

A-Engrossed
Senate Bill 816

Ordered by the House June 23
Including House Amendments dated June 23

Sponsored by COMMITTEE ON FINANCE AND REVENUE

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.

[Provides that property held by exempt entity that is subleased to another exempt entity is exempt from taxation.]

Modifies amounts that may be subtracted from federal taxable income for contributions to college savings network accounts.

Takes effect on 91st day following adjournment sine die.

A BILL FOR AN ACT

1
2 Relating to taxation; creating new provisions; amending ORS 316.699; and prescribing an effective
3 date.

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

5 **SECTION 1.** If House Bill 3201 becomes law, ORS 316.699, as amended by section 11, chapter
6 ____, Oregon Laws 2007 (Enrolled House Bill 3201), is amended to read:

7 316.699. (1) There shall be subtracted from federal taxable income the amount contributed to a
8 college savings network account established under ORS 348.841 to 348.873.

9 (2) Notwithstanding subsection (1) of this section, a subtraction under this section may not ex-
10 ceed the lesser of:

11 (a) \$4,000 for the tax year if the taxpayer files a joint return, or \$2,000 for the tax year if the
12 taxpayer files a return other than a joint return; and

13 (b) If an amount is carried forward to a succeeding tax year under subsection [(3)] (4) of this
14 section, the balance in the college savings network account at the close of the tax year for which
15 the subtraction is being made.

16 (3)(a) The Department of Revenue shall annually adjust the maximum subtraction allowable un-
17 der this section according to the cost-of-living adjustment for the calendar year. The department
18 shall make this adjustment by multiplying the amount in subsection (2) of this section by the per-
19 centage (if any) by which the monthly averaged U.S. City Average Consumer Price Index for the 12
20 consecutive months ending August 31 of the prior calendar year exceeds the monthly averaged U.S.
21 City Average Consumer Price Index for the 12 consecutive months ending August 31, 2007.

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

25 (4) Any amounts contributed to a college savings network account that are not subtracted from
26 federal taxable income because of the monetary limitations imposed by subsection (2) of this section

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 may be carried forward for four succeeding tax years and subtracted from federal taxable income
2 in any of those succeeding tax years in an amount that does not exceed the monetary limitations
3 imposed by subsection (2) of this section.

4 (5) The amount contributed to a college savings network account may be subtracted from a
5 preceding tax year if the contribution is made before the taxpayer files a return or before the 15th
6 day of the fourth month following the closing of the taxpayer's tax year, whichever is earlier.

7 **SECTION 2.** If House Bill 3201 becomes law, ORS 316.699, as amended by section 11, chapter
8 ____, Oregon Laws 2007 (Enrolled House Bill 3201), and section 1 of this 2007 Act, is amended to
9 read:

10 316.699. (1) There shall be subtracted from federal taxable income the amount contributed to a
11 college savings network account established under ORS 348.841 to 348.873.

12 (2) Notwithstanding subsection (1) of this section, a subtraction under this section may not ex-
13 ceed the lesser of:

14 *[(a) \$4,000 for the tax year if the taxpayer files a joint return, or \$2,000 for the tax year if the*
15 *taxpayer files a return other than a joint return; and]*

16 **(a) \$2,000 for the tax year or, in the case of a married individual filing separately, \$1,000**
17 **for the tax year; and**

18 (b) If an amount is carried forward to a succeeding tax year under subsection (4) of this section,
19 the balance in the college savings network account at the close of the tax year for which the sub-
20 traction is being made.

21 (3)(a) The Department of Revenue shall annually adjust the maximum subtraction allowable un-
22 der this section according to the cost-of-living adjustment for the calendar year. The department
23 shall make this adjustment by multiplying the amount in subsection (2) of this section by the per-
24 centage (if any) by which the monthly averaged U.S. City Average Consumer Price Index for the 12
25 consecutive months ending August 31 of the prior calendar year exceeds the monthly averaged U.S.
26 City Average Consumer Price Index for the 12 consecutive months ending August 31, 2007.

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

30 (4) Any amounts contributed to a college savings network account that are not subtracted from
31 federal taxable income because of the monetary limitations imposed by subsection (2) of this section
32 may be carried forward for four succeeding tax years and subtracted from federal taxable income
33 in any of those succeeding tax years in an amount that does not exceed the monetary limitations
34 imposed by subsection (2) of this section.

35 (5) The amount contributed to a college savings network account may be subtracted from a
36 preceding tax year if the contribution is made before the taxpayer files a return or before the 15th
37 day of the fourth month following the closing of the taxpayer's tax year, whichever is earlier.

38 **SECTION 3. The amendments to ORS 316.699 by section 2 of this 2007 Act apply to tax**
39 **years beginning on or after January 1, 2012.**

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