

HOUSE AMENDMENTS TO HOUSE BILL 3201

By COMMITTEE ON REVENUE

June 4

1 On page 1 of the printed bill, line 2, delete the period and insert “; creating new provisions; and
2 amending ORS 316.680.”.

3 Delete lines 4 through 31 and delete page 2 and insert:

4 “**SECTION 1.** ORS 316.680 is amended to read:

5 “316.680. (1) There shall be subtracted from federal taxable income:

6 “(a) The interest or dividends on obligations of the United States and its territories and pos-
7 sessions or of any authority, commission or instrumentality of the United States to the extent
8 includable in gross income for federal income tax purposes but exempt from state income taxes un-
9 der the laws of the United States. However, the amount subtracted under this paragraph shall be
10 reduced by any interest on indebtedness incurred to carry the obligations or securities described in
11 this paragraph, and by any expenses incurred in the production of interest or dividend income de-
12 scribed in this paragraph to the extent that such expenses, including amortizable bond premiums,
13 are deductible in determining federal taxable income.

14 “(b) The amount of any federal income taxes accrued by the taxpayer during the taxable year
15 as described in ORS 316.685, less the amount of any refunds of federal taxes previously accrued for
16 which a tax benefit was received.

17 “(c)(A) If the taxpayer does not qualify for the subtraction under subparagraph (B) of this par-
18 agraph, compensation (other than pension or retirement pay) received for active service performed
19 by a member of the Armed Forces of the United States in an amount not to exceed [~~\$3,000~~] **\$6,000**
20 per annum.

21 “(B) For the tax year of initial draft or enlistment into the Armed Forces of the United States
22 or for the tax year of discharge from or termination of full-time active duty for the Armed Forces
23 of the United States, compensation (other than pension or retirement pay or pay for service when
24 on military reserve duty) paid by the Armed Forces of the United States for services performed
25 outside this state, if the taxpayer is on active duty as a full-time officer, enlistee or draftee, with the
26 Armed Forces of the United States.

27 “(d) Amounts allowable under sections 2621(a)(2) and 2622(b) of the Internal Revenue Code to
28 the extent that the taxpayer does not elect under section 642(g) of the Internal Revenue Code to
29 reduce federal taxable income by those amounts.

30 “(e) Any supplemental payments made to JOBS Plus Program participants under ORS 411.892.

31 “(f)(A) Federal pension income that is attributable to federal employment occurring before Oc-
32 tober 1, 1991. Federal pension income that is attributable to federal employment occurring before
33 October 1, 1991, shall be determined by multiplying the total amount of federal pension income for
34 the tax year by the ratio of the number of months of federal creditable service occurring before
35 October 1, 1991, over the total number of months of federal creditable service.

1 “(B) The subtraction allowed under this paragraph applies only to federal pension income re-
2 ceived at a time when:

3 “(i) Benefit increases provided under chapter 569, Oregon Laws 1995, are in effect; or

4 “(ii) Public Employees Retirement System benefits received for service prior to October 1, 1991,
5 are exempt from state income tax.

6 “(C) As used in this paragraph:

7 “(i) ‘Federal creditable service’ means those periods of time for which a federal employee earned
8 a federal pension.

9 “(ii) ‘Federal pension’ means any form of retirement allowance provided by the federal govern-
10 ment, its agencies or its instrumentalities to retirees of the federal government or their benefici-
11 aries.

12 “(g) Any amount included in federal taxable income for the tax year that is attributable to the
13 conversion of a regular individual retirement account into a Roth individual retirement account
14 described in section 408A of the Internal Revenue Code, to the extent that:

15 “(A) The amount was subject to the income tax of another state or the District of Columbia in
16 a prior tax year; and

17 “(B) The taxpayer was a resident of the other state or the District of Columbia for that prior
18 tax year.

19 “(h) Any amounts awarded to the taxpayer by the Public Safety Memorial Fund Board under
20 ORS 243.954 to 243.974 to the extent that the taxpayer has not taken the amount as a deduction in
21 determining the taxpayer’s federal taxable income for the tax year.

22 “(i) If included in taxable income for federal tax purposes, the amount withdrawn during the tax
23 year in qualified withdrawals from a college savings network account established under ORS 348.841
24 to 348.873.

25 “(j) **Any amounts included in the federal taxable income that are attributable to income**
26 **earned by an employee of the Oregon Military Department for performing duties for the**
27 **Oregon National Guard Youth Challenge Program in an amount not to exceed \$6,000 per an-**
28 **num.**

29 “(2) There shall be added to federal taxable income:

30 “(a) Interest or dividends, exempt from federal income tax, on obligations or securities of any
31 foreign state or of a political subdivision or authority of any foreign state. However, the amount
32 added under this paragraph shall be reduced by any interest on indebtedness incurred to carry the
33 obligations or securities described in this paragraph and by any expenses incurred in the production
34 of interest or dividend income described in this paragraph.

35 “(b) Interest or dividends on obligations of any authority, commission, instrumentality and ter-
36 ritorial possession of the United States that by the laws of the United States are exempt from fed-
37 eral income tax but not from state income taxes. However, the amount added under this paragraph
38 shall be reduced by any interest on indebtedness incurred to carry the obligations or securities de-
39 scribed in this paragraph and by any expenses incurred in the production of interest or dividend
40 income described in this paragraph.

41 “(c) The amount of any federal estate taxes allocable to income in respect of a decedent not
42 taxable by Oregon.

43 “(d) The amount of any allowance for depletion in excess of the taxpayer’s adjusted basis in the
44 property depleted, deducted on the taxpayer’s federal income tax return for the taxable year, pur-
45 suant to sections 613, 613A, 614, 616 and 617 of the Internal Revenue Code.

1 “(e) For taxable years beginning on or after January 1, 1985, the dollar amount deducted under
2 section 151 of the Internal Revenue Code for personal exemptions for the taxable year.

3 “(f) The amount taken as a deduction on the taxpayer’s federal return for unused qualified
4 business credits under section 196 of the Internal Revenue Code.

5 “(g) The amount of any increased benefits paid to a taxpayer under chapter 569, Oregon Laws
6 1995, under the provisions of chapter 796, Oregon Laws 1991, and under section 26, chapter 815,
7 Oregon Laws 1991, that is not includable in the taxpayer’s federal taxable income under the Internal
8 Revenue Code.

9 “(h) The amount of any long term care insurance premiums paid or incurred by the taxpayer
10 during the tax year if:

11 “(A) The amount is taken into account as a deduction on the taxpayer’s federal return for the
12 tax year; and

13 “(B) The taxpayer claims the credit allowed under ORS 315.610 for the tax year.

14 “(i) Any amount taken as a deduction under section 1341 of the Internal Revenue Code in com-
15 puting federal taxable income for the tax year, if the taxpayer has claimed a credit for claim of right
16 income repayment adjustment under ORS 315.068.

17 “(j) If the taxpayer makes a nonqualified withdrawal, as defined in ORS 348.841, from a college
18 savings network account established under ORS 348.841 to 348.873, the amount of the withdrawal
19 that is attributable to contributions that were subtracted from federal taxable income under ORS
20 316.699.

21 “(3) Discount and gain or loss on retirement or disposition of obligations described under sub-
22 section (2)(a) of this section issued on or after January 1, 1985, shall be treated for purposes of this
23 chapter in the same manner as under sections 1271 to 1283 and other pertinent sections of the
24 Internal Revenue Code as if the obligations, although issued by a foreign state or a political subdivi-
25 sion of a foreign state, were not tax exempt under the Internal Revenue Code.

26 **“SECTION 2. Section 3 of this 2007 Act is added to and made a part of ORS chapter 315.**

27 **“SECTION 3. (1) A resident or nonresident individual physician licensed under ORS**
28 **chapter 677 who is engaged in the practice of medicine qualifies for an annual credit against**
29 **the taxes that are otherwise due under ORS chapter 316 if the physician provides medical**
30 **care to residents of an Oregon Veterans’ Home.**

31 **“(2) The amount of the credit allowed under this section shall be equal to the lesser of:**

32 **“(a) \$1,000 for every eight residents to whom the physician provides care at an Oregon**
33 **Veterans’ Home; or**

34 **“(b) \$5,000.**

35 **“(3) The credit allowed under this section may not exceed the tax liability of the taxpayer**
36 **for the tax year, and a credit allowed under this section that is unused may not be carried**
37 **forward to a succeeding tax year.**

38 **“(4) A nonresident shall be allowed the credit described in this section in the proportion**
39 **provided in ORS 316.117. If a change in the status of a taxpayer from resident to nonresident**
40 **or from nonresident to resident occurs, the credit allowed by this section shall be determined**
41 **in a manner consistent with ORS 316.117.**

42 **“(5) In order to qualify for the tax credit allowed under this section, the physician**
43 **claiming the credit must submit with the physician’s tax return a letter from the Oregon**
44 **Veterans’ Home at which the physician provided care to residents, confirming that the phy-**
45 **sician missed no more than five percent of the physician’s scheduled visits with residents**

1 of the home during the tax year.

2 “(6) In the case of a shareholder of a corporation or a member of a partnership, only the
3 care provided by the individual shareholder or partner shall be considered, and the full
4 amount of the credit shall be allowed to each shareholder or partner who qualifies in an in-
5 dividual capacity.

6 “(7) The Director of Veterans’ Affairs shall assist the Department of Revenue in deter-
7 mining if a taxpayer claiming a credit under this section qualifies for the credit.

8 “SECTION 4. Section 3 of this 2007 Act and the amendments to ORS 316.680 by section
9 1 of this 2007 Act apply to tax years beginning on or after January 1, 2008.”.

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