

Senate Bill 754

Sponsored by Senator WALKER; Representatives BOONE, DALLUM, GARRARD, KOMP, OLSON, ROBLAN (at the request of Oregon Chapter of the National Association of Social Workers)

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**.

Provides credit against personal income taxes for payment of interest on principal of loans used to attend institution of higher education to obtain bachelor's or higher degree in social work if taxpayer is employed in qualifying employment. Limits amount of credit.

Applies to tax years beginning on or after January 1, 2007.

Takes effect on 91st day following adjournment sine die.

A BILL FOR AN ACT

1
2 Relating to tax credits for interest on educational loans of social workers; and prescribing an ef-
3 fective date.

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

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

6 **SECTION 2. (1) As used in this section, "eligible loan payments" means payments of in-**
7 **terest made by the taxpayer on the principal amounts borrowed by the taxpayer to pay for**
8 **tuition and related expenses, including room and board, incurred while the taxpayer attended**
9 **a higher education program, at a college or university accredited by the Council on Social**
10 **Work Education, leading to a bachelor's, master's or doctoral degree in social work.**

11 **(2) An individual taxpayer is allowed a credit against the taxes otherwise due under ORS**
12 **chapter 316 for eligible loan payments made during the tax year if the taxpayer was employed**
13 **during the tax year for which the credit is claimed by a public body or a nonprofit organ-**
14 **ization serving residents of this state that provides public assistance as described in ORS**
15 **411.010 or a similar public assistance program.**

16 **(3) The credit allowed under this section may not exceed:**

17 **(a) \$3,000 or the total tax liability of the taxpayer if the taxpayer is employed by a qual-**
18 **ifying employer under subsection (2) of this section in a county with a population of less than**
19 **10,000;**

20 **(b) \$2,000 or the total tax liability of the taxpayer if the taxpayer is employed by a qual-**
21 **ifying employer under subsection (2) of this section in a county with a population of at least**
22 **10,000 but less than 100,000; or**

23 **(c) \$1,000 or the total tax liability of the taxpayer if the taxpayer is employed by a qual-**
24 **ifying employer under subsection (2) of this section in a county with a population of 100,000**
25 **or more.**

26 **(4) A nonresident shall be allowed the credit under this section in the proportion provided**
27 **under ORS 316.117.**

28 **(5) If a change in the taxable year of a taxpayer occurs as described in ORS 314.085, or**
29 **if the Department of Revenue terminates the taxpayer's taxable year under ORS 314.440, the**

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 credit allowed under this section shall be prorated or computed in a manner consistent with
2 ORS 314.085.

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

6 SECTION 3. Section 2 of this 2007 Act applies to tax years beginning on or after January
7 1, 2007.

8 SECTION 4. This 2007 Act takes effect on the 91st day after the date on which the reg-
9 ular session of the Seventy-fourth Legislative Assembly adjourns sine die.

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