

# House Bill 3158

Sponsored by Representative BARKER; Representatives BOQUIST, BRUUN, BUCKLEY, MINNIS, WHISNANT, Senator AVAKIAN (at the request of Mac MacDonald, United Veterans Groups of Oregon)

## 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**.

Allows employer credit against income taxes for amounts paid as compensation to employees who are members of military reserves, Oregon National Guard or other organized militia, during periods in which employees are providing active duty military service.

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

Takes effect on 91st day following adjournment sine die.

## A BILL FOR AN ACT

Relating to tax credits for employment of military personnel; and prescribing an effective date.

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

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

**SECTION 2. (1) An employer shall be allowed a credit against the taxes that are otherwise due under ORS chapter 316 or, if the employer is a corporation, under ORS chapter 317 or 318 for amounts paid to an employee who is also a member of the military reserves, Oregon National Guard or organized militia of another state or territory of the United States if:**

**(a) The amounts paid constitute compensation for employment; and**

**(b) The amounts paid are for periods during which the employee is performing military service in a status under Title 10 of the United States Code.**

**(2) The credit shall equal \_\_\_\_\_ percent of the total amount paid as compensation for employment.**

**(3) The credit may not exceed the tax liability of the taxpayer and may not be carried over to another tax year.**

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

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

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

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

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

**SECTION 4. This 2007 Act takes effect on the 91st day after the date on which the reg-**

**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 **ular session of the Seventy-fourth Legislative Assembly adjourns sine die.**

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