

A-Engrossed
House Bill 3243

Ordered by the House April 19
Including House Amendments dated April 19

Sponsored by Representative READ; Representatives BERGER, BOONE, BRUUN, GALIZIO, GELSER

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.

[Establishes credit against personal income tax for amounts paid by eligible taxpayer to eligible post-secondary institutions as tuition for coursework taken by taxpayer. Limits credit to lesser of amount of tuition paid by taxpayer or median tuition amount paid at state institution of higher education.]

[Applies to amounts paid in tax years beginning on or after January 1, 2009.]

Establishes credit against personal income tax for amounts paid by eligible taxpayer who paid for and received instruction leading to degree or recognized certificate from post-secondary institution.

Applies to amounts paid in tax years beginning on or after January 1, 2009, and before January 1, 2018.

A BILL FOR AN ACT

1
2 Relating to tax credits for tuition.

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

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

5 **SECTION 2. (1) As used in this section, "eligible taxpayer" means a taxpayer who grad-**
6 **uated from an Oregon high school on or after July 1, 2007, or received a General Educational**
7 **Development (GED) certificate in Oregon on or after July 1, 2007, and who:**

8 **(a) Received a degree or recognized certificate from a community college within three**
9 **years after graduating from high school or receiving a General Educational Development**
10 **(GED) certificate;**

11 **(b) Received a degree or recognized certificate from an eligible post-secondary institu-**
12 **tion, as defined in ORS 348.180, that is not a community college within five years after**
13 **graduating from high school or receiving a General Educational Development (GED) certif-**
14 **icate; or**

15 **(c)(A) Received a degree or recognized certificate from a community college within three**
16 **years after graduating from high school or receiving a General Educational Development**
17 **(GED) certificate; and**

18 **(B) Received a degree or recognized certificate from an eligible post-secondary institu-**
19 **tion, as defined in ORS 348.180, that is not a community college within three years after re-**
20 **ceiving the degree or recognized certificate from a community college.**

21 **(2)(a) If an eligible taxpayer received a degree or recognized certificate from a commu-**
22 **nity college, a credit against the taxes otherwise due under ORS chapter 316 is allowed to**
23 **the eligible taxpayer in the amount of \$125. A taxpayer may receive a credit under this par-**

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 **agraph for two tax years.**

2 **(b) If an eligible taxpayer received a degree or recognized certificate from an eligible**
3 **post-secondary institution that is not a community college and has not received a degree or**
4 **recognized certificate from a community college within the period specified in subsection (1)**
5 **of this section, a credit against the taxes otherwise due under ORS chapter 316 is allowed**
6 **to the eligible taxpayer in the amount of \$250. A taxpayer may receive a credit under this**
7 **paragraph for four tax years.**

8 **(c) If an eligible taxpayer received a degree or recognized certificate from an eligible**
9 **post-secondary institution that is not a community college and has previously received a**
10 **degree or recognized certificate from a community college within the period specified in**
11 **subsection (1) of this section, a credit against the taxes otherwise due under ORS chapter**
12 **316 is allowed to the eligible taxpayer in the amount of \$250. A taxpayer may receive a credit**
13 **under this paragraph for two tax years.**

14 **(3) An eligible taxpayer may not receive credits under subsection (2)(a) and (c) of this**
15 **section in the same tax year.**

16 **(4) The credit allowed under this section is available only to a taxpayer who paid for and**
17 **received the instruction leading to a degree or recognized certificate that qualified the tax-**
18 **payer for a credit under this section.**

19 **(5) The credit allowed under this section may not exceed the tax liability of the taxpayer**
20 **for the tax year in which the credit is claimed and may not be carried forward to succeeding**
21 **tax years.**

22 **(6)(a) A nonresident shall be allowed the credit under this section in the proportion pro-**
23 **vided in ORS 316.117.**

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

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

31 **SECTION 3. Section 2 of this 2007 Act applies to amounts paid in tax years beginning on**
32 **or after January 1, 2009, and before January 1, 2018.**