

# House Bill 3225

Sponsored by Representatives FLORES, KOTEK (at the request of Oregon 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 **as introduced**.

Removes annual limit on tax credit certificates issued for contributions to Child Care Division.  
Removes sunset date on income tax credits for contributions to Child Care Division.  
Applies to tax credit certificates issued on or after January 1, 2008.

## A BILL FOR AN ACT

1  
2 Relating to tax credits; creating new provisions; and amending ORS 657A.706 and section 13, chapter  
3 674, Oregon Laws 2001.

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

5 **SECTION 1.** ORS 657A.706 is amended to read:

6 657A.706. (1) For the purpose of implementing the program established under ORS 657A.703, the  
7 Child Care Division of the Employment Department, in collaboration with an advisory committee  
8 established by the Child Care Division, shall:

9 (a) Adopt rules.

10 (b) Select a tax credit marketer who agrees to market tax credits to taxpayers.

11 (c) Identify child care goals that are consistent with the purposes provided in ORS 657A.703 (2).  
12 The goals identified under this paragraph shall take into account state resources and needs.

13 (d) Develop by rule the application process an entity must complete to be designated as a com-  
14 munity agency under ORS 657A.700 to 657A.718, and any process for the renewal of that designation.

15 (e) Select one or more community agencies.

16 (f) Enter into an agreement with each selected community agency to perform the functions  
17 specified in ORS 657A.715.

18 (g) Determine the total value of moneys to be available to each selected community agency to  
19 distribute to providers based on goals identified under paragraph (c) of this subsection, and distrib-  
20 ute those moneys in the manner provided in ORS 657A.712 to the selected community agencies. The  
21 total value of moneys available to all selected community agencies in this state may not exceed the  
22 amount of contributions received from taxpayers during the tax year minus any reasonable admin-  
23 istrative costs incurred by the Child Care Division and the selected community agencies.

24 (2) The Child Care Division may adopt rules that establish a fixed percentage that is less than  
25 100 percent by which the amount contributed by a taxpayer will be certified for a tax credit by the  
26 division. The purpose of the grant of rulemaking authority under this subsection is to permit the  
27 division to calibrate the amount of the tax credit to interpretations of the deductibility of qualified  
28 contributions under section 170 of the Internal Revenue Code for federal tax purposes.

29 (3)(a) The Child Care Division shall issue tax credit certificates [*in the chronological order in*  
30 *which the contributions are received by the division. The division shall issue tax credit certificates to*  
31 *contributors until the total value of all certificates issued by the division for the calendar year equals*

**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 \$500,000]. Each issued certificate shall state the value of the contribution being certified as eligible  
2 for the tax credit allowed under ORS 315.213. Except as provided in rules adopted under subsection  
3 (2) of this section, the certified value shall equal the amount of the contribution.

4 [(b) *The Child Care Division may not issue a tax credit certificate to a taxpayer to the extent the*  
5 *credit value to be certified, when added to the total credit value previously certified by the Child Care*  
6 *Division under paragraph (a) of this subsection for the calendar year exceeds \$500,000.*]

7 [(c) (b) The Child Care Division shall send a copy of all tax credit certificates issued under this  
8 section to the Department of Revenue.

9 [(d) (c) Qualified contributions shall be deposited in the Child Care Fund.

10 (4) A taxpayer that receives a notice of denial of a tax credit certificate or that receives a tax  
11 credit certificate issued for an amount that is less than the amount contributed may request a refund  
12 for the amount contributed within 90 days of the Child Care Division's denial or issuance of the  
13 certificate. The Child Care Division must send notice of a denial or changed amount and refund the  
14 amount for which a tax credit will not be granted within 30 days after receiving the request. The  
15 refund shall be made from the Child Care Fund.

16 (5) The Child Care Division may establish by rule any other provisions required to implement  
17 the program established under ORS 657A.700 to 657A.718.

18 **SECTION 2. The amendments to ORS 657A.706 by section 1 of this 2007 Act apply to tax**  
19 **credit certificates issued on or after January 1, 2008.**

20 **SECTION 3.** Section 13, chapter 674, Oregon Laws 2001, as amended by section 9, chapter 473,  
21 Oregon Laws 2003, is amended to read:

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