Senate Bill 998

Sponsored by COMMITTEE ON COMMERCE

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.

1   **A BILL FOR AN ACT**

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 _____

30

LC 3636

If taxable income is:	The tax is:
Not over $2,000	5% of taxable income
Over $2,000 but not over $5,000	$100 plus 7% of the excess over $2,000
Over $5,000	$310 plus 9% of the excess over $5,000

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

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

(B) The rate applicable to any rate bracket as adjusted under subparagraph (A) of this paragraph shall not be changed.

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

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

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

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

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

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

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

(b) A taxpayer claiming a rate reduction shall attach a copy of the certificate to the 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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