.

10 **SECTION 3. The amendments to ORS 315.266 by section 2 of this 2007 Act apply to tax**  
11 **years beginning on or after January 1, 2011.**

12 **SECTION 4.** Section 61, chapter 832, Oregon Laws 2005, is amended to read:

13 **Sec. 61.** The amendments to ORS [*315.266 and*] 316.502 by [*sections 59 and 60 of this 2005 Act*]  
14 **section 60, chapter 832, Oregon Laws 2005,** apply to tax years beginning on or after January 1,  
15 [*2011*] **2014.**

16 **SECTION 5. ORS 315.266 is repealed on January 1, 2014.**

17 **SECTION 6. The repeal of ORS 315.266 by section 5 of this 2007 Act applies to tax years**  
18 **beginning on or after January 1, 2014.**

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