

House Bill 3243

Sponsored by Representative READ; Representatives BERGER, 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 **as introduced**.

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.

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, 2006, and who received a degree or**
7 **certificate from an eligible post-secondary institution, as defined in ORS 348.180, within four**
8 **years of graduating from high school.**

9 **(2)(a) If an eligible taxpayer received a degree or certificate from a community college,**
10 **a credit against the taxes otherwise due under ORS chapter 316 is allowed to the eligible**
11 **taxpayer for the amount paid by the taxpayer for instruction at a community college during**
12 **the tax year that is two years prior to the year for which taxes are due.**

13 **(b) If an eligible taxpayer received a degree or certificate from an eligible post-secondary**
14 **institution that is not a community college, a credit against the taxes otherwise due under**
15 **ORS chapter 316 is allowed to the eligible taxpayer for the amount paid by the taxpayer for**
16 **instruction at the eligible post-secondary institution during the tax year that is four years**
17 **prior to the year for which taxes are due.**

18 **(3) The credit allowed under this section is available only to a taxpayer who paid for and**
19 **received the instruction for which payment was made.**

20 **(4) The credit allowed under this section may not exceed the lesser of:**

21 **(a) The amount of tuition actually paid by the taxpayer in any one tax year; or**

22 **(b) The median amount of tuition paid at the state institution of higher education under**
23 **the direction of the State Board of Higher Education during that tax year.**

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

27 **(6) An eligible taxpayer may not receive a credit under this section for more than four**
28 **tax years.**

29 **(7)(a) A nonresident shall be allowed the credit under this section in the proportion pro-**
30 **vided in ORS 316.117.**

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

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

8 **SECTION 3. Section 2 of this 2007 Act applies to amounts paid in tax years beginning on**
9 **or after January 1, 2009.**

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