

House Bill 3287

Sponsored by Representative NELSON

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**.

Creates tax credit for wages paid to new employees in amount equal to difference between federal minimum wage and state minimum wage.

Applies to tax years beginning on or after January 1, 2008.

A BILL FOR AN ACT

1
2 Relating to tax credits for employers.

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:**

6 (a) "Federal minimum wage" means the minimum wage established under the federal
7 Fair Labor Standards Act of 1938 (29 U.S.C. 201 et seq.).

8 (b) "State minimum wage" means the minimum wage required under ORS 653.025.

9 (2) A credit against the taxes otherwise due under ORS chapter 316 or, if the taxpayer
10 is a corporation, under ORS chapter 317 or 318 is allowed to a taxpayer for the amount of
11 wages paid during the tax year to new employees that is attributable to the difference be-
12 tween the state minimum wage and the federal minimum wage.

13 (3) The credit allowed by this section is available only for wages paid to new employees
14 during a period not to exceed one year from the initial date of employment by the taxpayer.

15 (4) The amount of the credit shall equal the full amount of any wages that are less than
16 or equal to the state minimum wage but more than the federal minimum wage that are paid
17 by the taxpayer during the tax year to employees who meet the criteria in subsection (3) of
18 this section.

19 (5) Wage amounts paid by a taxpayer that are in excess of the state minimum wage or
20 that are less than or equal to the federal minimum wage do not qualify for a credit under
21 this section.

22 (6) The Department of Revenue may adopt rules establishing a method for calculating the
23 amount of wages attributable to the difference between the state minimum wage and the
24 federal minimum wage. The department may require a taxpayer to provide proof of wages
25 paid to new employees during the tax year that are attributable to the amounts paid that
26 are more than the federal minimum wage and less than or equal to the state minimum wage.

27 (7)(a) A nonresident is allowed the credit under this section in the proportion provided
28 in ORS 316.117.

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

