

Senate Bill 1016

Sponsored by COMMITTEE ON JUDICIARY (at the request of Paul Evans)

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**.

Permits taxpayers who provide 300 or more hours of volunteer public safety service in tax year to receive personal income tax rate reduction. Directs Department of Public Safety Standards and Training to develop certification program and issue certificates to qualified applicants.

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

A BILL FOR AN ACT

1
2 Relating to tax reductions for volunteer public safety service; creating new provisions; and amending
3 ORS 316.037.

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

5 **SECTION 1. A personal income taxpayer may receive a tax rate reduction for the tax**
6 **year under ORS 316.037 (4), if:**

7 (1) **The taxpayer is a firefighter, a reserve police officer or an emergency medical tech-**
8 **nician;**

9 (2) **The taxpayer provides volunteer firefighting, public safety or emergency medical**
10 **technician services for at least 300 hours during the tax year; and**

11 (3) **The taxpayer obtains a tax rate reduction certificate from the Department of Public**
12 **Safety Standards and Training for the tax year.**

13 **SECTION 2. (1) The Department of Public Safety Standards and Training shall develop a**
14 **tax rate reduction certification program whereby a taxpayer who meets the qualifications**
15 **described in section 1 of this 2007 Act may apply for tax rate reduction under ORS 316.037**
16 **(4).**

17 (2) **An application for a tax rate reduction certificate shall be on a form prescribed by**
18 **the department, containing the information required by the department.**

19 (3) **The department shall review each application and may audit or investigate the accu-**
20 **racy of the information contained therein. If the department concludes that the applicant**
21 **meets the criteria under section 1 of this 2007 Act to qualify for a tax rate reduction, the**
22 **department shall issue a certificate to the applicant.**

23 (4) **The department may adopt rules to implement the provisions of section 1 of this 2007**
24 **Act and this section.**

25 **SECTION 3. ORS 316.037 is amended to read:**

26 316.037. (1)(a) A tax is imposed for each taxable year on the entire taxable income of every
27 resident of this state. The amount of the tax shall be determined in accordance with the following
28 table:

29
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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	If taxable income is:	The tax is:
2		
3	Not over \$2,000	5% of
4		taxable
5		income
6	Over \$2,000 but not	
7	over \$5,000	\$100 plus 7%
8		of the excess
9		over \$2,000
10		
11	Over \$5,000	\$310 plus 9%
12		of the excess
13		over \$5,000
14	<hr/>	

15
16 (b) For tax years beginning in each calendar year, the Department of Revenue shall adopt a
17 table that shall apply in lieu of the table contained in paragraph (a) of this subsection, as follows:

18 (A) The minimum and maximum dollar amounts for each rate bracket for which a tax is imposed
19 shall be increased by the cost-of-living adjustment for the calendar year.

20 (B) The rate applicable to any rate bracket as adjusted under subparagraph (A) of this para-
21 graph shall not be changed.

22 (C) The amounts setting forth the tax, to the extent necessary to reflect the adjustments in the
23 rate brackets, shall be adjusted.

24 (c) For purposes of paragraph (b) of this subsection, the cost-of-living adjustment for any calen-
25 dar year is the percentage (if any) by which the monthly averaged U.S. City Average Consumer
26 Price Index for the 12 consecutive months ending August 31 of the prior calendar year exceeds the
27 monthly averaged index for the second quarter of the calendar year 1992.

28 (d) As used in this subsection, "U.S. City Average Consumer Price Index" means the U.S. City
29 Average Consumer Price Index for All Urban Consumers (All Items) as published by the Bureau of
30 Labor Statistics of the United States Department of Labor.

31 (e) If any increase determined under paragraph (b) of this subsection is not a multiple of \$50,
32 the increase shall be rounded to the next lower multiple of \$50.

33 (2) A tax is imposed for each taxable year upon the entire taxable income of every part-year
34 resident of this state. The amount of the tax shall be computed under subsection (1) of this section
35 as if the part-year resident were a full-year resident and shall be multiplied by the ratio provided
36 under ORS 316.117 to determine the tax on income derived from sources within this state.

37 (3) A tax is imposed for each taxable year on the taxable income of every full-year nonresident
38 that is derived from sources within this state. The amount of the tax shall be determined in ac-
39 cordance with the table set forth in subsection (1) of this section.

40 **(4)(a) Notwithstanding subsection (1) of this section, "eight percent" shall be substituted**
41 **for "nine percent" in the table set forth under subsection (1) of this section if the taxpayer**
42 **has been issued a tax rate reduction certificate by the Department of Public Safety Stan-**
43 **dards and Training under section 2 of this 2007 Act.**

44 **(b) A taxpayer claiming a rate reduction shall attach a copy of the certificate to the**
45 **taxpayer's return for the tax year.**

1 (c) The rate reduction described in this subsection applies to all taxable income of the
2 taxpayer, from whatever source derived and whether reported on a single or joint return.

3 SECTION 4. The amendments to ORS 316.037 by section 3 of this 2007 Act apply to tax
4 years beginning on or after January 1, 2008.

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