

House Bill 2407

Sponsored by Representative ROBLAN (at the request of National Association of Social Workers, Oregon Chapter)

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, 2009.

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 2009 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 tui-**
8 **tion and related expenses, including room and board, incurred to support attendance by the**
9 **taxpayer in a higher education program at a college or university accredited by the Council**
10 **on Social Work Education.**

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:**

13 **(a) The college or university attendance resulted in the awarding of a bachelor's, mas-**
14 **ter's or doctoral degree in social work to the taxpayer; and**

15 **(b) The taxpayer was employed, in a field related to social work and for at least six**
16 **months during the tax year for which the credit is claimed, by a public body, as defined in**
17 **ORS 174.109, or a nonprofit organization serving residents of this state that provides pro-**
18 **grams and services described in ORS 409.010 (2)(a) to (g).**

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

20 **(a) If the taxpayer is employed in a county with a population of less than 10,000, \$2,000**
21 **or the total tax liability of the taxpayer;**

22 **(b) If the taxpayer is employed in a county with a population of at least 10,000 but less**
23 **than 100,000, \$1,500 or the total tax liability of the taxpayer; or**

24 **(c) If the taxpayer is employed in a county with a population of 100,000 or more, \$500 or**
25 **the total tax liability of the taxpayer.**

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**
30 **credit allowed under this section shall be prorated or computed in a manner consistent with**

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 **ORS 314.085.**

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

5 **SECTION 3.** Section 4 of this 2009 Act is added to and made a part of ORS chapter 316.

6 **SECTION 4.** There shall be added to federal taxable income for a tax year any amount
7 deducted under section 221 of the Internal Revenue Code for which a taxpayer claims a credit
8 under section 2 of this 2009 Act for the same tax year.

9 **SECTION 5.** Sections 2 and 4 of this 2009 Act apply to tax years beginning on or after
10 January 1, 2009.

11 **SECTION 6.** This 2009 Act takes effect on the 91st day after the date on which the reg-
12 ular session of the Seventy-fifth Legislative Assembly adjourns sine die.

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