

# House Bill 3042

Sponsored by Representative MAURER; Representative CLEM

## 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**.

Changes maximum amount allowed as subtraction from taxable income for contributions to college savings network account. Indexes maximum amount ceilings for cost-of-living changes. Applies to tax years beginning on or after January 1, 2008.

## A BILL FOR AN ACT

1  
2 Relating to college savings network accounts; creating new provisions; and amending ORS 316.699.

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

4 **SECTION 1.** ORS 316.699 is amended to read:

5 316.699. (1) There shall be subtracted from federal taxable income the amount contributed to a  
6 college savings network account established under ORS 348.841 to 348.873.

7 (2) Notwithstanding subsection (1) of this section, a subtraction under this section may not ex-  
8 ceed the lesser of:

9 (a) \$2,000 for the tax year **for each dependent child of the taxpayer** or, in the case of a  
10 married individual filing separately, \$1,000 for the tax year **for each dependent child of the tax-**  
11 **payer; [and] or**

12 (b) If an amount is carried forward to a succeeding tax year under subsection (3) of this section,  
13 the balance in the college savings network account at the close of the tax year for which the sub-  
14 traction is being made.

15 (3) Any amounts contributed to a college savings network account that are not subtracted from  
16 federal taxable income because of the monetary limitations imposed by subsection (2) of this section  
17 may be carried forward for four succeeding tax years and subtracted from federal taxable income  
18 in any of those succeeding tax years in an amount that does not exceed the monetary limitations  
19 imposed by subsection (2) of this section.

20 (4) The amount contributed to a college savings network account may be subtracted from a  
21 preceding tax year if the contribution is made before the taxpayer files a return or before the 15th  
22 day of the fourth month following the closing of the taxpayer's tax year, whichever is earlier.

23 **(5)(a) For calendar years beginning on or after January 1, 2009, the Department of Re-**  
24 **venue shall recompute the maximum amount allowed as a subtraction under subsection (2)**  
25 **of this section to reflect a cost-of-living adjustment.**

26 **(b) For purposes of paragraph (a) of this subsection, the cost-of-living adjustment for any**  
27 **calendar year is the percentage (if any) by which the monthly averaged U.S. City Average**  
28 **Consumer Price Index for the 12 consecutive months ending August 31 of the prior calendar**  
29 **year exceeds the monthly averaged index for the 12 consecutive months ending August 31,**  
30 **2007.**

31 **(c) As used in this subsection, "U.S. City Average Consumer Price Index" means the U.S.**

**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 **City Average Consumer Price Index for All Urban Consumers (All Items) as published by the**  
2 **Bureau of Labor Statistics of the United States Department of Labor.**

3 **(d) If a cost-of-living adjustment determined under this subsection is not a multiple of**  
4 **\$50, the adjustment shall be rounded to the next lower multiple of \$50.**

5 **SECTION 2. The amendments to ORS 316.699 by section 1 of this 2007 Act apply to tax**  
6 **years beginning on or after January 1, 2008.**

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