

House Bill 3457

Sponsored by Representative BUTLER; Representatives BARKER, BOQUIST, BRUUN, CAMERON, GILMAN, GIROD, KRIEGER, NELSON, G SMITH, THATCHER, Senators ATKINSON, BEYER, G GEORGE, L GEORGE, WHITSETT

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 tax credit for employer that pays all or part of community college tuition and related textbook expenses of employee in workforce training program. Limits total amount of credit. Applies to tax years beginning on or after January 1, 2008, and before January 1, 2012.

A BILL FOR AN ACT

1
2 Relating to taxation.

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) A credit against the taxes otherwise due under ORS chapter 316, or under**
6 **ORS chapter 317 or 318 if the taxpayer is a corporation, is allowed to an employer that pays**
7 **all or part of the community college tuition and related textbook expenses of an employee.**

8 **(2) The amount of the credit allowed under this section shall be equal to three percent**
9 **of the amount paid by the employer toward the tuition and related textbook expenses of**
10 **employees.**

11 **(3) The credit allowed under this section may be claimed only if the employee is:**

12 **(a) Enrolled in a workforce training program in a community college located in this state;**
13 **and**

14 **(b) Employed by the employer seeking the tax credit allowed under this section.**

15 **(4) The credit allowed under this section may not exceed the tax liability of the taxpayer**
16 **for the tax year in which the credit is claimed.**

17 **(5)(a) A nonresident employer shall be allowed the credit provided under this section**
18 **computed in the same manner and subject to the same limitations as the credit allowed to**
19 **a resident of this state, but the credit shall be prorated using the proportion provided in ORS**
20 **316.117.**

21 **(b) If a change in the tax year of a taxpayer occurs as described in ORS 314.085, or if the**
22 **Department of Revenue terminates the taxpayer's tax year under ORS 314.440, the credit**
23 **allowed by this section shall be prorated or computed in a manner consistent with ORS**
24 **314.085.**

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

28 **(6) Any tax credit otherwise allowable under this section that is not used by the taxpayer**
29 **in a particular tax year may be carried forward and offset against the taxpayer's tax liability**
30 **for the next succeeding tax year. Any credit remaining unused in the next succeeding tax**

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 year may be carried forward and used in the second succeeding tax year, and likewise any
2 credit not used in that second succeeding tax year may be carried forward and used in the
3 third succeeding tax year, but may not be carried forward for any tax year thereafter.

4 SECTION 3. Section 2 of this 2007 Act applies to community college tuition paid by an
5 employer in a tax year beginning on or after January 1, 2008, and before January 1, 2012.

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